

IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF MARYLAND

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. ) Civil No. WMN 05 CV 1297  
 )  
 JOHN BAPTIST KOTMAIR, JR., et al., )  
 )  
 Defendants. )

**UNITED STATES' REPLY TO DEFENDANT SAPF'S RESPONSE TO UNITED STATES' MOTION TO COMPEL DEFENDANTS' DISCOVERY RESPONSES**

**I. BACKGROUND**

On January 10, 2006, the United States moved to compel Defendants John Baptist Kotmair, Jr. and Save-A-Patriot Fellowship (SAPF) to answer several of the United States' interrogatories and requests for production of documents.<sup>1</sup> Defendant Save-A-Patriot (SAPF) filed a memorandum in opposition on February 1, 2006. The United States now files this reply.

Defendant SAPF raises several objections to the United States' discovery requests, some for the first time. In this reply, the United States addresses: (1) SAPF's objections based on relevance; (2) SAPF's assertion that certain interrogatories and document requests are protected by the First Amendment; and (3) SAPF's claim that the production of certain documents is purportedly in the possession of the IRS is unduly burdensome. SAPF's objections should be overruled for two reasons. First, these objections are deemed waived and, second, even if the Court were to consider these untimely objections, they are meritless.

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<sup>1</sup> The United States' Motion to Compel, Memorandum in Support of Motion to Compel, the United States' L.R. 104.7 Certificate of Conference, and Notice of Service of Motion to Compel were sent to the Court on December 30, 2005, and filed by the Court on January 10, 2006.

## II. SAPF'S OBJECTIONS TO THE UNITED STATES' DISCOVERY REQUESTS ARE DEEMED WAIVED

Federal Rule 33(b)(4) explicitly provides that “[a]ll grounds for objections to interrogatories must be stated with specificity and that any ground not so stated in a timely objection is waived unless excused by the Court for good cause.” *Id.*; *see also*, *Richmark Corp. v. Timber Falling Consultants*, 959 F.2d 1468, 1473 (9th Cir. 1992); *Dorrough v. Mullikin*, 563 F.2d 187, 191 (5th Cir. 1977); *Drexel Heritage Furnishings, Inc. v. Furniture USA, Inc.*, 200 F.R.D. 255, 258-59 (M.D.N.C. 2001); *Hall v. Sullivan*, 231 F.R.D. 468 (D. Md. 2005). While there is no similar provision in Federal Rule 34(b), the “procedure under Rule 34 [is] intended to be governed by the same procedures applied under Rule 33” requiring the raising of objections within thirty days. *Id.* The burden of avoiding waiver rests with the party that failed to state its objections. *Id.*

SAPF’s objections are deemed waived because they are untimely and no good cause has been shown. On October 25, 2005, the United States served interrogatories and requests for production of documents upon SAPF; its responses were mailed on December 1, 2005. SAPF amended those responses on December 29, 2005, and for the first time raised an “unduly burdensome and financially prohibitive” objection. United States’ L.R. 104.7 Certificate of Conference, Ex. B, D, and H. In its response filed on February 1, 2006, SAPF objected to request for documents number eight for the first time. As SAPF did not raise these objections within thirty days of the United States’ discovery requests, it waived them, absent a showing of good cause.

Factors relevant in assessing whether good cause exists in this case include:<sup>2</sup> (1) the reason for the delay or failure to particularize; and (2) whether there was any dilatory or bad faith action on the part of the party that failed to raise the objection properly. Here, the objections should be deemed waived as SAPF failed its burden of proving good cause and the relevant factors indicate an absence thereof. Although the United States addressed SAPF's delinquent objections in the Motion to Compel, SAPF provided no explanation for the for the delay in the opposition filed with the Court. The absence of any explanation suggests that there is no reason for the delay in raising any objections.

In addition, there is evidence of bad faith on the part of Kotmair and SAPF. As an initial matter, it should be noted that Kotmair responded to both the discovery requests served on him and SAPF. In both responses, Kotmair failed to certify the answers under oath as required, even after the United States notified the parties of this deficiency by letter dated December 20, 2005.<sup>3</sup> In addition, in Kotmair's opposition to the Motion to Compel he objects to several requests based on his assertion that he is not authorized to disclose the information, individually, while in SAPF's responses Kotmair states that he is the only SAPF employee holding a supervisory position. United States' L.R. 104.7 Certificate of Conference, Ex. D. However, neither

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<sup>2</sup> There are a total of six factors courts consider in assessing whether good cause exists: "(1) the length of the delay or failure to particularize; (2) the reason for the delay or failure to particularize; (3) whether there was any dilatory or bad faith action on the part of the party that failed to raise the objection properly; (4) whether the party seeking discovery has been prejudiced by the failure; (5) whether the document production request was properly framed and not excessively burdensome; and (6) whether waiver would impose an excessively harsh result on the defaulting party." *Hall v. Sullivan*, 231 F.R.D. 468 (D. Md. 2005).

<sup>3</sup> See Fed.R.Civ.P. 33(b)(1); United States' L.R. 104.7 Certificate of Conference, Ex. E.

Defendant has explained SAPF's apparent refusal to allow Kotmair to disclose the information. Because SAPF's objections were delinquent, and facts exist that demonstrate bad faith, the objections are waived.

### **III. SAPF'S OBJECTIONS TO THE UNITED STATES' DISCOVERY REQUESTS**

#### *1. The information sought by the United States is Relevant to this Case.*

Though documents requested to be produced under federal discovery rules must be relevant to the litigation, the concept of relevancy is to be given a liberal interpretation. *Duplan Corp. v. Deering Milliken, Inc.*, 397 F. Supp. 1146 (D.S.C. 1974). SAPF objects to the United States interrogatories numbers 6, 9(a), 11, 21, 22, and 24 and request for documents numbers 10 and 16 based on relevance. The requested information in dispute includes: (1) amounts of wages paid to SAPF employees; (2) the names of SAPF members who were represented by SAPF before the IRS; (3) the names of SAPF members for whom SAPF assisted in drafting court filings; and (4) payments to members that benefitted from SAPF's "insurance-like" programs that reimburse a participant who violated the federal tax laws.

This information is central to the United States' suit. The complaint seeks to enjoin Defendants from engaging in activities subject to penalties under I.R.C. §§ 6700 and 6701. The activities subject to Section 6700 penalties include the organizing of a group that promotes, *inter alia*, "the excludability of any income" that the person or group knows to be false. *Id.* Section 6700 imposes a penalty on fifty percent of the gross income derived from the activity or \$1,000 on each sale, whichever is less. *Id.*

The information sought deals specifically with the amount of income received by Defendants for conducting this activity and the extent of their activity. Defendants advertise the sale of services such as sending letter responsive to notices from the IRS, filing of Court documents, and filing bankruptcy petitions for a fee in an effort to inhibit the collection of tax. *See* Declaration of Thomas M. Newman ¶ 3(a)-(d), Exhibits A, B, C, and D. Since information requested by the United States may be relevant to identify SAPF customers who may be potential witnesses or sources of documents.

2. *SAPF's Activities are not Protected by the First Amendment.*

Courts have repeatedly held that the freedom of association does not apply to customer lists. *In re Grand Jury Subpoena Served Upon Crown Video Unlimited, Inc.*, 630 F. Supp. 614, 619 (E.D.N.C. 1986). Despite Defendants' choice in terminology, the SAPF "members" are in reality customers—they pay fees in exchange for products and services designed to assist them in dodging federal taxes. SAPF "members" pay SAPF (or NWRC) for frivolous letters to their employers demanding that the employers stop withholding federal tax from their wages. They pay SAPF for audiotapes, videotapes, and books that Defendants advertise will show them how to avoid the IRS. *See* Declaration of Thomas M. Newman ¶ 3(a)-(e), Exhibits A, B, C, D, and E. SAPF is, in short, a commercial enterprise, not a political advocacy group. Since producing customer lists does not offend the First Amendment because commercial transactions do not give rise to associational rights this objection should be overruled. *IDK, Inc. v. County of Clark*, 836 F.2d 1185, 1193 (9<sup>th</sup> Cir.1988).

