

June Madrid
Archuleta County Recorder
49 San Juan St.
PO Box 2589
Pagosa Springs, CO 81147

Certified Mail # 7011-0470-0000-1763-4427

May 9, 2014

NOTICE AND DEMAND

Dear Ms. Madrid,

**Notice to the Principal is Notice to the Agent
Notice to the Agent is notice to the Principal**

It was recently brought to my attention that a frivolous "Notice of Tax Lien" from one Gary Murphy, alleged IRS agent, has been placed against my name and property in violation of IR Code and constitutional law by you, without any validation of lawful compliance by said agent.

This is NOTICE regarding the "Notice of Tax Lien" which you filed as an actual Lien on 1-14-14. A "Notice of Tax Lien" is NOT a valid lien if the lien is NOT lawfully created...but you have filed the administrative "Notice" as if it is an actual lawful lien in the Tax Lien Index, instead of simply filing it in a separate, non-public file as an administrative notice. This is a federal securities violation since a valid lien is a security instrument, but a "Notice of Lien" is NOT. The "Notice" simply tricks you into believing it is a valid and lawful lien, which you file, creating a "Security Instrument" where none exist. The Notice herein proves the Notice of Lien" is frivolous and the IRS has committed fraud against me and against you, and causing Archuleta County to become liable for a securities fraud, causing damage to my credit rating, as well as tortuous interference in my business pursuits, and damage against me, personally.

The legal question is... Given the legal implications of the county recorder's normal process of certifying what is in the county records, and given the fact that IRS Form 668(Y)(C) is NOT verified, and NOT sworn, What is the legally proper way to record Form 668(Y)(C)?

Please see attached documents regarding this very issue in another county where they corrected their liability in filing Notices" as actual security instruments, as well as attorney Eduardo Rivera's legal letter on this issue.

I received a similar "Notice of Levy" from the same IRS agent, Gary Murphy, who is acting outside the law, and in his personal capacity in doing so, per the following:

**TITLE 38. PROPERTY - REAL AND PERSONAL
REAL PROPERTY
ARTICLE 35. CONVEYANCING AND RECORDING
PART 1. GENERAL PROVISIONS**

(3) Any person who offers to have recorded or filed in the office of the county clerk and recorder any document purporting to convey, encumber, create a lien against, or otherwise affect the title to real property, knowing or having a reason to know that such document is forged or groundless, contains a material misstatement or false claim, or is otherwise invalid, shall be liable to the owner of such real property for the sum of not less than one thousand dollars or for actual damages caused thereby, whichever is greater, together with reasonable attorney fees. Any grantee or other person purportedly benefited by a recorded document that purports to convey, encumber, create a lien against, or otherwise affect the title to real property and is forged or groundless, contains a material misstatement or false claim, or is otherwise invalid who willfully refuses to release such document of record upon request of the owner of the real property affected shall be liable to such owner for the damages and attorney fees provided for in this subsection (3).”

ANNOTATION

“Subsection (3) prohibiting filing of frivolous lien on real property is violated when a party files a document which does not comply with requirements necessary to create a lien, knowing or having reason to know the document was unfounded. *People v. Forgey*, 770 P.2d 781 (Colo. 1989)... By its plain wording, subsection (3) provides that damages for false recording shall be the actual damages incurred but no less than one thousand dollars.”

With this NOTICE, you now have reason to know that the “Notice of Lien” filed by the IRS is NOT a lawful Lien, but just an administrative “Notice”, has NO legal standing, and is frivolous and false based on the follow law.

1. The courts have correctly ruled that the provisions of the "Internal Revenue Code" are only "directory in nature" and NOT mandatory. [See *Lurhing v. Glotzbach*, 304 F.2d 360 (4th Cir. 1962); *Einhorn v. DeWitt*, 618 F.2d 347 (5th Cir. 1980); and *United States v. Goldstein*, 342 F. Supp. 661 (E.D.N.Y. 1972)]. Courts have also held that the provisions of the "Internal Revenue Manual" are not mandatory and lack the force of law. [See *Boulez v. C.I.R.*, 810 F.2d 209 (D.C. Cir. 1987); *United States v. Will*, 671 F.2d 963, 967,(6th Cir. 1982)].

This means you are acting, not on lawful authority, but on “directions” from the IRS that are not binding legally. This "nonjudicial" collection authority is wholly dependent upon a statute (Section 6321) which provides for a lien to automatically arise when a “taxpayer” (which I am alleged to be, but deny) fails to make payment of a tax that is demanded via a "Notice and Demand" under Section 6303. If such "demand" is not, or cannot be made, then a lien cannot automatically arise and subsequent collection activity cannot occur, and no recordation is authorized by law. All of the available case law confirms this. No such “Notice and Demand” was ever issued or is on file or in the record.

In *Linwood Blackstone et.al., v. United States of America*, (778 F.Supp 244 [D. Md. 1991]), the Court held that: "The general rule is that no tax lien arises until the IRS makes a demand for payment."

Also, "Without a valid notice and demand, there can be no tax lien; without a tax lien, the IRS cannot levy against the taxpayer's property ... this Court concludes, consistent with the views expressed in *Berman*, *Marvel*, and *Chila* that the appropriate "sanction" against the IRS for its failure to comply with the 6303(a) notice and demand requirement is to take away its awesome non-judicial collection powers." *Myrick v. United States*, [62-1 USTC 9112], 296 F 2d 312 (5th Cir. 1961).

2. IRC 6303 - Notice and demand for tax.

"(a) General Rule ... the Secretary shall ... give notice to each person liable for unpaid tax, stating the amount and demanding payment thereof."

As evident from the Court case just mentioned, it would be, and is, impossible for the IRS, and you personally, to move forward at all if the IRS has not issued a "Notice and Demand," especially to a proper party.

The IR Manual shows that the IRS even agrees with those established principles and encourages their agents to abide by those principles by citing the authority of *United States v. O' Dell* which says that a proper levy against anyone must issue from a warrant of distraint (Court Order) and not by mere "notice". The O'Dell Court specifically stated that:

"The method of accomplishing a levy ... is the issuing of warrants of distraint ..." and that the Internal Revenue Service must also serve "... with the notice of levy, [a] copy of the warrants of distraint and [the] notice of lien."

No such warrants of distraint documents have ever been received by me. The court emphasized that the "... Levy is not effected by mere notice."

Attorney's who bother to read the IR Code manual know that the "warrant of distraint" mentioned above is the Court Order which is required pursuant to IRC 7403.20. This means any actions the IRS demands of ANY third party agency is void on its face, and is a harm to me personally, damaging my credit rating and threatening my property rights.

IRC 7403 - Action to enforce lien or to subject property to payment of tax.

(c) Adjudication and decree: The court shall, after the parties have been duly notified of the action, proceed to adjudicate all matters involved therein and finally determine the merits of all claims to and liens upon the property.

No such actions have taken place in this case, nor was provided to you, to validate a

lawful "Notice of Tax Lien".

