



Paperwork Myths

What status documents claim –
and what courts actually hold

Resources Center • Law & Your Rights

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Paperwork Myths

What popular "status" documents, notices and templates claim — and what courts, the IRS and the U.S. Treasury actually say. Written so you can protect yourself, your family and your money from costly mistakes.

Why this guide exists. Templates promising freedom from debts, taxes, licenses or court jurisdiction circulate widely, often for a fee. People who rely on them can lose cases by default, pay penalties, face criminal charges, or lose property. Real power comes from knowing the rules that courts actually enforce — and using the legitimate tools that work.

How to read a legal claim

1. **Who decides?** In the U.S., courts and legislatures decide what the law means and does. A private document cannot change that by declaring it.
2. **What is the source?** Look for the actual statute, regulation or court decision — and read it in full, not a quoted fragment.
3. **Has it worked in court?** If a strategy has never produced a winning, published court decision, it is not a legal remedy.
4. **Who profits?** Be cautious when the person teaching the strategy is selling templates, seminars or "processing."

Myth 1 — "Your all-capital-letters name is a separate legal person"

The claim: a government-created "strawman" or "legal fiction" carries your debts and obligations, and you can separate yourself from it by notice or affidavit.

What courts hold: the way a name is printed has no legal effect. Federal courts call these arguments frivolous; one appeals court said such theories should be "rejected summarily, however they are presented" (*United States v. Benabe*, 654 F.3d 753 (7th Cir. 2011)). Filing declarations of "independence from the legal person" or assigning yourself into a trust does not change your legal obligations.

Myth 2 — "Your birth certificate is a bond with a secret Treasury account"

The claim: the government monetized your birth certificate, so you can "accept for value," issue bonded promissory notes, or draw on a hidden account to pay debts.

What the government says: no such accounts exist. The U.S. Treasury and federal banking regulators publicly warn about these schemes. People who present fictitious bonds, sight drafts or "accepted for value" instruments to pay debts have been prosecuted under federal fraud laws, including the statute against fictitious obligations (18 U.S.C. § 514). The debts remain unpaid.

Myth 3 — "File 1099-OID forms to get money back from the IRS"

The claim: you can issue 1099-OID or similar forms to banks or creditors and claim refunds of withholding.

What the IRS says: this is a known frivolous scheme. The IRS lists it in *The Truth About Frivolous Tax Arguments*. Frivolous returns carry a \$5,000 penalty (IRC § 6702), and false refund claims can bring criminal charges. Courts likewise reject claims that wages are not income or that only certain people must file.

Myth 4 — "Writing 'UCC 1-308' or 'without prejudice' reserves all your rights"

The claim: signing with a reservation under Uniform Commercial Code § 1-308 means you are not bound by laws, licenses, taxes or contracts.

What it actually does: UCC § 1-308 lets a party keep performing a *commercial contract* while reserving a dispute about it. It has nothing to do with criminal law, taxes, licensing, traffic laws or court jurisdiction, and courts consistently refuse to treat it that way.

Myth 5 — "A UCC-1 filing or lien can claim your 'estate' or pressure officials"

The claim: filing a UCC-1 financing statement claims your "estate" or name, or a lien against a judge, officer or creditor forces them to act.

What the law says: UCC-1 filings only give notice of a real security interest given by a debtor in a real transaction. Filing false liens against federal officials is a federal crime (18 U.S.C. § 1521), and states — including Georgia — penalize fraudulent filings and allow them to be cancelled with damages.

Myth 6 — "A status declaration takes you outside court jurisdiction"

The claim: declaring yourself a private, sovereign, national, ecclesiastical or "E-State" status — or recording a notice — means state and federal law no longer applies to you.

What courts hold: courts have consistently rejected the idea that any self-declared status, membership, treaty, title or notice exempts a person from generally applicable law. Religious freedom is protected by the First Amendment, but neutral, generally applicable laws still apply to everyone (*Employment Division v. Smith*, 494 U.S. 872 (1990)). Recorded "notices" do not bind courts, agencies or officers.

Myth 7 — "Traveling is not driving, so you need no license"

What courts hold: states may require licenses, registration and insurance to operate a motor vehicle on public roads. Courts across the country have rejected the "right to travel" argument against licensing. Using it at a traffic stop usually leads to additional charges.

Myth 8 — "Send a notice citing 18 U.S.C. §§ 241–242 and officials must stop"

What the law says: §§ 241 and 242 are federal *criminal* civil-rights statutes. Only federal prosecutors can bring charges under them; a private notice does not invoke them. The real civil remedy for rights violations by state or local officials is a lawsuit under 42 U.S.C. § 1983 — a serious action best brought with a lawyer.

Myth 9 — "An affidavit nobody rebuts becomes the truth"

The claim: if a court, agency or company does not answer your affidavit point by point, you win by "tacit acquiescence."

What courts hold: silence by an official or company does not create a binding judgment. Only a court decides disputed facts and law. Ignoring a real lawsuit or summons because you sent an affidavit can lead to a default judgment against you.

The real risk. People using these strategies have lost homes, cars and cases, paid penalties, and in some cases been prosecuted. If you have already filed one of these documents or received a court paper, contact legal aid or a licensed attorney promptly.

What actually works

If you want to...	Use this legitimate tool
Challenge a debt or credit error	Disputes under the FCRA, debt validation under the FDCPA, and CFPB complaints (see our guide <i>Your Credit Rights</i>)
Respond to a lawsuit	File an answer by the deadline on your summons; ask the court clerk about self-help resources; contact legal aid
Get government records	Georgia Open Records Act requests (O.C.G.A. § 50-18-70 et seq.) and federal FOIA requests (5 U.S.C. § 552)
Challenge a decision or ruling	Appeals, motions to reconsider, and administrative hearings — within their deadlines
Address a rights violation by an official	Complaints to the agency or inspector general, and a 42 U.S.C. § 1983 lawsuit with an attorney
Protect and pass on property	Properly drafted wills, trusts and companies (see <i>What Trusts Do — and What They Do Not</i>)
Reduce taxes lawfully	Real deductions, credits and retirement accounts; free help through IRS VITA and the Taxpayer Advocate Service

Free official resources

Need	Where to go
IRS on frivolous tax arguments	irs.gov — "The Truth About Frivolous Tax Arguments"
Help with an IRS problem	Taxpayer Advocate Service — taxpayeradvocate.irs.gov
Free civil legal help (metro Atlanta)	Atlanta Legal Aid — atlantalegalaid.org
Find legal aid nationwide	Legal Services Corporation — lsc.gov
Find a licensed Georgia attorney	State Bar of Georgia — gabar.org
Court information and self-help	Georgia Courts — georgiacourts.gov
Read the actual law	Cornell Legal Information Institute — law.cornell.edu

General education only — not legal or tax advice, and no attorney-client relationship is created. This guide describes how courts and agencies treat these claims; it does not judge anyone's faith, heritage or identity. Laws change; confirm current law with official sources or a licensed attorney. Reviewed October 12, 2026.