In *IDK*, the Court noted that an association should be characterized as commercial, and therefore subject state regulation of its membership and other associational activities, when the association's activities are not predominantly of the type protected by the First Amendment. *Id.* at 1995. Here, Defendants' relationships with SAPF members are predominantly commercial because SAPF's primary activity is providing services for a fee. *See* Declaration of Thomas M. Newman ¶ 3(a)-(e), Exhibits A, B, C, D, and E. SAPF advertises that it will send payments to members enrolled in the Member Assistance Program whose property is levied by the IRS in excess of the value of the property, provides casework that involves writing letters to the IRS for \$45 per letter, and court filing for at least \$300 to \$400 per motion. *See* Declaration of Thomas M. Newman ¶ 3(a)-(d), Exhibits A, B, C, and D. Defendants' materials further state that all services provided to a member are suspended until payment is received. *See* Declaration of Thomas M. Newman ¶ 3(d), Exhibit D. These facts support a predominant commercial activity and the disputed discovery requests relate to items arising from those commercial transactions.

In addition, SAPF's attempt to distinguish itself factually from the defendant in *United States v. Bell*, 414 F.3d 474, 475 (3d Cir. 2005), is unavailing. The distinction noted by SAPF is that the defendant in *United States v. Bell* charged members for preparing frivolous income tax returns, while SAPF advocates that members are not required to file income tax returns, and charges for letters that explain the filing deficiency to the IRS. *See* Declaration of Thomas M. Newman ¶ 3(b)-(c), Exhibits B and C. This distinction is without merit and SAPF's objection should be overruled because the customer list is not protected by the First Amendment.

3. *Providing Letters and Documents Sent to the IRS on Behalf of SAPF Members is not Unduly Burdensome.*

SAPF objects to responding to interrogatory number 9(a), and document request number 7, because the requests are unduly burdensome. Specifically, SAPF asserts that the IRS already possesses the name, Social Security numbers, and identifying information of taxpayers it represents in a central location. This assertion is incorrect, and the objection should be overruled.

To carry its burden, SAPF must show not only that the IRS possesses the information, but also that the IRS can readily retrieve the information. In the context of summoned information courts have "declined to apply a literal interpretation to this *Powell* criterion in favor of a practical approach to IRS accessibility." *United States v. John G. Mutschler & Assoc., Inc.*, 734 F.2d 363, 367-368 (8th Cir. 1984). In applying such a "practical approach," the courts have held that the IRS can summon documents that may be in its possession but which are difficult to retrieve. *United States v. Davey*, 543 F.2d 996, 1001 (2d Cir. 1976).

As applied to this case, the United States provided support that the letters sent by Kotmair and SAPF on behalf of taxpayers are mailed to various IRS service centers and associated with each taxpayers' individual file. The information is not centrally located, as it is not associated with either Kotmair or SAPF. Declaration of Thomas M. Newman in Support of Reply to Defendant Kotmair's Response to the United States' Motion to Compel Discovery Responses ¶¶1-9; *See* Declaration of Thomas M. Newman ¶ 3(f), Exhibit F.<sup>4</sup> As such, the requested items

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<sup>4</sup> Kotmair discusses his IRS representative number in his book, *Piercing the Illusion*, states that: "I received a letter from the District Director of the Baltimore IRS Office, notifying

are centrally located only at SAPF headquarters, and SAPF should be required to produce the information.

#### IV. CONCLUSION

For the foregoing reasons, the Court should enter an order compelling SAPF to respond in full to the above-listed discovery requests.

Respectfully submitted,

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me that my representative number had been revoked. I responded by asking for the formal reason for this action [but]... to this day I have never received an answer to this inquiry.” However, in Kotmair’s letter to the IRS, he declares under penalty of perjury that he is authorized to practice before the IRS, is not currently under suspension, and makes no mention of the revocation of his representative number. Declaration of Thomas M. Newman in Support of Reply to Defendant Kotmair’s Response to the United States’ Motion to Compel Discovery Responses ¶¶ 4, Exhibit 1. Both Kotmair and SAPF assert that the requested documents are centrally associated with Kotmair’s purported IRS representative number and therefore, they do not need to produce the letters. This assertion is inconsistent with Kotmair’s admission that his IRS representative number was revoked.



**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the foregoing UNITED STATES' REPLY TO DEFENDANT SAPF'S RESPONSE TO THE UNITED STATES' MOTION TO COMPEL has been made upon the following by depositing a copy in the United States mail, postage prepaid, this 8th day of February, 2006.

John Baptist Kotmair, Jr.  
P.O. Box 91  
Westminster, MD 21158

George Harp, Esq.  
610 Marshall St., Ste. 619  
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/s/Thomas M. Newman

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JOHN BAPTIST KOTMAIR, JR., et al., )  
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Defendants. )

**DECLARATION OF THOMAS M. NEWMAN IN SUPPORT OF REPLY TO SAPP'S  
OPPOSITION TO THE UNITED STATES' MOTION TO COMPEL**

1. This declaration and attached exhibit are submitted under 28 U.S.C. § 1746 in connection with the United States' Reply to Defendant Kotmair's Response to the United States' Motion to Compel Discovery Responses. I am a trial attorney with the Department of Justice's Tax Division in Washington, D.C. to whom this case is assigned.

2. As part of my duties, I have custody of the administrative file for this case.

3. The following material contained in the administrative file are true and correct copies of documents supplied by Defendants in response to the United States discovery request:

- a. The Save-A-Patriot Fellowship Membership Handbook introductory page, Exhibit A;
- b. The Save-A-Patriot Fellowship Membership Handbook pages 4, 5, 6, and 9, Exhibit B;
- c. The Save-A-Patriot Fellowship Membership Handbook pages 16, 17, and 20-23, Exhibit C;

- d. The Save-A-Patriot Fellowship Membership Handbook page 27, Exhibit D;
- e. The explanation of a Fellowship Independent Representative contained in The Save-A-Patriot Fellowship Membership Handbook, Exhibit E; and
- f. Copies of the title page and page 139 of the book *Piercing the Illusion* authored by John B. Kotmair, Exhibit F.

I declare under penalty of perjury the foregoing is true and correct. Executed this 8<sup>th</sup> day of February, 2006.

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# *Save-A-Patriot Fellowship*

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## Member Handbook

*(revised November 1, 2003 in the 19<sup>th</sup> year of the Fellowship's founding)*



*“Together We Must Stand – Or – Separately You Will be Stood On!!!”*



## WHAT IS THE SAVE-A-PATRIOT FELLOWSHIP?

Over the past two decades, a vast profusion of so-called "un-tax" and "de-tax" groups and gurus have come and gone, most of which relied upon — and were ultimately defeated by — a bewildering variety of unproven arguments, untested theories and so-called "silver bullets".

Steadfast from the beginning, there has emerged, a single prestigious, national organization which serves no other purpose than to actively promote the study of the Law — as it is actually written — and to assist its members in the assertion of their rights in accordance with the Law, especially when dealing with the IRS and the state taxing agencies.