In a more recent decision involving tax indebtedness, that of Stephens Equipment Co., Inc., debtor," (54 BR, 626 [D.C. 1985]), the court said:

"The role of the district court in issuing an order for the seizure of property in satisfaction of tax indebtedness is substantially similar to the court's role in issuing a criminal search warrant. In either case, there must be a sufficient showing of probable cause." (Emphasis added).

More importantly, the court held that in order to substantiate such an Order, the IRS must present the court with certain validation. The court stated that "... to effect a levy on the taxpayer's property [an Order] must contain specific facts providing the following information:

An assessment of tax has been made against the taxpayer, including the date on which the assessment was made, the amount of the assessment, and the taxable period for which the assessment was made;

Notice and demand have been properly made, including the date of such notice and demand and the manner in which notice was given and demand made;

The taxpayer has neglected or refused to pay said assessment within ten days after notice and demand; ...

Property, subject to seizure and particularly described presently exists at the premises sought to be searched and that said property either belongs to the taxpayer or is property upon which a lien exists for the payment of the taxes; and

Facts establishing that probable cause exists to believe that the taxpayer is liable for the tax assessed."

Most of these elements are missing from this file, not to mention a host of other illegal errors involved.

The "Court Order" also protects the third party from a liability which may arise under C.F.R. 26 (Code of Federal Regulations) 301.6332-1(c) which states in part:

"... Any person who mistakenly surrenders to the United States property or rights to property not properly subject to levy [i.e., the bank, County and Recorder, or other corporate manager] is not relieved from liability to a third party who owns the property ..." (Emphasis added).

The "Notice of Lien" that is given to a third party, in most (if not all cases), falsely states (if anything is actually stated...) that a "Notice and Demand" has been issued, but if the IRS errs by failing to issue the required "Notice and Demand" pursuant to IRC 6303, then you cannot possibly have the necessary legal sanction through a court of law to file this as a lawful lien as required by Due Process of law. Why? Because in order to obtain the sanction of the court, you would need to produce a copy of the "Notice and Demand," and "Warrant of Dstraint" and you can't do that if it doesn't exist. If the IRS is unable to send the "Notice and Demand," then it naturally follows that it would be impossible to obtain the necessary Court Order (Warrant of Dstraint) for this to be a valid "lien."

3. The authority to levy is restricted to and contained within Section 6331(a) of the Internal Revenue Code, which I have copied to you as received from the IRS which excludes this very relevant code section:

IRC 6331 - Levy and dstraint.

(a) Authority of Secretary. If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official). If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section. [Emphasis Added].

Section 6331 is the only authority in the entire IR Code that provides for the levy of wages and salaries, or lien against property, and the "limitation" of that authority should be rather obvious since it pertains ONLY to certain officers, employees, and elected officials of the government and of course, their employer, the government.

I am NOT such "officer, employee, or elected official," nor have I ever been since my Service in the Navy. You are under NO legal compulsion to act on behalf of the IRS, nor are you held responsible for defending my property and rights against illegal encroachment and bogus liens. You have the fiduciary duty to prove the IRS' standing to be doing what they are against my property prior to filing such a Notice of Lien as an actual, lawful Lien.

The IRS and Gary Murphy are depending on YOU to violate the law and to comply

with their coercion and falsification of documents. Don't surrender to complicity, and being an accessory to the scheme, in filing a fraudulent document for the IRS until you have proven there actually is a valid Lien, which there is not.

Imagine I sent you a similar Notice of Lien against your property... would you accept that Notice, and file that as well, without any validation of debt or proof of claim against you? No, so why did you do it against me?

4. In the IR Manual, section 6110, it states...

IR Manual 3(17)(63)(14).1:

6110 Tax Assessments

“(2) All tax assessments must be recorded on Form 23C Assessment Certificate. The Assessment Certificate must be signed by the Assessment Officer and dated. The Assessment Certificate is the legal document that permits collection activity.”

In the IR Manual, it also states...

IR Manual 3(17)(46)2.3

“Certification

“(1) All assessments must be certified by signature of an authorized official on Form 23C, Assessment Certificate. A signed Form 23C authorizes issuance of notices and other collection action . . .

“(2) Some assessments are prescribed for expeditious action as and be certified on a daily basis. These assessments will require immediate preparation of Form 23C from RACS . . . Form 23C is described in Document 7130, IRS Printed Product Catalog as: “23C—Assessment Certificate-Summary Record of Assessments.”

No such documentation exists, and no court order exists, nor was a copy supplied to you. As far as the "Notice of Lien" is concerned, you may presume that the responsibility for these determinations rests with the IRS. It naturally follows, in accepting that presumption, that the IRS is then legally responsible for that "determination." What you would be failing to consider is that, since you are in possession of the power to file this bogus Lien, it is Archuleta County and you who are ultimately responsible for any determination having to do with its disposition, not the IRS, especially since the IRS is acting outside its own laws and authority as provided herein. This means it is YOU who must assure that the IRS is NOT coercing or intimidating you into acting for them illegally, through doing your proper due diligence into these facts of law and obtaining validation of said Lien and its lawful authority, not just hearsay and a piece of paper with “IRS” on it.

The individual who actually receives the "Notice of Lien" rarely, if ever, realize the responsibility for correctly determining that the validity of the lien is theirs. Nor do they fully realize the importance of making a correct legal determination, since an incorrect determination can lead to a personal liability. Even worse, it could lead to

criminal charges called “tortuous interference”, and provides prima facie evidence of “criminal collusion” with said agent’s illegal actions, and other similar charges under 42 USC and 18 USC.

I would highly suggest you immediately contact the sending party, Gary Murphy, and request that he provide the validation as explained above. I have included a letter you can use as a template to send a request for validation of the IRS Lien to show your good faith in complying with the law, but also to obtain the lacking evidence for a valid Lien. It is most likely that the IRS will not respond with any information, or if they do respond, it will not provide the requested documentation or wet ink signature of anyone who will take personal responsibility for absolving you of any liability should you choose to maintain the recorded Lien and comply with their illegal request.

What this all means for you personally and for Archuleta County, is that both are liable for complying with an illegal and unconstitutional demand by the IRS with absolutely no proof of claim or evidence to suggest said Notice of Lien is valid in any legal or constitutional way. Filing said “Notice” as a lawful Lien against my property is a federal securities fraud.

I do not want to see Archuleta County, or you personally, involved with yet another lawsuit. If I do not hear back with a proper record established, within 30 days (Time to contact IRS for validation is included), I will be in contact with my attorneys. I suggest you get, in writing from Todd Starr, any “advice” he provides on this, relieving you of any liability due to his legal advice.

Please keep in mind that if this is standard operating procedure for Archuleta County, that it poses a serious class action or multiple individual suit potential for all parties similarly damaged by filing un-validated Notice of Lien. I hope you understand the stakes here. Don’t continue in misapplication of law or unsubstantiated demands of third parties.

Thanks for your prompt attention to this matter.

Jeffrey T. Maehr
c/o 924 E. Stollsteimer Rd.,
Pagosa Springs, Colorado
(970) 731-9724
truth@libertyzone.org

CC: Via email - Archuleta County Commissioners; Attorney Todd Starr;
Via Certified mail, Gary Murphy, IRS agent, certified mail # 7011-0470-0000-2763-4434.

P.S. Please provide a copy of the certification you sent, if any, to the IRS showing the Notice of Lien was filed.

I declare under penalty of perjury that the foregoing document to the Archuleta County Clerk and Recorder, June Madrid, with copies noted going to Archuleta County Commissioners, Todd Starr, Archuleta County Attorney, and IRS agent Gary Murphy, was presented before me by Jeffrey T. Mahr, known to me to be the person stated, by Certified Mail # 7011-0470-0000-1763-4427, and acknowledged this document on this _____ day of _____, 2014;

Notary Printed Name

Notary Signature

SEAL

Gary Murphy
IRS
P.O. Box 145595
Stop #8420-G Team 206
Cincinnati, OH 45250

Date: _____ NOTICE OF REQUEST FOR VALIDATION OF CLAIM

Re: Notice of Lien, Jeffrey T. Maehr

Dear Mr. Murphy,

Archuleta County, via June Madrid, County Recorder, and Todd Starr, County Attorney, are writing in reference to a recent "Notice of Lien" we received from you regarding the named individual, one Jeffrey T. Maehr, (herein "Party") against his assets, which we initially recorded as a Lien in the Tax Lien Index. We are assuming that the IRS is fully within its lawful authority and jurisdiction to be issuing this Notice of Lien, intending for us to file it as a lawful Lien.

However, since it is our fiduciary duty to be certain that any such lien complies with proper laws, so that we do not incur any personal liability for recording said Notice of Lien as an actual lawful Lien, (which is a securities fraud and a felony- (See attached documents), and illegally damaging Party's credit rating, and cause other potential damages, we are requesting validation of said Notice of Lien:

C.F.R. 26 (Code of Federal Regulations) 301.6332-1(c) which states in part:

"... Any person who mistakenly surrenders to the United States property or rights to property not properly subject to levy is not relieved from liability to a third party who owns the property..."

Because of this potential liability for recording your "Notice of Lien" as a deficient and frivolous lien, as well as our desire to comply with the law, we are requesting confirmation of several points in the "lien" process, and we wish to understand the IRS's position and what our lawful obligations are. Please respond to the following, under FOIA, or other relevant laws:

1. In *United States v. O'Dell*, 160 F.2d 304 (1947), the court stated:

'Nothing alleged to have been done amounts to a levy, which requires that the property be brought into legal custody through seizure, actual or constructive, levy being 'an absolute appropriation in law of the property levied upon.' Levy is not effected by mere notice. No warrants of distraint were issued here.'

NOTICE OF REQUEST TO IRS FOR VALIDATION OF CLAIM

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(Emphasis added) O'Dell, supra, at 307.

Please provide a certified copy of the actual signed and lawful “Levy” and “Warrant of Distraint” which should have been supplied, and which initiates this “Notice of Levy” provided by you. A “Notice” of Lien is an “administrative” process, NOT a “judicial” process and cannot replace such judicial due process of law.

2. There was no copy of a lawful “Notice and Demand’ provided with this Notice of Lien to validate claim of Lien.

In *Linwood Blackstone et.al., v. United States of America*, (778 F.Supp 244 [D. Md. 1991]), the Court held that:

"The general rule is that no tax lien arises until the IRS makes a demand for payment."

"Without a valid notice and demand, there can be no tax lien; without a tax lien, the IRS cannot levy against the taxpayer's property ... this Court concludes, consistent with the views expressed in *Berman, Marvel, and Chila* that the appropriate "sanction" against the IRS for its failure to comply with the 6303(a) notice and demand requirement is to take away its awesome non-judicial collection powers." *Myrick v. United States*, [62-1 USTC 9112], 296 F 2d 312 (5th Cir. 1961).

Please provide a copy of your “Notice and Demand” which was required to be filed prior to your “Notice of Lien” sent to us to be filed against Party’s interests, as validation of claim.

3. IRC 7403 - Action to enforce lien or to subject property to payment of tax.

(c) Adjudication and decree: The court shall, after the parties have been duly notified of the action, proceed to adjudicate all matters involved therein and finally determine the merits of all claims to and liens upon the property.

No validation of such actions have been provided in this case, nor is in evidence at this time.

In a more recent decision involving the tax indebtedness of *Stephens Equipment Co., Inc., debtor*, (54 BR, 626 [D.C. 1985]), the court said:

"The role of the district court in issuing an order for the seizure of property in satisfaction of tax indebtedness is substantially similar to the court's role in issuing a criminal search warrant. In either case, there must be a sufficient showing of

probable cause." (Emphasis added).

More importantly, the court held that in order to substantiate such an Order, the IRS must present the court with certain validation. The court stated that "... to effect a levy on the taxpayer's property [an Order] must contain specific facts providing the following information:

An assessment of tax has been made against the taxpayer, including the date on which the assessment was made, the amount of the assessment, and the taxable period for which the assessment was made;

Notice and demand have been properly made, including the date of such notice and demand and the manner in which notice was given and demand made;

The taxpayer has neglected or refused to pay said assessment within ten days after notice and demand; ...

Property, subject to seizure and particularly described presently exists at the premises sought to be searched and that said property either belongs to the taxpayer or is property upon which a lien exists for the payment of the taxes; and

Facts establishing that probable cause exists to believe that the taxpayer is liable for the tax assessed."

There was no judgement or court order accompanying the Notice of Lien to validate said claim. Please provide a valid, signed court judgment, or Order, showing that lawful due process was provided to Party as required by the 5th and 14th Amendments.

5. In the IR Manual, section 6110, it states...

IR Manual 3(17)(63)(14).1:

6110 Tax Assessments

"(2) All tax assessments must be recorded on Form 23C Assessment Certificate. The Assessment Certificate must be signed by the Assessment Officer and dated. The Assessment Certificate is the legal document that permits collection activity."

In the IR Manual, it also states...

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“(1) All assessments must be certified by signature of an authorized official on Form 23C, Assessment Certificate. A signed Form 23C authorizes issuance of notices and other collection action . . .

“(2) Some assessments are prescribed for expeditious action as and be certified on a daily basis. These assessments will require immediate preparation of Form 23C from RACS . . . Form 23C is described in Document 7130, IRS Printed Product Catalog as:

“23C—Assessment Certificate-Summary Record of Assessments.”

Please provide a copy of a valid and signed Form 23C Assessment Certificate provided to Party, to provide lawful documentation of assessment as validation it was lawfully created. Party denies ever receiving this document, even allegedly pleading this in 10 previous court cases.