The Save-A-Patriot Fellowship (SAPF) has been in continuous existence since 1984 and at the same physical location since 1986 - 12 Carroll Street in Westminster, Maryland — and at the same telephone number - (410) 857-4441 — and now has members numbering in the thousands from all fifty states.

SAPF is a national association of individuals who are aware that various government agencies — and the IRS in particular — are regularly and systematically infringing upon individual rights. In general, Fellowship members are also aware that this infringement is a direct result of inadequately trained government employees who are more concerned with "following orders", "pushing buttons", issuing memos and otherwise adhering to administrative "policy" than to the written Law itself, and that such policy often runs counter to the constitutional limitations that are imposed on the government.

The Fellowship has researched and developed legal defensive weapons to protect our Liberty and Property. When someone joins the Fellowship, it is a foregone conclusion that they are, to whatever extent, "Fed"—up with the government bureaucracy that has brought this about, and are particularly concerned with the IRS and its propensity to:

- 1) Misapply the Law;
- 2) Illegally enforce its provisions;
- 3) Wreak havoc on peoples' lives, and;
- 4) Rely upon the fact that most people do not take the time to educate themselves or prepare a proper legal defense.

Moreover, since the era of president Roosevelt, our system of justice has "presumed" that any agency of the government has legal jurisdiction over a citizen with regard to the body of Law that the agency is charged with administering, without first having to establish and prove that the agency's contentions are correct. Therefore, any burden of proof to the contrary falls fully upon the individual.

This reversal of presumption in disregard of constitutional ethic has resulted in Courts ruling that rights "will [no longer] be passively protected" and that "they must [now] be aggressively asserted" by the "belligerent claimant in person." (citizen)

By using the news media to plant stories suggesting that resistance is futile and reprisal is swift and painful, the bureaucrats keep the multitudes in line and in F.E.A.R (False Evidence Appearing Real). These "reminders" and a lifetime of Pavlovian conditioning make it difficult for most people to take the first break-away step. However, Fellowship members know: the risk can be removed!

### ***TOGETHER WE MUST STAND - OR - SEPARATELY YOU WILL BE STOOD ON!***

A single pencil is easy to snap in your bare hands. Now try it with a bundle of pencils! The Fellowship provides mutual aid, support, and assistance to those who wish to assert their rights. This is accomplished in a number of ways.

#### **FIRST TYPE OF SUPPORT**

The Fellowship operates much like an insurance company in that members pledge under our Member Assistance Program (MAP) to reimburse other members should they suffer a loss of cash or property as a result of illegal IRS collection practices and confiscation. With the financial threat of asserting one's liberty thereby removed by spreading the reimbursement costs among all members, "closet" Patriots are joining the Fellowship in droves. Welcome to the Constitutional Revivalist Movement!

To our knowledge, there is no insurance company willing to "buck the system" and insure American Patriots against the criminal acts of the IRS. Our only alternative was to start and maintain our own. However, creating and operating a conventional insurance company would have been impossible. The bureaucrats would have insisted on our submitting to the dictates of the Insurance Commission to the detriment of Patriots who would be forced to expend funds on legal actions

against insurance companies rather than directing our combined efforts against the illegal acts of the government. Furthermore, monies received on insurance claims would automatically be available to the prying eyes of the IRS.

There was and is only one logical answer—a true FELLOWSHIP—to give the Patriot insurance-like protection to Save-A-Patriot!!!

## **THE HEART OF THE FELLOWSHIP**

A true state of Liberty cannot exist without the rights to property protected. The vision of Founder and Fiduciary, John Kotmair, which became the driving force and fundamental purpose behind the Save-A-Patriot Fellowship, was a group of Patriots working together and dedicating their resources where needed to eliminate ignorance, fear, and loss of property while making a stand for their rights against a government system growing increasingly out of control.

One of the greatest fears anyone can face in our society today is the loss of property. This understanding is what lead to what we call the “heart of the fellowship” - the Member Assistance Program (MAP); members helping to restore the lives of fellow members who have been hurt when their property is lost or stolen due to illegal action by various IRS employees.

When a member knows, through a mutual agreement, that he can count on other members to assist him when hard times hit, worry, anxiety and fear of the unknown becomes less of a factor in the fight for his rights and leaves much more room for courage and determination to abound.

It is imperative that each of us understands how critically important it is to meet our pledge of monthly commitment to the Member Assistance Program.

Remember, this is not socialist government wealth redistribution under threat of incarceration — this is voluntary charity. Please also keep in mind that any one of our fellowship members asserting his or her rights can very possibly be the one individual who sets a precedent for any given legal issue that we address, thus changing for the better the lives of all of us, our children and our grandchildren, for all time. In other words, you may never know which of us was the “straw that broke the [socialist] camel’s back”.

There are currently more cracks in the government’s dam than there are bureaucratic fingers to plug them — you may never know which of us causes the dam to break. You may never know the member’s name until it happens. You may never have any idea how they are living or what they are going through to take their stand for God and their country. But, they know YOU - by the FRN’s they receive in the mail just when it counts the most — when it matters that the kids have clothes, or food, or schoolbooks, or that the family has a car to get to and from work, or that the breadwinner has to leave the family for a while and “serve his or her country”. When these things matter, your actions speak louder than words. And your names, with thanks, are on the lips and in the prayers of those members whose lives you have touched.

## **HOW HAS THE MEMBER ASSISTANCE PROGRAM WORKED?**

Like a “Swiss watch”! Since 1984, there have been two types of insurance-like coverage provided: civil and criminal. Civil coverage up to 150,000 FRN’s includes the reimbursement of stolen cash and/or property. Criminal coverage reimburses an incarcerated member 25,000 FRN’s towards the loss of his or her earnings during any part or a full year of incarceration.

When a member in good standing loses cash or real property due to *illegal confiscation by the IRS and/or a state taxing agency*, or if the member is incarcerated, s/he puts in a claim to SAPF headquarters for the actual amount of the loss or incarceration. Upon validation of the claim, a uniform assessment is apportioned to the entire membership.

The cost per member of participating in the MAP reached an annual high of approximately 500 FRN’s in 1991. Recently, it has averaged less than 20 FRN’s per month, a decline of over 50%! This remarkable reduction is the result of several factors:

As a result of our recently introduced Associate (educational) Membership (a description of which follows below), many “constitutionally reborn” Americans have joined the Fellowship at a time when they were not ALREADY embattled with the IRS. These members continue to join daily in order to become educated, learn how to protect their property, “line their ducks up”, and decide when and how to move forward. Many of these members later upgrade to Full Member (described below), fully prepared for the battle.

As a result of this new area of growth, the overall “health” of the Fellowship has become stronger as fewer and fewer members become damaged by illegal IRS activities and require assistance. Since even Associate Members pledge to

participate to support the MAP, the swelling of our ranks has resulted in a reduction in each member's share of the monthly assessment.

Also, the quality and scope of the services the Fellowships legal defense departments - case development, NWRC, and paralegal (described below) — are able to provide to members continue to improve through experience. Over the past five years, the case development department alone has tracked, generated or archived a total of five million documents, all with a staff of less than two dozen people (the government should be so efficient). A September 1996 communication from our Maryland headquarters revealed that 85% of those cases under case development had gone dormant, meaning that the IRS had not attempted to contact the member in six months or longer.

#### **AN EXAMPLE OF THE MEMBER ASSISTANCE PROGRAM IN ACTION:**

John Freeman became a member of SAPF. After a stubborn and valiant fight through every phase of the bureaucratic maze, the IRS illegally confiscated his car valued at 9,000 FRN's (Federal Reserve Notes, commonly but erroneously referred to as "dollars"). His fellow members were assessed their share (in the case of 1,000 members, the apportioned share would be 9 FRN's each) — equal value received for equal loss. If John was incarcerated for a full year, the Fellowship reimbursed him 25,000 FRN's.