6. The authority to levy or lien is restricted to and contained within Section 6331(a) of the Internal Revenue Code, and states the following.

IRC 6331 - Levy and distraint.

(a) Authority of Secretary. If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official). If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section. [Emphasis Added].

Section 6331 is the only authority in the entire IR Code that provides for the levy of wages and salaries, etc., and the "limitation" of that authority should be rather obvious since it pertains ONLY to certain officers, employees, and elected officials of the government and of course, their employer, the government.

Documentation provided did NOT include this relevant section, so please provide documentation that proves Party named above falls within the statutory requirements for lien or levy as stated in 6331(a) to validate Lien.

7. Sec. 6502(b) points out that a levy is completed only when a notice of seizure is given, and that this must have been preceded by an assessment, notice of deficiency, and a Notice and Demand to be effective. *Brewer v. United States*, 764 F.Supp. 309, 315 (S.D.N.Y. 1991).

Please provide signed and certified documentation proving that Party is, in fact, an “officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia” and please provide a valid name and signature of the verifying agent to validate lien.

8. The courts have ruled that the provisions of the "Internal Revenue Code" are only "directory in nature" and NOT mandatory. [See *Lurhing v. Glotzbach*, 304 F.2d 360 (4th Cir. 1962); *Einhorn v. DeWitt*, 618 F.2d 347 (5th Cir. 1980); and *United States v. Goldstein*, 342 F. Supp. 661 (E.D.N.Y. 1972)]. Courts have also held that the provisions of the "Internal Revenue Manual" are not mandatory and lack the force of law. [See *Boulez v. C.I.R.*, 810 F.2d 209 (D.C. Cir. 1987); *United States v. Will*, 671 F.2d 963, 967,(6th Cir. 1982)]. (Emphasis addd).

Please provide signed and certified documentation proving that the IRS, and you, Gary Murphy, personally, have the lawful authority to be placing a Notice of Lien against Party as a matter of law and NOT administrative procedures alone.

9. We were provided a copy of the “Notice of Levy” you sent to Party, and wish to have you explain the difference, if any, between the “Notice of Levy” provided to Party, and the “Notice of Lien” you provided to us, and any lawful differences which require our action in a different way from said Notice of Lien.

In addition, please provide documentation as to the difference (if any) between a “Notice” of Levy or Lien, and an actual Levy or Lien.

We appreciate your willingness to validate, in writing, with signed and certified documents as response, the issues above, and to assure us that Archuleta County, and June Madrid, County Registrar, and all officers and employees of Archuleta County, are within the law and are NOT in any way liable as C.F.R. 26 (Code of Federal Regulations) 301.6332-1(c) threatens, and that the IRS is within its lawful authority to be issuing the above mentioned Notice of Lien that lawfully authorizes the IRS to have us file a lawful Notice of Lien which lawfully encumbers Party’s property.

If we do not receive copies of the required validation documents as requested above, within 21 days of receipt, we will presume that said “Notice of Lien” was improperly sent and is invalid, and I will declare said filing as a frivolous lien filing.

Thank you for your attention to this matter.

Sincerely,

June Madrid/Todd Starr

Enclosures: Copy of IR Code that came with Levy to Party

CC: Gary Murphy
P.O. Box 11138
Casper, WY 82602

DR. EDUARDO M. RIVERA
Attorney and Counselor at Law
Admitted June 2, 1972
Cal Bar #52737
310-791-7480
PO Box 13887
Lomita, CA 90717-5387

Beverly J. Jones
Manager-Retirement
Records and Consulting
The Boeing Company
PO Box 3707
Seattle, WA 98124-2207

April 27, 1999

RE: Mrs. Lydia Lopez-Alvarez: House of Shaver, A corporation sole
Near: Thirteen-Twelve Pingston Creek Road
Kettle Falls, Washington, USA
99141

Dear Ms. Jones,

I have been retained by Mrs. Lydia Lopez-Alvarez to represent her in the matter of a Notice of Levy, which I understand, you believe requires you to pay to the IRS funds belonging to my client. Your belief is mistaken. A Notice of Levy is merely that, a Notice. That document is neither an authorization for you to act on behalf of the IRS nor an order to act on its behalf. If you act on a mistaken belief that Mrs. Lydia Lopez-Alvarez's money should be paid to the IRS, you will not thereby discharge your obligation to her.

It is our position that the IRS has no claim whatsoever on the funds you hold. Please examine the Notice of Levy for any language that evidences any command or order to you as the agent of the employer. You will find no such language. Secondly, look for language that indicates you should act by any date certain. You will not find a deadline. The Notice of Levy is truly a Notice. It is a Notice to a government employee that the Secretary of the Treasury will levy (seize) money from the government paymaster, if the government employee doesn't pay what is owed. Last,

Mrs. Lydia Lopez-Alvarez is not a government employee and she is not subject to a levy on the money that you owe to her. These facts can be established along with others from the agent whose name appears on the Notice. It will take some time to verify these facts but my client is willing to allow you to hold her funds until these facts are verified. You may, if you wish, notify the IRS that you will hold the funds until the purported IRS claim is proved. We invite you to take this letter to your legal representative for his/her counsel.

My representation is limited to the federal issues involved. I understand, however, that my client

will pursue any local claims she may have against the entity or entities that fail to exercise reasonable care in protecting her property interest.

Holding my client's funds until you are reasonably certain that the IRS has no lawful claim on them will protect the interests of everyone involved. What follows is a summary of some of the basic law involved in the operation of the IRS Notice of Levy. The background law of the levy is not complex but the Congress has constructed a code that snares employers, bankers and other stakeholders. It is my hope that these few paragraphs will help in deciphering the Notice of Levy.

It is generally conceded that Congress has the power to levy and collect taxes on the incomes of its officers, employees, or elected officials and it can delegate the administration of that tax to the Secretary of the Treasury of the United States. These persons will be called individuals but they but they will all be generally treated as and called employees throughout the Internal Revenue Code (IRC). The Employer will be the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia. To understand the operation of the IRC one must only realize that the idea of self assessment began with the federal government's own employees. The secret to understanding the IRC is that the employer in the code is the federal government.

The power to levy given to the Secretary is merely the same power any employer would have to retain money due back to the employer for whatever legitimate reason the employer might have. Of course, the federal government can call this power the power to tax. It is a return of its own income. The Congress has given the Secretary of the Treasury the power to oversee a partial return of its income.

Does the United States Congress have the judicial power over any other employer anywhere in the world? The answer is no. Article I, Section 8, Clause 18, gives the Congress all legislative power in the seat of government. Article IV, Section 3, Clause 2, gives it similar power over the territories and other United States properties. Article III, Section 1, of the Constitution grants Congress the power to create courts inferior to the Supreme Court but the Congress sits as a court only during impeachments.