#### **THE "VICTORY EXPRESS" ... ALL ABOARD !!!**

Under this recently revised version of the MAP, each member will be assessed a minimum of 10 FRN's each month, REGARDLESS of the size of the claim no matter how large the membership becomes.

Using the example of John Freeman again, if the membership were only 1,000, he would receive 10,000 FRN's (10 FRN minimum X 1,000 members) for his 9,000 car — a PROFIT OF 1,000 FRN's FOR LOSING HIS CAR! Some loss!!!

When the membership reaches our goal of 100,000 members, each claimant will be paid approximately ONE MILLION FRNs! - whether the member loses a home or is incarcerated in a federal prison camp for 6 months for "willful failure to file". And, unlike the lottery, he won't have to wait 20 years! Some members may even wish for multiple sentences, since the incarceration assessments are for any portion of a year, each! Because of adverse publicity, federal judges will be hard pressed to sentence Patriots to serve time in federal prison camps.

We believe the VICTORY EXPRESS will cause SAPF enrollments to EXPLODE! And the larger the Fellowship becomes, the greater the support of the People will become! Associate Memberships will ALL upgrade to Full Membership as the People lose their fear and jump into the fray.

When the membership reaches 100,000, IRS agents will be tempted to defect their positions en masse. With no "hired guns" to extort the public, the welfare state will collapse along with the Federal Reserve Bank and the evil doers can be brought to Justice.

Under the new "VICTORY EXPRESS", Mr. Freeman's friends can assert their constitutional rights and obey the Law as written without fear of the IRS. As Americans by the hundreds of thousands join the Constitutional Revival Movement, the despotic house of cards will collapse—and LIBERTY WILL BE RESTORED!!! IT IS A WORKABLE, OBTAINABLE PLAN!!!

#### **SECOND TYPE OF SUPPORT**

The Fellowship provides assistance via its case development, National Workers Rights Committee (NWRC) and paralegal departments. For example, should the IRS attempt to contact a member with, for example, a summons to appear at an audit, a request to file a tax return or a proposed assessment of taxes alleged to be owed (examples of IRS civil investigation), caseworkers in the Fellowship's case development department are available acting under power-of-attorney authorized by the member to handle the correspondence, to address any improper requests or allegations and to develop an overall evidentiary foundation of "exculpatory evidence".

NWRC provides such member services as the proper procedure and paperwork to discontinue tax withholding or the proper response to an IRS Notice of Levy or to an employer's request for a social security number. NWRC has recently achieved out-of-court settlements with employers who either refused to hire or fired a Fellowship member who does not possess a social security number.

employment. The Fellowship operates as a matter of RIGHT, which is protected under the 1st Amendment, therefore among other considerations, the staff and Independent Representatives are prohibited from making actual legal determinations. This includes determining whether any given individual is subject to the internal revenue laws. The individual in question (a prospective member, for example) would be the only person who could make such a determination. Staff members and Independent Representatives may cite the law and explain it in terms of its regulations and procedures in order to assist someone in making a correct decision. The staff (casework or NWRC departments - see below) may also generate a written response on behalf of members who have received improper inquiries from the IRS. However, neither our staff nor our Independent Representatives can tell you whether or not you are required to file a return or pay a tax. YOU are the only person who can make this determination. Once a prospective member has made that decision, the staff can act accordingly.

Since you have joined SAPF, we assume that you have studied the IR Code and have determined that your activities are not the subject of the tax under United States Code (USC) Title 26 (Internal Revenue Code) and that the law does not require you to file a return or pay an income tax. We also assume that you have made a correct decision and that you are in compliance with the law. Nevertheless, new members are often surprised when one of our staff asks for a clarification of their beliefs regarding legal requirements to file.

We do so because many new members do not know how to express themselves clearly and their intent is not always obvious.

Since the Fellowship does not condone illegal activity of any kind, either by individuals or by government, we will often ask a new member or prospective member whose remarks leave room for doubt to clarify his or her position with regard to their non-filing of returns. By doing so, we can more fully determine their intent and thereby establish whether their individual activities could be construed as that of an illegal tax protester.

If a staff member or Independent Representative has reason to believe that this may be the case and/or that the potential member actually believes the law requires him or her to file a return and that s/he has chosen to willfully violate that requirement, then it is Fellowship policy to advise the individual to comply with the law and file the return that they believe is required.

#### **PAYMENTS FOR THE MEMBER ASSISTANCE PROGRAM (MAP)**

Your Fellowship Main Program Agreement (membership application) requires you to support other members who have suffered losses to the IRS by paying your apportioned share to assist them (the agreement explains this in detail). A member in good standing who is subjected to illegal collection action by IRS personnel is eligible for Fellowship benefits if s/he has complied with the terms of the Main Program Agreement. The amount necessary to reimburse that member is apportioned to the entire membership in the form of assessment(s) which will be enclosed with your monthly statement.

Each month, the Fellowship sends out a monthly bill which is an assessment for expenses to the Fellowship for work done on behalf of the member. Some members have had no work done for them or have paid for services as they receive them. They will still receive a bill that will have 0.00 owed on it. We do this so if any mistakes are noted, the member can bring it to our attention at the earliest possible opportunity.

Along with this monthly bill is the assessment to all the membership for the member in need that month. A general explanation is included to let the membership know something about the member being helped. Included will be two envelopes. One is addressed to the member in need and the other is addressed to the Fellowship. In the envelope addressed to the member will be placed the FRN's or totally blank Postal Money orders. The member's number forwarding the FRN's will be written at the return address area so that the member being helped will be able to forward this information to the Fellowship. The envelope addressed to the Fellowship will contain the assessment billing plus any FRN's owed and a preprinted statement letting the Fellowship know that the injured member's assessment has been sent. This approach has been very successful.

All payments, regardless of whether they are made to the Fellowship or to the member must be tendered in FRN's or totally blank U.S. Postal Money Orders and paid within 30 days. Failure to pay the assessment(s) will invalidate your Fellowship Program Agreement and you will be ineligible for benefits. It may also subject your membership to cancellation. *The prompt payment for member assistance is imperative in order that the Fellowship work for everyone!*

#### **TAX BASICS 101**

The Fellowship normally operates under the presumption that members are cognizant of the following facts:



Realizing, in 1973, that the only way to effectively stop this mad rush to a world socialist government, was to interfere with its financial engine—the Federal Reserve Bank. John entered a movement, started by Mr. A.J. Porth, called the Tax Rebellion. At that time it was the general belief that the 16th Amendment changed the U.S. Constitution and the Internal Revenue Code imposed a tax on U.S. citizens living and working within the States of the union.

After many confrontations with the IRS and State taxing agencies, causing the need to study the relevant court cases and the law, it was discovered that the 16th Amendment did not change the Constitution and that the income tax was actually an excise tax. From there it was gradually discovered that only nonresident aliens and foreign corporation were liable for the payment of income taxes within the States of the union.

Recognizing that in order to restore our liberties and freedoms, the general public would not only have to be educated to their plight but would eventually have to get involved. To help accomplish this, John traveled all over the country lecturing to anyone or organization that would listen. He became the Chairmen for the Committee of Correspondence, a Director for the Patriot Network, and later the National Patriot Association.

Eventually the Justice Department got involved and John was indicted for “Willful failure to file” for the years 1975 and 1976. It became very apparent to not only John but his attorney that the deck was stacked against them and John was convicted. He was given a two year sentence to be served at a minimum security prison in Maxwell Air Force Base, Montgomery, Alabama.

During his “service to his country,” John continued his lectures within the prison, often times getting guest speakers to come in from the “outside.” Many of these speakers were notable people from the community like Judges and Congressmen. On some occasions, John got them to admit to crimes they either knew about or helped orchestrate against the citizens of this country, yet they went home after the seminars and John was forced to stay.

History teaches that the main cause for the defections from General Washington’s army, during the war of rebellion against King George, was the immediate needs of the solders families. Understanding this, and seeing this first hand in this modern day non-violent war against tyranny, John thought of ways to help deter this unwanted exit from our ranks and additionally make it easier for other Patriots to join the Cause of Liberty. John asked himself, what is the greatest fear a person can have concerning the IRS? It was obvious to him that the foremost concern of every Patriot was putting his/her family in danger because of the loss of property and incarceration.

He then knew what was needed to combat these fears. A Fellowship! Not just a group of like minded individuals but an association of Patriots willing to stand together to help defray the costs of a member fighting for the rights and freedoms guaranteed by the Constitution.

Exactly 31 days after leaving prison camp, on February 24th, 1984, Save-A-Patriot Fellowship opened its door to an 8’x8’ room. Today it has grown into a complex containing a print shop, copy room, paralegal room, casework area, advanced 30 gigabyte video production studio, book shop, 150 person meeting room with stage, sound and video cameras and a complete law library, both on disk, hard copy and computer access to West Law. The rest is history.

## ACCESS TO VEHICLES / PUBLICATIONS / VIDEOS

While some publications and videos are available to the general public, all response letters to the IRS or affidavits (revocation and rescission, constructive notice, indemnity, etc.) are exclusive to the membership.

## PRICING...

### CASEWORK / NWRC

Case and National Workers Rights Committee work are generally 45 FRN's per letter to include certified mail costs. In some cases, advanced research may be needed to accomplish a desired task and charges will go up somewhat accordingly. These extra charges will always be explained prior to a member before any additional work will be undertaken.

### PARALEGAL WORK



Paralegal work (court complaints/briefs, motions etc.) is considerably more cost intensive than power-of-attorney work (case development including correspondence to the IRS). For example, a letter of response to the IRS is currently only 45 FRN's, but a *complaint, motion or brief* for a court proceeding can be 10 times as much. Due to the fact that each document is different and the time to prepare them varies, the prices for paralegal work are not listed. The nature of the document involves a different kind of research and must be customized in a different fashion. While an experienced caseworker can analyze a case file and generate a response to the IRS in a few hours or so, documents to be submitted to a court may take several days to research and prepare. Moreover, in both instances, the size of the document has nothing to do with the time or the expertise that it took to prepare it. A typical motion can run as high as 300 or 400 FRN's. Estimates are available directly from the *paralegal department*.

## **NOTICE OF POWER OF JURY NULLIFICATION**

Not all people who are exposed to the information the Fellowship provides become members. However, sooner or later *almost everyone ends up on a jury. If the jury is asked to decide guilt or innocence with regard to willful failure or evasion* allegations it is helpful to have an understanding of the law. You may develop numerous contacts during your daily activities and often spend much of your time explaining details about the tax law to the average person. Therefore, it is good practice, and Fellowship policy, to make a point of explaining the power of the jury to any contact and/or potential member. Should that person ever find themselves on a jury which is asked to decide the fate of an individual who has not filed a return, the conversation that person had with you could make all the difference in the world. Your contacts should also be forewarned that the government attempts to weed-out individuals, *like themselves, who have this knowledge* in order to facilitate a conviction in the teeth of justice. They should understand that if they were to admit that he or she had a substantive understanding of the tax laws and the propensity of the IRS to misapply and illegally enforce them, they would not have the opportunity to "make a difference."

For the finest and most concise information available regarding the historic power of jury nullification, contact the **Fully Informed Jury Association** at 1-(800) TEL-JURY for a free information package - and tell them the Fellowship referred you.

### **THE CITIZENS RULE BOOK**

To facilitate this educational process it is suggested that members purchase a supply of the "Citizens Rule book" to be used as "calling cards" or giveaways to people who choose not to join at the present time. This serves a double purpose in that, not only are people exposed to this information, but your name and place of contact may be put on the rule book for future reference should that person change his/her mind about membership. With your help, they may also wish to refer others to the Independent Representative who assisted you in joining. These rule books will be supplied in quantity to active members at cost plus handling to encourage using this enrollment/educational technique.

## **ORGANIZATION AND STAFFING**

The Fellowship and staff is divided into two main categories, administrative affairs and member services. The administrative section oversees research and development and maintains the library of information currently available to the staff which includes among other things the IR Code, IR Regulations, IR Manual, listings of orders of delegations of authority for the various service centers, *Am Jur, Corpus Juris Secundum* etc. It also publishes the newsletter *Reasonable Action*, produces the video and audio tapes available to members, maintains a site on the World Wide Web at <http://www.save-a-patriot.org>, and manages membership in general. The member service division involves itself almost exclusively with generating correspondence to the IRS on behalf of members. Such correspondence is essential to preserving all of the due process arguments should a legal action against the IRS become necessary. The service division also includes the paralegal department which generates the paperwork for legal action should it become necessary. On the next page is a diagram of the Fellowship's organizational infrastructure to assist you in communicating with the proper department.

notice of deficiency etc., then the action that the IRS is taking is civil. If you receive an inquiry from an IRS SPECIAL AGENT, as opposed to a REVENUE OFFICER or REVENUE AGENT then the action that is being taken is criminal.

If you receive an inquiry from a IRS revenue agent, or revenue officer, you should immediately FAX or mail a copy of the inquiry so that a timely response can be made. If you receive a telephone call from a special agent, do not let them engage you in a conversation, after obtaining his/her name, politely tell him/her to put their inquiry in writing and mail it to you. Then without hesitation, hang up the telephone. If you receive a visit from special agents, do not let them engage you in a conversation, after obtaining their cards, politely tell them to put their inquiry in writing and mail it to you. Then without hesitation, close the door. If you receive a letter from a special agent, call the National Workers Rights Committee (NWRC) for assistance. They will provide you with a response. There is a charge for EACH response.

If your employer or bank receives a levy purportedly authorizing and demanding that your assets be turned over to the IRS, you should contact NWRC for assistance. They will provide you with a response. If your employer or bank ignores the response, ask the SAPF receptionist to speak with someone in the paralegal department. They will inform you of available options.

When you decide to assert your rights in accordance with the law it becomes essential that you UNDERSTAND the law. In the vast majority of cases, we find that most people think they understand—and indeed most possess at least a substantive understanding—but in reality they lack the ability to differentiate between the fine points of the law, especially with regard to the language they use to describe their understanding. There is an old expression... “I think you think you understand what I think I said but what you may not realize is that what I think I said is not what I meant!” With that said, we suggest that you take the test included with this handbook.

#### **THE SAPF INDEPENDENT REPRESENTATIVE PRELIMINARY EXAMINATION**

There is no better way to determine the extent of your understanding of the law than to test yourself. The Fellowship offers an exam to anyone interested in taking it. The SAPF Preliminary Examination covers the basic information that any member should know and understand about the tax laws and the scheme of taxation in the United States. This exam would put *the brightest members of the Bar to shame*. Very few people have passed this exam the first time through. However, the purpose of the exam is to show anyone taking it their areas of weakness in understanding the law, not to embarrass them by their lack of knowledge. Any member in good standing who wishes to become certified as an Independent Representative (IR) for SAPF MUST pass this exam. If the potential IR fails the first time, he or she is allowed to take it again until the results reflect that they do have a grasp of the basics needed to take our message to the public. Simply by studying the results of your exam you will greatly increase your learning curve pertaining to the issues we address at SAPF.