To levy is to seize, distraint or attach property by judicial order. Terms tend to be defined in the IRC in a way that implies an expansion way beyond their real meaning. Levy is not something separate from the power of distraint and seizure, it is those things. To levy is to seize. In every place, outside the seat of the national government and the other places where Congress is the sovereign, levies are judicial in nature. In Washington, D.C. Congress truly rules like a king. In the District of Columbia, the Secretary of the Treasury can exercise the judicial power to seize property because the sovereign governmental power there, Congress, conferred such power on him. His power is limited to those who are subject to federal excises, imposts and duties.

However, outside those specific areas where Congress may confer power on the Secretary of the Treasury, the Secretary is just like any other man without judicial powers. He is a member of the executive branch that has been empowered by Congress to carry out administrative functions concerning its taxing authority.

Whatever authority the Secretary has, it is certain that none of that authority has been granted to you. Any attempt to authorize you to act on behalf of the government would be improper and illegal. Such a delegation of authority to a person not sworn to uphold and defend the Constitution would possibly subvert my client's personal civil and property rights.

A proper judicial levy empowers a state officer to act on behalf of a court in carrying out a prior court order. The seal of the court and the language in the levy imbue the state levying officer with the authority that he needs to seize the property belonging to the person against whom the levy is to be executed. The Notice of Levy Form 668-W(c)(DO) is not an authenticated document. If you will closely examine this form you will find no oath or certification by any government officer or official. Without such an oath, affirmation or certification the form remains exactly what it is -- a pre-printed form without any validity outside government.

These quasi-judicial summary collections of federal taxes do not violate the United States Constitution because Congress has the power to exercise exclusive legislation over the federal government, the District of Columbia and all other possessions of the United States, pursuant to Article I, Section 8, Clause 17. This exclusive power to legislate over the seat of government, Washington D.C. includes the power to bestow judicial power on the Secretary. This power is only effective in the District and other federal possessions. The Secretary may easily levy the salary and wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States of the District of Columbia, by simply serving a notice of levy on the government agency or instrumentality.

The Form 668-W (c)(DO) is the federal government's internal document used to provide the 10 days notice required by the IRC to the government's officer, employee, or elected official who owes a federal tax. The IRS has been using this 10 Day Notice Form for many years to confuse non-federal employers. That practice will soon be coming to an end. The IRS Restructuring and Reform Act of 1998, authorizes remedies against agents who falsify or destroy documents or provide false statements under oath with respect to a material matter. Please do not remit my client's money to the IRS until the IRS officer who signed the Notice of Levy can be questioned about the document's validity and your obligations with respect to my client's funds which you hold.

Do not concern yourself with any time restraints. You will find no language in the Form 668-W (c)(DO) that commands or orders anything to be done. For years the IRS has provided excerpts of the Internal Revenue Code, knowing that those sections would be misinterpreted against the employee, insured or depositor.

The title: Notice of Levy on Wages, Salary, and Other Income, on the face of this form simply informs the government officer, employee, or elected official that the Secretary of the Treasury will be seizing money from wages, salary or other income. If the form was demanding information from an employer the requesting agency would have to display an OMB number. The language used on the form is in the nature of a polite request: "Employer or Other Addressee: Please complete the back of this page."

The back of the page is captioned: PLEASE REMOVE THIS PAGE BEFORE COMPLETING IT." By the magic of merely turning the page, the Form is now a levy. SECTION 1. is called LEVY ACKNOWLEDGMENT. By signing this section the respondent will indicate that any payment of money or property is the voluntary act of the signatory. SECTION 2. LEVY RESULTS-Check all applicable boxes. Completion of this section is an admission if money is sent. SECTION 3. ADDITIONAL INFORMATION --Please complete this section if this levy does not attach any funds. Completion of this section violates the privacy of the person whose information has been supplied and by now the respondent is thoroughly convinced that this form is a levy.

This summary is intended to provide the information you need to hold my client's funds until the claims of the IRS can be determined. All your questions will be addressed in the process of this determination.

Very truly yours, /s/ Dr. Eduardo M. Rivera

STEERING COMMITTEE MEETING WITH STEVENS COUNTY COMMISSIONERS
THIRD MONTH THIRTEENTH DAY NINETEEN HUNDRED NINETY-NINE

Audio Tape Introduction to this meeting by Kenneth Scalf.

This is March 30, 1999. Mr. Jim Shaver will appear before the Stevens County Commissioners to present to them we hope to be the fact that they have allowed the County Auditor to file illegal liens against over 2000 people's property here in Stevens County. This will also be the day that our Sheriff, Mr. Craig Thayer is to present something before the Counsel and we hope to get that on this recording as well. Today has been a ordinary stormy, Spring day. We had quite a bit of snow this morning-if you can call a half an inch quite a bit which really is not much. Anyway, we hope this will be a very good day for the people of Stevens County. We wish Mr. Jim Shaver well on his presentation. Hopefully we can get a good recording. Ok, I'll back out until we start the proceedings.

Present were: Stevens County Auditor, Tim Gray; Commissioners: Vickie Strong, Chair Fran Besermin and Fred Lotze. Attorney/Sheriff Thayer was invited but didn't come.

Comm. Fran Besermin: Ok (Jim), Is everyone here-- (About 30 men and women) with you?

Jim: (Looking around) I believe so

Fran: So you are going to be the prime speaker?

Jim: Yes, for the Steering Committee.

Fran: Then I don't have to divide the time up between other people? Just you?

Jim: I don't think so, unless somebody has something to comment about.

Fran: Ok, Ok, So you want to go ahead and run the meeting, I guess--it's your meeting. Or, it's your presentation, so go ahead.

Jim: Well, we've come across some pretty grave problems, I think, for the county! And it goes back a long way(s). The largest business in the world today makes Microsoft look like a lemonade stand. The largest business in the world today is the pillage and plunder of the American people. And I think I've found the key to that. And it's done by the IRS that has transferred its liability to the County Council (Commissioners)...particularly to the County Auditor and particularly to the Sheriff because it involves a securities fraud...and it isn't being prosecuted. And in this little county of 35,000, is it roughly?

Fred: 38

Jim: Here's the Lien list. the Federal Tax Lien list. There's 2000 names or 2000 recordings on that list. And if you look at how that would affect the various families in the community, you're looking at 15 to 25 per cent of the community. All on this Lien list--and they are there because of the Securities fraud. Now. the IRS is extremely powerful. At least, they think they are until the wrath or the American people comes up. And what they do...they come in with a "Notice" of Lien, and it's a (IRS FORM) 668 (Y) (Shows example of it included in the packet given to each Commissioner and the Auditor) They use a county statute, ah, not a County Statute but a State Statute. R.C.W 60 68 that orders the County Auditor to file the "NOTICE" of Lien in an

alphabetical Tax "Lien" Index. It also says that it requires "Certification ". It's Certification that entitles those Notices to be filed. Well, back in 93, I had just moved over here then, I wrote "An Open Letter to the Sheriffs Across America." I gave that to the County Council (Commissioners). The problem is I buried that in 146 pages of material. I know how very busy you are, so you probably never got to it. What it does...it exposes how this "Notice" of Lien, being filed in a Lien Index...it boosts the power of the Lien (Notice), and a man by the name of Errol Mackzum (who) was the Auditor/Controller/Recorder in the largest county in the United States, which is San Bernardino County in California...he got a copy of this (OPEN LETTER) about a week after I put it out, and he was approached by some people that I hadn't met and took it to him and said (asked) "Is this guy right or not? He said, "Let me study it". Well, they came back to him and he said it was unconscionable for him to file a mere "Notice" of Lien in a "Lien" Index because it boosted the "POWER" from a non-negotiable instrument into what is "treated" as a negotiable instrument...cause once it's in a Lien index...the next day the IRS agent can come in and say "Give me a Certified Copy of the LIEN index." Then he has proof of a spendable instrument to go out and pillage and plunder property. But, the fact that it was given more power than it was entitled to, in the filing...is like taking a four year old child in a journeyman carpenters [i.e. it's like trying to change a four year old child into a journeyman carpenter by putting the four-year-old's name into a "Journeyman Carpenter Index"] ..I mean, you can give him a hammer and stuff, but he's not going to be a journeyman carpenter. So, a Securities Fraud is created there. And, when they get the Auditor to go do this...it transfers the liability from the IRS, who says HEE HEE--you "volunteered", over to the Auditor who actually performs the deed. And, then from that, emanates a "Notice of Levy. It isn't even a Notice of Levy. They take that and they give it to somebody like Craig Thayer, the Sheriff. Usually the Sheriff or the Police and say "These people need to have their property seized" and the Sheriff has the duty of going out and seizing and procuring and setting the property up for auction...which comes a little later...but, he's working from a Notice. He's working from an unperfected instrument. He's working from a Securities Fraud.

Now, I took nineteen people down to the United States Securities and Exchange Commission in Seattle. And we went in and, and this is a full floor of the 22nd floor--I think it was... of the 50 story Federal Building. They had a Law Library in there that would make any university envious..especially a town of this size. And I talked with John Badger Smith who was an Attorney for the United States Security and Exchange Commission, and he brought his boss in, Nobu Kawasaki. And we asked them if they had the power to shut Fraud down?

J B. Smith: Oh absolutely! (Paraphrased)

Jim: Securities Fraud?

J B. Smith: That's what our Agency is all about! (Paraphrased)

Jim: Wonderful ! ! !

And we laid this out, and we showed how this liability is transferred and they've got the counties committing the fraud-by the filing. And they got real nervous. And we said "Get back to us in 30 days. We want a written response from you in 30 days."

J B. Smith: Ok, we'll do that! (Paraphrased)

Jim: Well, in about seven days into the thirty days both newspapers came out with (Headlines)

"Giant Sex Scandal in the USSEC Office In Seattle" and they shut the entire office down and they moved it to L.A. (California). I just traced John Badger Smith down to Denver, Colorado. and he said "Well, Mr. Shaver. I'm not so sure that a Lien as the USSEC would define it, is the same definition that would fit what the IRS is doing/using. (Paraphrased). I said, "Look. It's an evidence of debt, it's registered, it's numbered and it's used in Commerce to seize and sell property....Because, it goes after awhile to an Auction. And it's auctioned off. Now, because of the Securities Fraud, involved in every single person being on ~ (I'm showing the IRS Tax Lien List of 2,000), each and every person on this list,... 2000 in this county,... have a cause of action against the Auditor, maybe against the Sheriff, and against the policy makers that set this policy down. Now, I know you're fighting the State Statute on this, but there's nothing that entitles you to allow a Securities Fraud to be going on that should be prosecuted. And, and Shut it down. But, each and every name, I want to see taken off this list. And this is raping, it's just pillaging the people. There are two people on this list that were on here for over a million dollars (each). Now, that's money that's fleeing the county!!! If they are all on there for Securities Fraud...now there are certain commercial remedies that protect the county...Like when the IRS agent comes in...

"O.K. .Mr. IRS agent...In the past you've induced us into a fraud that we won't be a part of any more! Now, first, we'll need your "delegation of authority" from the Secretary of the Treasury of the United States of America to perform an assessment in the first place. Then we want your Affidavit, signed true, correct and complete, under penalties of perjury, that this person owes something. And, whatever the amount might be."

I don't think they're going to be around, because the whole thing is a giant scam, but that's a whole another days subject....But...what the affidavit does, and you get positive I.D. from him, including his home address, in case you have to serve him. ..His business address. You want a fingerprint for positive I.D and maybe a retina (iris) scan, and SHUT THE FRAUD DOWN. And he won't be there, probably. . .trying to induce you into this (SCAM), if he has to sign an affidavit, true, correct and complete. But, that's what's on the 1040 form...you sign them...true, correct and complete. They want all three. That really is the crux of everything. I've got 15 questions in here that I'd like a written response on to our committee... that maybe Tim can come up with and answer as to how they treat this. But...There is no acceptable substitute for honesty in government! And particularly in something as important as what they (IRS) say is Tax collection. And I'll guarantee you it isn't (Tax Collection). but that again is another day...because they're not collecting taxes for the government of this country.

But, the Notices are filed in this county and they are also filed down in Olympia. And you'll see in there (Commissioners packet of paperwork I gave them) there is no judicial orders, no process documents, no affidavits, with them when they are filed in Olympia.

They ask Tim here, to put a stamp of receipt on it and that's his Seal. And that may just have him breaking the law regarding the law regarding United States Seals, because this (Stevens County) is an appendage of the Federal Government, I would think. And I don't like to see someone like Tim put into a position where he's got a seal on something that is a Fraudulent Security. And, I

think it's in violation of both the Seals Laws and the Fraudulent Security (Laws) (Copies of Title 18, Sections 1017 and 513 were included in the Commissioners packet), cause that's what they create. when they (IRS) come in and ask for a certified copy of the Lien Index. I did give, ...well, as an example, ...one time my wife and I were ah, they (IRS) took 100% of our Pensions. The City and the State..the City (Seattle) and the State (Washington State Investment Board/ Department of Retirement Systems/ Law Enforcement Officers ~ Firefighters Pension System) turned it all over to them (IRS) - 100% of it (both of our pensions). It took me about a year and a half and I got it all back with interest...at least my end of it.. when I proved the Scam they (IRS) were pulling. I sent through J.D. (Anderson--a former Stevens County Commissioner that got replaced in the last election by Vickie Strong) ..I gave J.D. a "Solemn Recognition of Mixed War" here in '96. Now what that is, is where the government comes down on a single family. What it is basically is a plea for help. And, it was addressed to the County Commissioners and it was addressed to the Sheriff (Pertinent parts of this were included in the commissioners packet). I never got so much as the courtesy of a "Go to hell! letter", or goodbye or anything. I did get a couple of extra patrol cars around my farm, up there (On Echo mountain). But don't misunderstand it. What this is, is a plea for help to shut down the fraud. And there are a couple of pomons of this (Plea) that are there (in your packet) And I'll overlook the fact that...well it was December 20th of '94' when I came in and talked before. But. iike I say, I had an awful lot of material. And my letter (Open Letter To The Sheriffs Across America) was buried in 146 pages of material.