#### **SAPF “POWER-OF-ATTORNEY” CASEWORK**

We have found that many members (especially those who are new to the Fellowship) simply do not understand what our power-of-attorney program is all about. Some are so naive as to think that one letter from SAPF will make the IRS go away. We assure you, that is rarely the case. In fact, to put it as bluntly as possible: When we write a letter to the IRS we do NOT even try to make the IRS go away! This approach may seem confusing—so please read on...

You’re probably asking yourself: “If the caseworkers at SAPF are not going to make the IRS go away then why am I giving the power-of-attorney?” If you want to assert your rights, it is absolutely imperative that you know what to expect and that you understand the purpose of the power-of-attorney program. If you are unable or unwilling to invest the time necessary to understand the process that is about to occur, or what we will be doing to help you, then you will either give up in despair or you will get angry at us because of your own mis-perception. Please don’t put yourself in that position.

The situation is this: One hundred thirty years ago, during The War Between the States, Congress passed what was called The Anti-Injunction Act, now codified as § 7421 of the Internal Revenue Code. The effect of that legislation was to prevent the Courts from interfering with the actual collection of a tax, and as you might suspect, it complicates matters for people like you who want to assert their rights. The average member thinks: “Since the income tax is limited in application and since my income is obviously not the subject of the tax, why not just ask the Court to enjoin the collection of the tax?” And that’s a good question...but that’s NOT the question you should be asking. Instead, ask yourself: “How can the Court enjoin the collection of a tax when the Anti-Injunction Act that we just mentioned prevents them from doing so?” The answer is: They can’t, and that’s why we don’t ask the Court to prevent the IRS from collection a tax. However, the Court does have the jurisdiction to prevent the IRS from using wrongful assessment and collection procedures.

That being the case...If you are not the subject of the income tax and the IRS has errantly sent you an inquiry, then you have what is called an administrative remedy. These administrative remedies ensure that a person, like yourself, will receive what is called "due process." And, they exist in the form of legal requirements that are imposed on the IRS so that the law will be applied properly. But of course, whether or not those requirements prevent the IRS from hurting someone depends entirely upon whether or not the individual in question makes the proper responses, protests and/or requests that are necessary to obtain relief. Do you know the specific remedy for any given IRS inquiry? Probably not! But more important, if you don't know what they are, then how can you possibly pursue them? When we represent you, that is exactly what we do. We request the remedy that is available under the law. So you ask: "Does this make the IRS go away?" No—not necessarily! But then, it is NOT intended to make the IRS go away! You say: "Well...if it doesn't make the IRS go away then why bother???" The answer is very simple: Knowing that most IRS employees are ignorant of the law and that they will probably not go away, you are building a case to show the court that the IRS has in fact violated the law that was supposed to give you the remedy you were entitled to. Even if the court rules against your evidence of IRS wrong doing, that is not conclusive. When a judge rules against the law, that is called a fraud on the court and can be re-opened at any time.

The important point to remember is that...if you never bothered to make the response, protest and/or request in the first place, then the IRS have no requirements to violate and it is presumed that they are doing things correctly. The issue before the Court is NOT whether your income was the subject of the income tax. Rather, the issue before the Court is whether you received due process—and that depends on whether you requested the remedies that were available to you and whether the IRS gave you the opportunity to pursue those remedies.

The responses, protests and/or requests that we forward to the IRS on your behalf, cite specific administrative due process requirements that impose certain legal obligations on the IRS personnel involved. This effectively puts the IRS employee in a position where he must stop the improper assessment procedure or violate the law in order to move forward with collection. It has been our experience that most IRS employees ignore these legal obligations. However, when they violate those laws relating to due process, a law suit becomes possible. But...only if you can document the denial of due process, up to and including, for example, the IRS's failure to send a proper "Notice and Demand." This is what we do when we take power-of-attorney.

So now you might ask: "How much does it cost to document the denial of due process and what happens after it's documented?" The answer is: We charge 48 FRN's per letter, (includes certified mail costs, and if paid within 10 days—discount 10 FRN's), for each piece of correspondence that we generate. Sometimes, we do as many as three or four per month and sometimes we don't do any at all. Over the course of the year we might write as many as ten for a total of three or four hundred FRN's. However, after that process is complete, and you have exhausted your administrative remedies (assuming the IRS ignores them and they usually do) then a law suit can be filed to seek relief.

Some people get halfway through the process and think that since the IRS hasn't "given up," we must be doing something wrong. Nothing could be further from the truth. The IRS is not going to give-up until they are forced to give-up. Why? Because the IRS counts on people losing their resolve. They count on people being financially unprepared to move forward with a suit. And you know what? The IRS is absolutely correct because a lot of people do just that! If you really want to assert your rights, then you need to prove to them that they're wrong! If you want to assert your rights, you need to set aside the funds that will be necessary to take the legal battle into Court—and when you do, you've got to have the documentation we've been talking about.

## **COURT LITIGATION SERVICES**

### **ACTION I: CHALLENGING A WRONGFUL NOTICE OF LEVY/LIEN IN COURT**

The following court actions are prepared by Fellowship paralegals for members to file in United States District Court, State courts, courts of appeal and the U.S. Supreme Court when needed.

The paperwork is prepared and sent to the member with instructions on filing. In certain cases, the IRS is first notified by letter of the member's claim, which is prepared by a caseworker. Aside from bankruptcy, the lawsuits listed are usually a matter of filing paperwork with a court, without appearance in person. After reading this memo, members may call and speak with a paralegal if they have questions about court appearance, potential costs, etc. If there is a financial difficulty, it may be possible to make arrangements to pay by speaking with an Accounting Assistant in our office. The donations associated with each court action represent the member's share of the Fellowship's debt, determined according to Fellowship resources and time used by paralegals to complete the work. The fees are to be forwarded to the office when a lawsuit is requested to be prepared. The court filing fee for the lawsuit is paid directly to the clerk of court when the member files their paperwork.

*The research supporting the suits is largely unavailable or avoided by attorneys, who by the nature of their employment have a vested interest in maintaining favor with their state bar associations and judges. The work is tailored to each member's situation, and does not share the same status as the letter-writing appeals with the Internal Revenue Service (in which the arguments are broken down into separate lines of correspondence on singular issues, and certain replies are anticipated).*

In choosing a suit to file, members should give careful thought to their personal financial circumstances, the effect of the IRS actions on their property, and what effect they seek to achieve by their chosen action. All of these considerations can be made by first reading this memorandum, and later speaking with a paralegal. Some members have decided to file suit even though IRS actions did not effect their property significantly, to increase the political pressure in the courts and public exposure of the issues.

In hardship cases, (meaning in cases where a person's principle source(s) of income are being wrongfully levied upon), the filing of a bankruptcy petition is likely to be the only source of immediate relief. Filing a bankruptcy petition will challenge the IRS as a creditor in the court; force them to support their claims; and potentially allow a member to argue the basis of an IRS assessment. This option is likely to be more appealing to members when they understand the possible uses of it — after speaking with a paralegal. More specifics on bankruptcy follow. The other actions available differ somewhat from bankruptcy in terms of their argument(s). They are based on the legal restrictions on IRS assessment and collection authority, advancing a case to potentially set a precedent. The results of a successful case of this type would likely serve to clarify the application of the law and/or reprimand an IRS employee for actions leading up to and including the Notice of Levy/Lien.