So, we're here under the "Misprision of Felony Laws". right now-- Reporting the Crime... that says if we don't report the crime--then we become ."Accessories to the Crime' So, that's why our Steering Committee is here...in this regard. And we want within 91 days, an answer. We'd like every name on this list pulled. They are there because of the Securities Fraud. Now, the S.E.C. the United States Security and Exchange Commission, their whole Agency should be ABATED... because it's their job to shut this type of thing (Securities Fraud) down. And they are running from it (their responsibility)...cause it's a PIRACY the way it's operated. And the "DIVISION OF THE SPOILS", I would guess in some areas, that..everybody's property that is on this list, is part of the "PRIZE" and "BOOTY".

There is an old saying over in Yugoslavia:

No man escapes when freedom fails.
The best men rot in filthy jails.
And those who cry Appease! Appease!
are hanged by those they tried to please."

Appeasement is sort of, like, feeding your children to the Alligator, hoping, he'll eat you last!!!

So, anyway, we're here, as your friends. We want to get behind you in any way we can support

you. We are...we want to get behind Tim, but we want the fraud shut down!!! And we want the names off this list!!! And, we're asking twenty-one (21) days to be ample time because there is nobody that should be on this list that isn't on there because of the Securities Fraud. Where they take the lien and they get the County Auditor, and what I see is our Commissioners you're only bonded for like \$15,000 each. One lawsuit from this (Securities Fraud) Does anyone sue anymore for less than a million? And what this represents, ... the damage done to people on this list...I know one guy that blew his brains out. I know

Comm. Fred Lotze: He must not have had many!

Jim: I beg your pardon!

Comm. Fred Lotze: He must not have had very many if he shot himself! Is that what you are saying?

Jim: I'm saying the effects of these liens can be so devastating to the families that they do desperate things. It causes all sorts of divorces. It puts a lot of people into a state of marasmus (a mental attitude where one literally wills themselves to die- a not uncommon condition of P.O.W 's since the Korean War), especially the older people that can't stand a lot of pressure. And it (the fraud) needs to be shut down. Now, they (IRS) come in with their Affidavit, ...that protects the County, and that protects the IRS agent too, really...if he does it right. But if he's pulling a SCAM on us...he's transferring that liability to both Tim here and the County (Commissioners), and the Sheriff. I don't like to see that. I don't want to be, or have my people suckered into a scam that's going to come back on the County. Cause I don't know anybody (on the list) that will sue for less than a million dollars. And you have 2000 people in this little county (that are IRS/County victims) with damages.

Jim: And like I say, we are here as your friends. We are here to give you all the backing we can, but we want this (FRAUD) shut down. That's all I have to say. Sure, any questions?

Tim Hoecher: I have a question! If the IRS brings something in that they want filed, does it have to be filed in a "Notice" of Tax Lien Index?

Jim: Errol Maczum. What he did, he changed the policy (of San Bernardino County), the "NOTICES" of Lien in a "Notice" of Lien Index and that's fair. Because that's what it is. It's a Notice. Sort of like an invitation to dinner. It's NOT the dinner!

Linda Bevs: That Statute that you spoke of, is that only for the IRS or is that the (State) Department of Revenue too?

Jim: No, well, this one, this particular one is RCW 60.68 and .025. It's in the packet there. And that's what Tim is stuck with here, because it orders him to take the Notice and file it in a Lien Index. I mean, that's what the Statute tells him to do

Linda Bevs: Can I get a copy of that?

Jim: I'll get a copy of it for you later Linda. And it (RCW 60.68.025) also says "CERTIFICATION"! That these ("NOTICES") Liens are supposed to be CERTIFIED. Well I've seen two court cases in the last couple of days on it (THE REQUIRED CERTIFICATION) where they (THE COURTS) are over-running that (REQUIREMENT). BUT THE SECURITIES FRAUD--THEY'RE DEAD MEAT ON THAT ONE!!! Because there is no-way they can get around BOOSTING THE POWER OF A MERE "NOTICE" INTO WHAT'S TREATED AS A "LIEN". But it goes in (To the Auditors Office) as a NON-NEGOTIABLE instrument it comes out (BECAUSE OF THE AUDITORS MISFILING) as a SPENDABLE NEGOTIABLE

SECURITY, BUT IT IS INDEED A SECURITIES FRAUD!!! WHAT THEY'RE GETTING TIM TO DO IS TO PERJURE THE COUNTY RECORD!!! ...AND THEN PUT HIS "SEAL" OF STAMP OF APPROVAL ON IT!! AND IT MAKES HIM LIABLE FOR THE UNITED STATES SEALS STATUTES UNDER TITLE 18, WHICH IS THE CRIMINAL CODE. ALSO UNDER TITLE 18 IS THE SECURITIES FRAUD. But I don't want to see the county... I do have an answer, I think. I think there is an answer for this thing that can put a smile on everybody's face! But I haven't got time to discuss today (I was only allotted one-half hour on the agenda). But there are available funds, where each and every one of these (2000) people can get everything back, probably, that they've ever laid into this (IRS) outfit, under the scam.... and NOT raise taxes a bit. If we can tap into those funds...but, I'm going to need your help to investigate that and check out if we can actually do that. Otherwise. everybody's property...when these people (on the list) come and say:

WE WANT OUR RECOMPENSE (FOR DAMAGES). EVERYBODY IN THE COUNTY, THAT ISN'T ON THIS LIST...THEIR PROPERTY IS IN JEOPARDY BECAUSE THE TAXES HAVE TO GO UP TO PAY THIS OFF

We are looking at 2000 "Causes of action" here and about 35,000 people. If there is any way that I can help save that. I want to do that...because these people are entitled to damages...I guarantee it, because I've been there. My wife is on this list today. And I know what it feels like to sit and have the State give away (100% of our Pensions to the IRS) because of the fraud here, wondering how to pay our bills. It's NOT a comfortable feeling, and it makes me want to come back real hard after the cause of it.

Fran: What triggered that little incident?

Jim: It's supposed to be an assessment, by an Assessment Officer that has the delegated authority from the Secretary of the Treasury to create the assessment in the first place.

Fran: But, what would it be about? I mean what causes that to happen?