The current political climate of the courts is such that judges are (in a number of cases) actively protecting government employees who violate the law. *The Fellowship is seeking several avenues of action to inform the public about this situation, and promote introduction of legislation that will correct this wrongful behavior (featured in Reasonable Action Newsletter article).* However, until this problem is corrected throughout the country, and citizens have prompt redress of grievances both administratively and judicially, the only "*Reasonable Action*" is to exercise all rights available under law. In support of that premise, we encourage members to seek judicial appeal of all unlawful actions of certain government employees, once they have exhausted all necessary appeals with the government agency in question. Whenever a judge obviously rules against the law, that is called a fraud on the court, and the outcome is not conclusive. The record of the administrative appeals and court proceedings should be preserved, for if our joint effort to bring the government back under the law, redress can then be obtained.

#### **ACTION II: JUDICIAL REVIEW OF WRONGFUL NOTICE OF LEVY/LIEN AND INVOLVEMENT OF IRS EMPLOYEE WHO SIGNED THEM.**

This action is filed to request that a court order IRS employees to obey the laws as written. Additional information including costs for the suit and appeal possibilities may be obtained by calling the paralegal department.

#### **ACTION III: ENFORCEMENT OF THE HARDSHIP PETITION FOR RELEASE OF LEVY**

During the latter part of the 1980's, Congress passed an Act called the "Taxpayer's Bill of Rights." As part of that legislation, they made provisions for relief in cases of indiscriminate IRS collection actions causing taxpayers to have difficulty meeting their basic needs and living expenses. Under the new laws taxpayers have a procedure to notify the IRS of a hardship situation and request a release of the (so-called) levy. (Note: citizens have Rights secured by the United States Constitution and do not need any such rights to be passed by Congress. Because citizens are not the subject of the Internal Revenue Code, [outside of foreign earned income], taxpayers are the nonresident aliens and foreign corporations not having the Rights secured to citizens. Wherefore, rights within the Internal Revenue Code could be extended to these foreigners by Congress, and when citizens are wrongfully set upon by the IRS employees, there is nothing that prevents them from exercising these particular statutes.)

If their basic living expenses exceed their current assets and income being levied, the IRS is required to release the levy. Members should contact their caseworker to obtain the petition to be filed with the IRS. We have had limited success with this petition as a result of the IRS seeking to unlawfully gain more information than required by law (possibly to start a wrongful assessment for the current period?), as well as demanding the signing of tax returns. In these instances the members have considered filing a lawsuit to enforce it. Since the initial petition costs the same as any power-of-attorney letter, and we have certain cases where it has stopped a levy, we believe it is worth attempting, even if a member doesn't wish to enforce it in court. Additional information including costs for the suit and appeal possibilities may be obtained by calling the paralegal department.

#### **ACTION IV: SUIT FOR REFUND OF TAXES AFTER DENIAL OF PETITION FOR REFUND**

When the IRS recommends that a person file a suit to obtain a tax refund, they demand that a person have (1) filed tax returns, (2) paid the full amount of tax allegedly owed, and (3) filed amended returns seeking a refund. It is not offered as a means of bringing a jurisdictional challenge to the agency, but only for purposes of stipulating the proper amount of tax due. As a result of our recent research, we can make this same option available to members who have had property wrongfully taken by Notice of Levy (whether or not they filed tax returns or had the total alleged liability taken).

Under the provisions of law authorizing this petition, a person can challenge the jurisdiction of the agency, including an erroneous assessment and/or erroneous collection action. The petition offers the IRS an opportunity to support their actions and answer the earlier appeals, but notifies them that a lawsuit will be filed in the absence of a reply. Their only reply option is to refund the payments taken by the wrongful levy or be sued for refund. Therefore, members seeking to bring an action for a refund must first file this petition. Once it has been filed and the IRS answers, they should forward the appropriate donation for the suit and contact a Fellowship paralegal if they have any questions. Should the IRS fail to answer, the law allows for a suit to be filed after a period of six months. Members should contact their caseworker to obtain the original petition.

Actions (II) and (III) are based on petitions prepared by a caseworker for a member to send to the Internal Revenue Service. The petitions cost the same as normal power-of-attorney correspondence. If and when the IRS fails to reply to the petition, and members have forwarded payment, the preparation of the lawsuits listed above will begin. Because the same arguments used in Action (I) can be raised here, these actions could proceed into the possible sequence of motions listed under Action I (District Court, Appeals Court, then Supreme Court.)

Members should be aware that a positive ruling in response to the original action filed, without opposing motions from the US, is uncommon. The reasons can be attributable to the judicial climate described earlier. The actions listed are requesting the courts to demand an IRS agent to act lawfully. It is predicated on the earlier and neglected responsibility of the IRS to correct wrongdoing when first notified by a party injured. These actions are filed against IRS agents in their individual capacity, and do not seek any award for damages. They only seek the court's command that the IRS obey the law.

Important Note: No guarantee of a certain outcome can be given by the Fellowship due to the current political climate in the courts. What can be guaranteed is that members will receive assistance in making legally-correct arguments, (that can be preserved as explained above), using the latest strategies available for doing so.

#### **ACTION V: PETITIONING BANKRUPTCY COURT TO STOP COLLECTIONS AND CHALLENGE IRS CLAIM**

This option is mentioned earlier, but deserves a specific explanation here. Whereas the other actions presented can be delayed by the IRS, the court, etc., as well as their effects on Notices of Levy, this action places an immediate freeze on all IRS collection action(s) upon filing. It requires all property taken previous to the filing to be returned to the petitioner (period set by state laws), and requires the IRS to prove their claim as any other creditor before the court. In addition to challenging the IRS collections, this action provides for challenging the assessment of a tax that led to the issuance of the Notice of Lien/Levy. The IRS's "proof of claim" is challenged when filed, the court is moved for an adversarial hearing. The casework that has been done through power-of-attorney, will contain the evidence needed to sustain this proceedings. Should tax returns be demanded by the court during this action, there are options for members who have determined that they have no such legal requirement.

Members who are interested in more information on this action, or would like to go ahead with it, should call the office and they will be directed to a paralegal who can prepare the suit or answer questions. This memorandum is part of our continuing effort to inform members of their legal options and reach our goal of restoring our Constitutionally-limited government, protected by a free and responsible citizenry.

### **THE ANTI-INJUNCTION ACT**

Most members who have viewed our video series have a general idea about the Anti-Injunction Act, the law passed by Congress during the War Between the States which prevented courts of law from enjoining (stopping) the collection of federal taxes. What members might not be aware of is the current situation in courts of law around the country, on both State and Federal levels, to use this law for the wholesale dismissal of actions that in any way challenge the misapplication of the law by certain employees of Internal Revenue Service. The original intent and actual effect of this law is that it prevents a particular remedy at law that was enjoyed previously, that of Judicial Remedy regarding the collection of a tax. Therefore, it is important to note that the actions listed do not seek judicial remedy relating to a collection of a tax. They seek existing Administrative Remedy provided by law, whereby the agency in question (the Internal Revenue Service in this case), corrects its wrongful procedures on its own and stops damaging a person outside of law.

## CHANGE OF ADDRESS—

It is extremely important to notify the Fellowship if your address changes. The best way to accomplish this is to use your monthly statement. Just circle the address that is on the statement and mark it as incorrect. A forwarding address is good for 12 months. However, if you move and do not leave a forwarding address you will not get your statement. If this occurs, all issues of the newsletter and any work on your case file will be suspended until you notify the Fellowship of your change of address.