Jim: It's a Shakedown-Insurance-Protection-Racket!!! How much can they beat you down for? Now, here's a thing on...Here's a thing on...(At this point I took up to the Commissioners, a Newspaper article from the "American Bulletin" about Joseph R Bannister--a former top IRS CPA/Officer in the Criminal Division of the IRS, who was determined to shut down the Patriot Movement with IRS "Law". Joe is an honest man of the highest integrity and learned of the fraud that he had been induced into perpetrating against the American people. Upon challenging his Superiors in the IRS to prove his discoveries wrong, he discovered the SCAM that the IRS had him involved in. He is now, though still somewhat naive but less rapidly, one of the most popular speakers in the Patriot Movement and put out a 90 page report, which I have. He is exposing the fraud from an inside point of view. As an IRS Special Agent, one who was way up near the top, he wanted to shut down all the so-called Patriot groups that are out there and he found out about the SCAM that they were operating, took it to his supervisors and they had to let him go because he was onto things (IRS OUTLAWRY) He's just one of a number of similar incidents of good, honest people, but naive people who employed by the IRS discover, to their dismay. the IRS CON-GAME and leave. The highest volume of turnover of any agency is the IRS because good people find out they are operating a scam and they leave.

Fran: Well, is it the IRS that puts the names on the list is that what you are saying? I'm just trying to

Jim: They create the assessment and then they bring that

Fran: For taxes?

Jim: Supposedly for Taxes. But I'll guarantee you it is not, it is for FINES and it would take me awhile to go into that. I'll bring you the documentation on that if you want to see it. But the assessment is created and they come in with an UN-Certified assessment because the assessment should have the affidavit that somebody owes this. This is an Affidavit of Obligation saying that somebody owes a certain amount, and for what, and they should sign it true, correct and complete, under penalties of perjury. And there is a Section of the Code, (6065 NOT 60.65) that says that we have to sign (IRS Forms) things under penalties of perjury. Well, if we are entitled to equal protection under the Law, it requires their signature under penalties of perjury as well.

FRAN: Would you state your name please?

Jim:

Al Campbell: The point Jim is making. I'd like to underline. The Question is, what triggers the Lien?

Fran: Obviously something happens. And something causes the Lien to get on this List. Correct?

Al Campbell: Well that's a side issue! It could be addressed, but that is not the subject today! The point that Jim is making is that there is a Tax Lien Index and the IRS comes in with a "Notice" of Lien. A "Notice" of Lien is not a Lien. They come in with a "NOTICE" of Lien and ask for that to be filed in a Tax "LIEN" Index. So, what Jim is calling a Fraud is the "TRANSFORMATION" of the "Notice" of Lien on to the "Lien Index"...and once it's on the Lien Index...the IRS can come in and get a certified copy of what the Auditor has recorded (AS A LIEN) onto the LIEN INDEX. It's transformed into a different instrument. And the solution that Jim alluded to, was to have a new index - a NOTICE of Lien Index.

From the

Audience: AND THE AFFIDAVIT!!!

Al Campbell: The Notice of Lien Index is different than a Lien Index. That's the main point I think Jim is making today. It's a side-issue guys- what CAUSES the lien is a whole different subject to talk about. The point here is the difference between a NOTICE and a LIEN and a LIEN INDEX.

FRAN: Okay. Thank you.

Don Hoecher: I have a question! Is that a Notice of Lien or a Notice of Intent to Lien?

Jim: No. it's a Notice OF Lien. a 668 Y (c), usually. It's usually against wages. But it goes from a mere "Notice" into this "Lien" Index and out of that emanates a "Notice" of Levy, not even a Levy, but a "Notice" of Levy, and "THAT" they give to the Sheriff to go out and Levy, seize and sell and procure and from there it goes to an auction...if it's like Real (Estate) property, for instance.

Fran: Do you want to go ahead and knock off? There is time for one more question.

Jim: No, I'm done.

Fran: I hate to have such a tight ship, but we've got a really tight schedule!

Jim: No. I understand.

Fran: State your name, please.

Linda Bevs: I'm Linda Bevs. Doesn't it require a judicial decision to get a Lien, versus a Notice of Lien?

Jim: If the Agent/Officer has a delegation of authority to create it, then he can create it for cause, but, that's not the case as it's laid out. The whole thing (As IRS Criminal Investigator Joe Bannister discovered), is a Shakedown-Insurance Protection Racket. It's like having GUIDO/(Al Capone) at the door, saying Gimme so much this week and we won't break your windows and so forth.

I know this community is just full of people who just aren't going to live this way!!!

We're just not going to live under the threat of scams and frauds and we're going to shut it down.

And we're here, like I say, it's a petition for redress of grievances, to come to the County, where we're reporting the crime, and we want your cooperation! We're behind you one-hundred percent.

Fran: Okay, we're going to have to close, I appreciate everybody coming.

Ken Scalf: Fran, can I ask a question? Now he said 21 days, this body is very upset. When can you give us an answer?

Fran: Ken. I don't know, twenty-one days for us is not a long time. We have one Official meeting a week. We have, I don't know how many committees to go to just like tonight. I'm in Olympia twice a week. this year and I don't know, Ken. I can't tell you!!!

Ken: If you don't give us an answer. ..if you don't give this party an answer one way or another, Yes or No, then we have the right to take the next step. O.K.?

FRAN: I guess I can't chance that action.

Ken: You can chance it if you want to Well, you know this isn't a threat. but..

FRAN: It sounds like a threat. I won't go for any threats!!!

KEN: Like I said, we definitely know it shouldn't be. We are here to help. We're here to get behind ya,...we just say, "Do your job", you know...as the fraud is there. This is one that needs to be taken care of. Thank you for your time.

This meeting was completed and adjourned in just under 30 minutes @ 4:30 P.M.

We then regrouped at a local restaurant, where we ate dinner and I put on a presentation without time constraints and an overhead projector.

James Earl. Sr.: House of Shaver. Chairman. Steering Committee.

Businessmen and Property Owners Phone: 1 (509) 684-7777

C/O General Delivery, Kettle Falls, Washington [Cf. 99141 Cf.]

FRAN BESSERMIN
DISTRICT NO. 1

VICKIE L. STRONG
DISTRICT NO. 1

FRED LOTZE
DISTRICT NO. 3

POLLY COLEMAN
CLERK OF THE BOARD

NETTIE EARNHART
ASSISTANT CLERK



STEVENS COUNTY COMMISSIONERS
AND
BOARD OF EQUALIZATION
215 SOUTH OAK, ROOM 214
COLVILLE, WASHINGTON 99114-2861
PHONE (509) 684-3751
FAX (509) 684-8310

May 11, 1999

Mr. James E. Shaver
312 Pingston Creek Road
Kettle Falls, WA 99141

Re: IRS Notice of Tax Lien

Dear Mr. Shaver:

The Board and Auditor have read the materials you submitted and consulted with the County's legal advisor. It is our joint decision to change the current Tax Lien Index to a Notice of Tax Lien Index. This change has been implemented.

Thank you for bringing this matter to our attention. Sincerely BOARD OF COUNTY COMMISSIONERS
OF STEVENS COUNTY, WASHINGTON

/s/ (absent)

Chairman Fran Bessermin

/s/ Fred Lotze

Commissioner Fred Lotze

/s/ Vickie L. Strong

Commissioner Vickie L. Strong

BOCC:lme
cc: Mr. Ken Scalf