## BILLING AND YOUR MONTHLY STATEMENT—

Prompt payment is required—THE SAVE-A-PATRIOT FELLOWSHIP IS NOT A BUSINESS. THEREFORE THE PRICING STRUCTURE IS NOT PROFIT ORIENTED. IN ADDITION, THE COST ASSOCIATED WITH DOING WORK ON BEHALF OF MEMBERS IS VERY INTENSIVE.

Since time is usually a critical factor in any response to the IRS, the Fellowship will process a response immediately and absorb the cost up front until the member can reimburse the Fellowship. These circumstances make it essential that all statements be remitted within 30 days. If payment is not received within that period of time, your case worker will suspend work pending remittance of the balance due. Since a proper response to IRS correspondence is time sensitive in terms of preserving due process issues, non-payment or delayed payment of any balance due on your statement may have a detrimental effect on any case being developed on your behalf.

## METHOD OF PAYMENT—

The Save-A-Patriot Fellowship does not do business with banks. Aside from the fact that the Federal Reserve Bank system is financially unsound, unstable and tends to corruption, we have found that the various banking establishments repeatedly refuse to obey the law.

By way of illustration—when a bank receives an IRS levy against a depositor it will typically turn over the funds and violate the individual's due process rights rather than insisting the IRS get a proper Court order. It seems that banks are more concerned about their favorable status with the Federal Reserve than they are about obeying the law. Therefore, as a matter of principle the Fellowship will not do business with banks, or for that matter anyone else who would violate the law or refuse to respect a persons rights to property and due process. Since the Fellowship does not bank or possess a checking account, payment must be tendered in FRN's (abbr. for Federal Reserve Accounting Unit Denominations, more popularly, but incorrectly referred to as dollars) or U.S. Postal money orders which can be obtained from any post office. If payment is made via Postal money order, the money order should be left TOTALLY blank, (payee and payor sections both TOTALLY blank), and the receipt retained for your records (if you keep any). To ensure proper credit either the monthly statement or a written explanation for the purpose of the funds must accompany your payment. Unless specifically identified, any funds forwarded to the Fellowship without the statement or explanation will be considered donations.

## POWER-OF-ATTORNEY WORK—

It is incumbent upon all members with cases in development to keep their case workers supplied with current Power-of-Attorney forms. These may be submitted along with your remittance when you pay your monthly statement or they may be forwarded directly to your case worker. The specific power-of-attorney that is necessary for corresponding with the IRS is valid for only a limited period of time (60 days). Therefore, you should keep a supply of blank forms on hand and forward notarized or witnessed originals as needed (obviously if you fill all of them out and send all of them to your caseworker, it will be necessary to have him/her generate another blank master for you to use. This wastes time and effort.

All power-of-attorney forms should be signed in visibly BLUE INK. The IRS often attempts to delay our investigation into wrongful procedure by contending that power-of-attorney forms signed in black ink are copies and not originals. If a power-of-attorney form is signed in visibly blue ink it alleviates any delay caused by IRS stall tactics.



# ***Explanation of a Fellowship Independent Representative***

An Independent Representative is someone who has taken either the preliminary exam or master certifying exam as administered by the Save-A-Patriot Fellowship. The preliminary exam was required of any member who was actively promoting the fellowship and wished to obtain the referral fee for a new member. There is no longer a preliminary exam, as all members are eligible to promote the fellowship and obtain a referral fee under the new structure as of June 2001 and as outlined in the Fellowship Welcome audio cassette and the June 2001 edition of the Liberty Tree.

However there is a difference as to what exam certified preliminary test takers of the Independent Representatives exam and member representatives can do as compared to Master Exam Certified Independent Representatives.

## **Excerpt from the forward of the IR Master Certifying Exam—**

Dear Fellow Member,

As you are no doubt aware, in order to maintain the highest degree of public confidence in the accuracy of the information disseminated by an Independent Representative (IR) of the SAPF, the IR must pass the IR Preliminary Certifying Examination and sign the IR Policy Agreement in order to be qualified to present information about the Fellowship and the law to a prospective member. [Under the new structure there is now no 'preliminary examination' - only a Master Certifying exam]

However, effective February 1, 1998, the IR who wishes also to present information about the Fellowship and the Law,

- 1) To more than one prospective member at a time, whether on a conference telephone call or in a public meeting;
- 2) On the radio or television, whether live or prerecorded;
- 3) On the Internet, whether in email or from a site on the World Wide Web;
- 4) In personally recorded or authored marketing materials of any kind distributed to the public, or;
- 5) In any other format in which information is presented, disseminated, distributed or broadcast to multiple prospective members;

...shall be required to ALSO pass the more rigorous IR Master Certifying Examination and thereby demonstrate his or her ability to recall from memory and accurately relate those pertinent facts which are necessary to an accurate and informative live, public presentation.





# ***Piercing the Illusion***

*Setting straight the misrepresentations that have in one way or another deprived American citizens of their Individual Liberties for the past one hundred and forty-one years.*

*By:*

***John Baptist Kotmair, Jr.***

*Fiduciary of the  
Save-A-Patriot Fellowship*

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**001216**

PHICAD-Bejanna, N. J.

**PLAINTIFF'S  
EXHIBIT**

**F**

des the territories of Alaska  
ssion as States. (Emphasis

ited States in Subtitle B has the  
has in Subtitle C, making the  
giving evidence that the *estate*  
transferable property to citizens  
es of the Union, but rather on  
f the United States, the federal

otitle F that is very revealing of  
d in this book is § 6654(e)(2),

or preceding taxable year  
be imposed under subsection (a)

—  
le year was a taxable year

ot have any liability for tax  
axable year, and  
a citizen or resident of the  
ghout the preceding taxable  
dded.)

er than that.

he Internal Revenue Code by IRS  
ssment process. It has been my  
ot always intentional. Just like  
S employees are ignorant of the  
ence, I have also found that when  
ue violating the law. It is always  
vernment expands past its lawful

function. Those benefiting by the unlawful expansion seem to  
always fall back on "I am only following orders."

Ten or so years ago, the Internal Revenue Service Centers in  
Philadelphia, Pennsylvania and Ogden, Utah both forwarded to me,  
unsolicited, representative numbers that would allow me to  
represent anyone before any Internal Revenue Service  
administrative hearing. The IRS regulations only allow a  
representative to have one number, so I returned the number  
forwarded by the Ogden Service Center and kept the one from  
Philadelphia.

With this number, I started to represent Fellowship members  
at IRS assessment appeals conferences. The process began when  
the IRS would send the member a notice of deficiency, which can  
only be issued in accordance with § 6212 of Subtitle F. The  
argument that I made on the member's behalf was very simple—the  
Internal Revenue Service had no statutory authority to issue a  
notice of a deficiency assessment to the member in the first place.  
Of course, when this was shown to the appeals officer, they were  
totally amazed, and the result in 99% of the appeals conferences  
was that the assessment process, for reasons known only to the  
appeals officer, was at a dead end.

It did not take long for this to be noticed by the hierarchy of  
the IRS. I received a letter from the District Director of the  
Baltimore IRS Office, notifying me that my representative number  
had been revoked. I responded by asking for the formal reason for  
this action, and until this day I have not received an answer to this  
inquiry. I made Privacy Act requests for all the documents  
involving the revocation of the representative number, but I have  
been totally stonewalled.

The argument used regarding § 6212 just bolsters the facts  
about the federal tax scheme that have been presented to you in this  
book. This code section is just one more link in the daisy chain of  
evidence proving my point. Section 6212 states in pertinent part: