

# REDEMPTION

last updated 10/28/2003

## Disclaimer

The material in this information packet is for educational purposes **only** and not to be construed as legal advice about what you should or should not do. The information herein is to assist you in performing your own due diligence before implementing any strategy. By using this material, you are agreeing that no particular result is guaranteed or implied.

## UCC

A UCC is simply a lien on the property it specifies and must have an underlying Security Agreement to be valid. We have found that some states, such as California, where people had difficulty recording in the past, do not balk at recording a properly completed UCC that includes a Security Agreement evidencing that there is a real lien. Filing a UCC-1 does not "perfect" a lien just because you file it. Read the *Whittier Law Brief* where it discusses the differences between a perfected and an unperfected UCC-1 filing. Also note that a perfected UCC-1 lien takes priority over a warranty lien that a mortgage company records in the county. But, to achieve that priority, the UCC-1 must be recorded in the county and filed in the state.

## Some conventions used in this document

Throughout this file, you will see information presented in two different fonts and colors. Instruction pages will use the Arial (sans serif/without curves) font and navy blue as the color (this page uses this font and color). The information on the instruction pages will be educational in nature and, most of the time, will contain instructions to follow or tasks to perform.

Instructions will generally not be mixed with the document pages; but, if it is necessary to mix them, the font and text color conventions will be followed. So, if there are instructions imbedded in a document page or **highlighted** text, you will need to delete the instructions and remove the highlighting before printing the final version of the document page.

Document (contacts, affidavits, etc) pages use Times Roman (serif/with curves) font and in black ink. You will customize the document pages and then do something with them, such as mail or record them.

Please "Print Preview" your documents before you print them. This is especially important if you have substantial personal information you have added to a document, such as many other names. Also, some printers will not let you print closer to the margin than .55 inches. Feel free to adjust the margins if your printer will not accommodate the current spacing.

## The Redemption Process

The purpose of this file is to create a set of documents to aid you in the redemption process. Redemption is where you will take back control of your straw man. This process is currently broken down into steps. All of the items and activities within a step will generally be performed on one or two days. Within this file, the beginning of each

step will start with instructions and/or educational material for that step. The step will be identified with large **bold red** text giving the step number. Some steps may have sub-steps. Sub-step instructions will begin with the sub-step number in **bold red** text, e.g. **Step 1b**.

## **Step 1 – Security Agreement & UCC filing**

In this step, you will create three documents: 1) a Security Agreement, 2) Schedule A, and 3) data for the UCC-1 form.

Before you can complete some portions of this process, you must have completed the filing of your copyright of your straw man name. A note to this effect will be inserted in the instructions at this point when the copyright must have been completed.

### **Step 1a – Gather materials**

Obtain the following materials by ordering them online or going to the Post Office:

- 1 – PS Form 3800, Certified Mail Receipt
- 1 – PS Form 3811, Domestic Return Receipt.

If you don't have two or more certified copies of your birth certificate from your birth state, you must order them to complete this process. For most states, copies can be ordered via the internet at [www.vitalcheck.com](http://www.vitalcheck.com). But this service is expensive and we would suggest only using it if you are in a hurry. If you have more time, you can order certified copies of your birth certificate from your state by mail far less expensively. <http://www.sisterstates.com/> has a list of all the web sites for states. The state web sites are primarily to get state tax forms, but you may also be able to find general state web site where you can find how to order vital records such as your birth certificate.

You will need the number (usually red, green, black or blue) from the back of your Social Security card. The number starts with a letter (A-N) and is followed by eight digits. We call this number your "bond number". If your Social Security card does not have a bond number, you will need to order a replacement card. You can find instructions and an SS-5 application form at <http://www.ssa.gov/online/ss-5.html>. There is also a copy of the file, ss-5.pdf, in the zip file that contained this file. This same web page has a way for you to find the closest Social Security office to your location. You can mail your SS-5 form to the local office or you can choose to take the form with you to a Social Security office. In either case, you will have to furnish identification. The instructions on the form describe how to fill out the form and how to satisfy the identification requirements. It takes about 7 to 10 days to get the replacement card.

### **Step 1b – Replace tags with your data**

The redemption documents contain a number of variables (called "tags") that act as place holders for your personal data. The table below shows a list of all of these tags. The first column explains what the data should be, the second is the strings that will be replaced (the tag) and the last column is a sample of what the data might look like in

place of the tag. You will be replacing all of the tags for the entire redemption process as you follow the steps below.

Before you begin your customizing work, save a copy of this file **now** under a different file name. You will do this using the “Save as” option under the “File” menu; i.e., you might insert your last name and the date when the file was created somewhere in the file name, e.g. Smith-Redemption-2003-07-21.doc.

You will use the “Replace” facility in MS Word to search for and replace each of the strings in the “Replacement String” column shown below. The “Replace” menu item can be found under the “Edit” menu. When you select “Replace” a dialog box will open that contains a line labeled “Find what:” where you will enter the string you want to replace. The dialog box also contains a “Replace with:” line where you will enter the correct data.

For example, if you want to replace the “<ssn>” tag, you would enter “<ssn>” in the “Find what:” line and type your SSN on the “Replace with:” line. Then, you would click the “Replace All” button. Repeat this process for each tag in the list.

To make sure that you have not missed any tags, scroll to the top of this file and perform a search operation for “<”. The “Find” menu item is under the “Edit” menu. If you aren’t able to locate any tags, then you have successfully replaced all tags.

Once this is done, save the file again under the new name to make sure you don’t lose all your work. There will be several more sub-steps within Step 1.

<b>Description</b>	<b>Replacement string</b>	<b>Sample data</b>
True Name - your current full legal name with upper & lower case letters	<true-name>	John Quincy Public
Your straw man name which is your name in all capital letters	<strawman>	JOHN Q. PUBLIC
Your spouse’s full name in all capital letters	<spouse-strawman>	MARY JANE PUBLIC
Birth Name - the full name that you were born with, in CAPITAL LETTERS. For men, this will be the same as your straw man but, for women who are married, it may be different.	<birth-name>	JOHN QUINCY PUBLIC
Your first name in upper & lower case	<first-name>	John
Your middle name in upper & lower case	<middle-name>	Quincy
Your last name in upper & lower case	<last-name>	Public
Your initials in CAPITAL LETTERS	<initials>	JQP
The 9-digit registered label number without the letters	<contract-num>	9363067111
Your mailing address (make sure it includes the “res” state)	<mail-street> <mail-city>, <res-state> <ZIP>	100 Maple Ave. Dallas, Texas [76133]
Social Security Number	<ssn>	123-45-6789
Bond number from the back of your Social Security card (will contain a letter, A-N, and 8 digits)	<bond-num>	E81726354
Employer/Exemption Identification Number; your SSN without the dashes	<ein>	123456789
Your gender (“man” or “woman”)	<gender>	man

Your date of birth	<dob>	July 4, 1960
Year you were born	<birth-year>	1960
The number from your state birth certificate. There may be several numbers. Use the one with a label something like "State File Number"	<birth-cert-num>	982-13459-60
Name of the birth document usually on the top of the birth certificate	<birth-doc-name>	Certificate of Live Birth
The state where you were born	<birth-state>	GEORGIA
Certified mail number you will use to send the first set of documents to the Secretary of the Treasury	<cert-mail-num>	7001 2510 0001 3000 0400
Driver's license number	<drive-lic-num>	43218765
Number on your passport (if any)	<passport-num>	200300400
Date you got married (if any)	<marriage-date>	June 8, 1982
State you were married in (if any)	<marriage-state>	OKLAHOMA
Marriage License Number (if married)	<marriage-lic-num>	45-1234-82

## Step 1b – Prepare the documents for printing

Your version of MS Word may not support printing a page range when the document contains page breaks. If this is the case when you attempt to print a page range, the entire document will be printed. One way to avoid this problem is to put the cursor on a specific page and print just the "current page" which is one of the options in the dialog that is displayed when you select the "Print" menu item in the "File" menu.

Read the documents you created. These are your documents, so you must know, understand and proofread what they say. If you don't understand some of the words, look them up in a good dictionary or legal dictionary.

# Commercial Security Agreement # <ContractNum>-<EIN> SA

This non-negotiable and non-transferable Security Agreement supplements and controls previous such agreements between the same Parties, and is made and entered this \_\_\_\_ day of \_\_\_\_\_, 2003 by and between <Strawman> hereinafter "Debtor" (<birth-state> <birth-doc-name> # <BirthCertNum> and Organization # <SSN>), and <TrueName> hereinafter "Secured Party", Creditor Identification #<EIN>. The Parties acknowledge they agree to be bound by the terms of this Commercial Security Agreement and are identified as follows:

**DEBTOR:**

<Strawman>, a Legal Entity  
<ADDRESS1>  
<CITY>, <RESSTATE> <Zip>  
Organization Number: <SSN>

**SECURED PARTY:**

<TrueName>, a <Sex>  
c/o <Address1>  
<City>, <ResState> <Zip>  
Employer Identification Number: <EIN>

## AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

Debtor hereby grants Secured Party, who deems himself insecure, a security interest in the Collateral described generally herein or specifically on attached Schedule(s), hereinafter referred to as "Collateral", to secure all Debtor's property, as well as all income from every source, and all direct and indirect, absolute or contingent, due or to become due, now existing or hereafter arising, presumed or actual, parol or expressed public indebtedness and liabilities held by Debtor, to Secured Party in consideration for Secured Party providing certain things and accommodations for Debtor including, but not limited to:

1. the Secured Party constituting the source, initial description, origin, substance, labor, sentient existence, exercise of faculties for, and being the basis from which the existence of the Debtor was derived, and the basis upon which the Debtor is able to act as an agent to interact, contract, and exchange goods, services, obligations, and liabilities in commerce with other artificial entities, and is able to function as a transmitting utility through traffic, i.e. serving as a pipeline for the transmission of goods, services, chattel property, and papers in commercial activity;
2. the Secured Party signing by accommodation as the authorized representative of the Debtor, without immediate consideration, for the Debtor, in all cases whatsoever where the signature of the Debtor is, will or has been required, will retain the right to make sufficient claims to secure such indebtedness until satisfied in whole;
3. the Secured Party issuing a binding commitment to extend credit or to extend immediately available credit, whether or not drawn upon and whether or not reimbursed in the event of difficulties in collection; and
4. the Secured Party providing the security for payment of all sums due or owing, or to become due or owing, by the Debtor on every public contract entered by the Debtor.

Debtor declares it is a legal entity recognized as such, and has rights and privileges recognized under the laws of the United States, as has been the case since its creation in <BirthYear>. All legal means to protect the security interest being established by this Agreement, nunc pro tunc from <DOB>, will be used by the Debtor when necessary; and all support needed by the Secured Party to protect his security interest in the collateral identified herein, will be provided by the Debtor.

Execution of this Security Agreement incorporates a promise that the Debtor will execute such commercial forms, including but not limited to such Financing Statements as may be necessary, to assure the Secured Party's interest is perfected. The security interest established by this Agreement will continue until the Secured Party is relieved of all liability associated with said services provided to the Debtor, and until all owing and due consideration to the Secured Party has been delivered, regardless of whether the Collateral identified in this Agreement is in the possession of the Debtor or the Secured Party.

Debtor warrants that Secured Party's claim against the Collateral is enforceable according to the terms and conditions expressed therein, and according to all applicable laws promulgated for the purpose of protecting the interests of a creditor against a debtor. Debtor also warrants that it holds good and marketable title to the Collateral, free and clear of all actual and lawful liens and encumbrances except for the interest established herein, and except for such substantial interest as may have been privately established by agreement of the parties with full attention to the elements necessary to establish a valid contract under international contract law. Public encumbrances belonging to the Debtor, against the Collateral, shall remain secondary to this Agreement, unless registered prior to the registration of Secured Party's interest in the same Collateral, as is well-established in international commercial law. Debtor specifically authorizes Secured Party to file such legal notices as he deems necessary to secure his interest in the collateral.

For valuable consideration, Debtor hereby expressly agrees and covenants, without benefit of discussion, and without division, that Debtor holds harmless and undertakes the indemnification of Secured Party, nunc pro tunc <dob>, from and against any and all claims, legal actions, orders, warrants, judgments, demands, liabilities, losses, depositions, summonses, lawsuits, costs, fines, liens, levies, penalties, damages, interests, and expenses whatsoever, both absolute and contingent, as

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DEBTOR: <Strawman>

Secured Party: <TrueName>



are due and as might become due, now existing and as might hereafter arise, and as might be suffered/incurred by, as well as imposed on Debtor for any reason, purpose and cause whatsoever.

## GENERAL PROVISIONS

Possession of Collateral: Collateral or evidence of Collateral may remain in the possession of the Debtor, to be kept at the address given in this Agreement by the Debtor or such other place(s) approved by Secured Party, and notice of changes in location must be made to the Secured Party within ten (10) days of such relocation. Debtor agrees not to otherwise remove the Collateral except as is expected in the ordinary course of business, including sale of inventory, exchange, and other acceptable reasons for removal. When in doubt as to the legal ramifications for relocation, Debtor agrees to acquire prior written authorization from the Secured Party. Debtor may possess all tangible personal property included in Collateral, and have beneficial use of all other Collateral, and may use it in any lawful manner not inconsistent with this Agreement, except that Debtor's right to possession and beneficial use may also apply to Collateral that is in the possession of the Secured Party if such possession is required by law to perfect Secured Party's interest in such Collateral. If Secured Party, at any time, has possession of any part of the Collateral, whether before or after an Event of Default, Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral, if Secured Party takes such action for that purpose as deemed appropriate by the Secured Party under the circumstances.

Proceeds and Products from Collateral: Unless waived by Secured Party, all proceeds and products from the disposition of the Collateral, for whatever reason, shall be held in trust for Secured Party and shall not be commingled with any other accounts or funds without the consent of the Secured Party. Notice of such proceeds shall be delivered to Secured Party immediately upon receipt. Except for inventory sold or accounts collected in the ordinary course of Debtor's public business, Debtor agrees not to sell, offer to sell, or otherwise transfer or dispose of the Collateral, nor to pledge, mortgage, encumber, or otherwise permit the Collateral to be subject to a lien, security interest, encumbrance, or charge, other than the security interest established by this Agreement, without the prior written consent of the Secured Party.

Maintenance of Collateral: Debtor agrees to maintain all tangible Collateral in good condition and repair, and not to commit or permit damage to or destruction of the Collateral or any part of the Collateral. Secured Party and his designated representatives and agents shall have the right at all reasonable times to examine, inspect, and audit the Collateral wherever located. Debtor shall immediately notify Secured Party of all cases involving the return, rejection, repossession, loss, or damage of or to the Collateral; of all requests for credit or adjustment of Collateral, or dispute(s) arising with respect to the Collateral; and generally of all happenings and events affecting the Collateral or the value or the amount of the Collateral.

Compliance with Law: Debtor shall comply promptly with all laws, ordinances, and regulations of all governmental authorities applicable to the production, disposition, or use of the Collateral. Debtor may contest in good faith any such law, ordinance, or regulation without compliance during a proceeding, including appropriate appeals, so long as Secured Party's interest in the Collateral, in Secured Party's opinion, is not jeopardized. Secured Party may, at his option, intervene in any situation that appears to place the Collateral in jeopardy.

Public Disputes: Debtor agrees to pay all applicable taxes, assessments and liens upon the Collateral when due, provided that such taxes, assessments and liens are proved to be superior to the lawful claim established by this Agreement and subsequently perfected by the Secured Party by appropriate registration. In the event Debtor elects to dispute such taxes, assessments and liens, Secured Party's interest must be protected at all times, at the sole opinion of the Secured Party, who may, at his option, intervene in any situation that appears to jeopardize Secured Party's interest in the Collateral. Debtor may elect to continue pursuit of dispute of such taxes, assessments, and liens, only upon production of a surety bond by public claimant(s), in favor of the Secured Party, sufficient to protect Secured Party from loss, including all costs and fees associated with such dispute. Should public judgment against the Debtor result from such dispute, Debtor agrees to satisfy such judgment from its accounts established and managed by the United States or its subdivisions, agents, officers, or affiliates, so as not to adversely affect the Secured Party's interest in the Collateral.

## SUBORDINATION OF DEBTOR'S DEBTS TO SECURED PARTY

Providing Secured Party, subsequent to the execution of this Agreement, perfects his security interest in the Collateral by appropriate registration, Debtor agrees that its indebtedness to the Secured Party, whether now existing or hereafter created, shall have priority over unregistered claims that third parties may raise against Debtor or the Collateral, whether or not Debtor becomes insolvent. Debtor hereby expressly subordinates any claim Debtor may have against Secured Party, upon any account whatsoever, to the claim Secured Party has or will have against the Debtor.

If Secured Party so requests, all notes or credit agreements now or hereafter established evidencing debts or obligation of Debtor to third parties, shall be marked with a legend that the same are subject to this Agreement and shall be delivered to Secured Party. Debtor agrees, and Secured Party hereby is authorized, in the name of the Debtor, to execute and file such

Private and non-negotiable between the parties

DEBTOR: <Strawman>

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Secured Party: <TrueName>



financing statements and other commercial statements, as Secured Party deems necessary or appropriate to perfect, preserve, and enforce his rights under this Agreement.

## DEFAULT

The following shall constitute Event(s) of Default hereunder:

1. failure by the Debtor to pay a debt secured hereby when due;
2. failure by the Debtor to perform an obligation secured hereby when required to be performed;
3. breach by the Debtor of a warranty contained in this Agreement;
4. evidence that a statement, warranty, or representation made or implied in this Agreement by Debtor, is false or misleading in any material respect, either now or at the time made or furnished;
5. evidence that this Agreement or a document of title is void or ineffective;
6. dissolution or termination of Debtor's existence as a legal entity, the insolvency of Debtor, the appointment of a receiver for all or any portion of Debtor's property, an assignment for the benefit of public creditors, or the commencement of proceedings under bankruptcy or insolvency laws by or against Debtor;
7. commencement of foreclosure, whether by action of a tribunal, self-help, repossession, or other method, by a creditor of Debtor against the Collateral;
8. garnishment of Debtor's deposit accounts or employment.

Cure of Default: If a fault or dishonor under this Agreement is curable through an account held by Debtor but managed by the United States or one of its subdivisions, agents, officers, or affiliates, such fault or dishonor may be cured by the Debtor with authorization by Secured Party; and upon advice by the fiduciary that the fault or dishonor has been cured, no Event of Default will have occurred. A dishonor under this Agreement, initiated by third party intervention, will not cause a default if such intervention is challenged by Debtor by its good faith effort to confirm or disprove the validity or reasonableness of a public claim which is the basis of the public creditor's proceeding; but Debtor must, in that event, deposit such surety with Secured Party as is necessary to indemnify the Secured Party from loss.

Acceleration: In the Event of Default, Secured Party may declare the entire indebtedness, immediately due and payable without notice.

Liquidation of Collateral: In the Event of Default, Secured Party shall have full power to privately or publicly sell, lease, transfer, or otherwise deal with the Collateral or proceeds or products therefrom, in his own name or in the name of the Debtor. All expenses related to the liquidation of Collateral shall become a part of the Debtor's indebtedness. Secured Party may, at his discretion, transfer part or all of the Collateral to his own name or to the name of his nominee.

Rights and Remedies: The Secured Party shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code as it has been adopted in the State where part or all of the Collateral is located or presumed to be located, including but not limited to, the right to proceed with self-help with or without a public court or tribunal. Rights and remedies available to Secured Party may be exercised singularly or jointly and in all venues and jurisdictions concurrently at the sole discretion of the Secured Party.

## MISCELLANEOUS PROVISIONS

Amendments: This Agreement, together with all related documents, present and future, constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless expressed in writing and signed by both Parties.

Applicable Law: The governing law of this Agreement is the agreement of the Parties, supported by the Uniform Commercial Code as adopted by the legislature of the State of <ResState>, international contract law, the unwritten Law Merchant as practiced before the Uniform Commercial Code was promulgated, and applicable maxims of law.

Expenses: Debtor agrees to pay upon demand, from such accounts as Debtor may have, all Secured Party's costs and expenses, including reasonable attorney's fees and other expenses incurred by the Secured Party to defend or enforce the provisions of this Agreement.

Indebtedness: The word "indebtedness" means the indebtedness evidenced by this Agreement as a claim against the Debtor and all its present and future possessions identified in this Agreement as Collateral and all public obligations, debts and liabilities ascribed to Debtor through its contracts and agreements, whether expressed or implied, known or unknown, or actual or constructive, that are with the United States or its subdivisions, agents, officers, affiliates or other public entities; and all claims made by Secured Party against Debtor, whether existing now or in the future, whether they are voluntary or involuntary, due or not due, direct or indirect, absolute or contingent, liquidated or unliquidated, regardless of whether Debtor is or may be liable individually or jointly, or is obligated as, or beneficiary of, a surety or accommodation party.



Related Documents: The phrase “related documents” means all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, applications, accounts, licenses, policies, permits, identification cards, account cards, receipts, forms, and all other documents and instruments that Debtor or its surety has or will execute in connection with the Debtor’s total indebtedness.

Notices: Except for revocation notices by Debtor, all notices required to be given by either Party under this Agreement, shall be in writing and shall be effective when actually delivered or when deposited with the United States post office or a nationally recognized courier service, first class postage prepaid, addressed to the Party to whom the notice is to be given at the address shown on this Agreement or to such other address as either Party may designate to the other in writing.

Severability: If one or more provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court of competent jurisdiction finds that one or more provisions of this Agreement are invalid or unenforceable, but that by limiting such provision(s) it would become valid or enforceable, such provision(s) shall be deemed to be written, construed, and enforced as so limited. In the event that such a finding and limitation causes damage or hardship to either Party, the Agreement shall be amended in a lawful manner to make all Parties whole.

Waiver of Contractual Right: The failure of either Party to enforce one or more provisions of this Agreement shall not be construed as a waiver or limitation of that Party’s right to subsequently enforce and compel strict compliance with every provision of this Agreement. Secured Party shall not be deemed to have waived rights under this Agreement unless such waiver is given in writing and signed by Secured Party. No delay or omission on the part of Secured Party in exercising a right shall operate as a waiver of such right or any other right. A waiver by Secured Party of a provision of this Agreement shall not prejudice or constitute a waiver of Secured Party’s right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Secured Party, nor any course of dealing between Secured Party and Debtor shall constitute a waiver of Secured Party’s rights or of Debtor’s obligations under this Agreement as to future transactions. Whenever the consent of Secured Party is required under this Agreement, the granting of such consent by Secured Party in one instance shall not constitute consent over the whole.

Ambiguities and Interpretation: Each Party acknowledges receipt of this Agreement, has had the opportunity to have counsel review this Agreement and agrees that any rule of construction claiming ambiguities are to be resolved against the drafting Party and shall not apply in the interpretation of this Agreement or its amendments. All statements in this instrument are important to the Parties. Misunderstandings have been resolved prior to execution.

Authority to Represent: A signer of this Agreement on behalf of a legal entity certifies that he has the authority to sign this Agreement and that this transaction has been duly authorized by such entity.

Gender. All references within this Agreement to a specific gender, include the other.

### SIGNATURES

Secured Party accepts all signatures in accord with the Uniform Commercial Code and acknowledges Debtor’s signature as representative of all derivations thereof.

\_\_\_\_\_  
<Strawman>, DEBTOR, a Legal Entity

\_\_\_\_\_  
<TrueName>, Secured Party, a <Sex>

See attached: Schedule A

<ResState> )  
) ss.  
<record county> County )

### ACKNOWLEDGEMENT

For the purpose of verification only, on the \_\_\_ day of \_\_\_\_\_, 200\_\_, <true-name> personally appeared before me and proved to me on the basis of satisfactory evidence to be the person whose name is subscribed hereto and acknowledged to me that he or she executed the same. Subscribed before me this day. Witness my hand and seal this \_\_\_ day of \_\_\_\_\_, 200\_\_.

\_\_\_\_\_  
NOTARY SIGNATURE

Private and non-negotiable between the parties

DEBTOR: <Strawman>

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Secured Party: <TrueName>

## Step 1c – Customize Schedule A

Make the following further modifications to Schedule A:

- Women who do not use their spouse's last name must remove the yellow highlighting from the phrase "now known as <strawman>". If the document is created for a man, delete this phrase.
- If you are not married, delete "Application for <marriage-state>" and the words "Optional item)".
- If you are married, delete the yellow highlighting and the words "[Optional item)".
- There are several items that are optional on the first page of that are each labeled "[Optional item)". Delete any of them that do not apply to you. If any of them do apply to you, delete the yellow highlighting and the words "[Optional item)".
- The item that starts with "Acceptance of office of Authorized Representative" contains two items that need to be customized.
  - There is yellow highlighted text that reads "him/her". If the document is being prepared for a man, delete "/her". If the document is being prepared for a woman, delete the word "him/". In either case, also remove the yellow highlighting that remains.
  - There are some blanks for you to enter a value of your claim against your straw man. Enter whatever value seems reasonable to you. One approach would be to estimate the total income earned by your straw man (pay checks are usually written to the straw man's name), up to this point, in your life. The number does not have to be accurate so don't worry too much about what you put in this blank.
- The item that starts with "This is actual and constructive notice" contains a section of text where you will want to list the parallel statute for UCC (Uniform Commercial Code) 1-104 in your state. You will have to look up this section for your "res" state. This can usually be done on the internet. This URL, <http://www.law.cornell.edu/uniform/ucc.html>, may have a link to the UCC statutes for you state. The reason you want to list your state statute is because there is really no such thing as UCC 1-104 or any other section reference. The UCC is implemented by each state's statutes. So, for a reference to be legally valid, you must show the statute in your state. The exact language is shown below:

**From UCC § 1-104. Construction Against Implicit Repeal.**

This Act being a general act intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

**From Arizona Statutes 47-1104. Construction against implicit repeal**

This title being a general title intended as a unified coverage of its subject matter, no part of it shall be deemed to be impliedly repealed by subsequent legislation if such construction can reasonably be avoided.

Once these edits are complete, save the file.

## SCHEDULE A

This Schedule A dated the \_\_\_\_\_ day of \_\_\_\_\_, 2003, is attached to and incorporated in the attached Security Agreement dated the same date, as though fully set forth therein. The following partial itemization of property constitutes a portion of the Collateral referenced in said Security Agreement, and is not intended to represent the actual and full extent of said Collateral. This Schedule supplements previous security agreements describing collateral that may have been entered by the same parties.

The following property has been accepted for value and will be entered in the Commercial Registry:

- The legal entity name – <Strawman>
- The COPYRIGHT/TRADE NAME/TRADEMARK – <Strawman>
- Income from every source ascribed to <Strawman>
- Proceeds of Secured Party's labor from every source
- Assets of the Debtor from whatever source
- Application for STATE OF <BirthState> <BirthDocName> # <BirthCertNum>, and all other Certificates of Birth, Certificates of Living Birth, Notifications of Registration of Birth, or Certificates of Registration of Birth, or otherwise entitled documents of birth -- whether County, State, Federal, or other -- either ascribed to or derived from the name of <BirthName> "now known as <Strawman>", the DEBTOR identified above, or based upon the above described certificate of birth.
- Employer Identification # <EIN>
- Application for Social Security Number <SSN>
- Personal UCC Contract Trust Account # <CertMailNum>
- Application for United States of America Passport # <PassportNum> [Optional item]
- Application for <MarriageState> marriage license <marriage-lic-num> and subsequent merger of the <BirthName> and <SpouseStrawman> organizations on <MarriageDate> [Optional item]
- Application for <ResState> Driver License # <DLnum> [Optional item]
- Application for voter registration status for <Strawman> [Optional item]
- Acceptance of office of Authorized Representative of <Strawman>, a trust/organization, corporation sole, which was created in the State of <BirthState>, from <DOB> until secured party resigns the office or is replaced, and receives all value due to him/her from the trust for services rendered, present value of claim is no less than \$ \_\_\_\_\_ .00.
- This is actual and constructive notice that a true and complete Security Agreement is in the possession of the Secured Party. All property belonging to the DEBTOR is hereby accepted for value and is exempt from levy. Adjustment of this UCC filing is pursuant to House Joint Resolution 192 dated June 5, 1933 and according to Uniform Commercial Code § 1-104 and [add the name of your state statute that parallels UCC 1-104, e.g. in Texas it would say "Texas Business & Commerce § 1.104]. Hereafter, designation of DEBTOR includes all its DBA's and AKA's.

## Step 1d – Customize Data for UCC-1 Form

Make the following further modifications to Data for UCC-1 Form:

- 1c – Enter the street address where you were born. In most cases, this will be the address of the hospital where you were born. If the hospital is no longer in operation, this address may be very difficult to find. If you can't find this address, you might use the address where your parents lived when you were born or a valid street address near where the hospital existed at the time of your birth. The exact address is not critical because no mail will ever be sent to this address. The address is only used to establish the jurisdiction in which your straw man was "created". Be sure to remove the yellow highlighting when you have completed the edits on the address.
- 1d – Your straw man's SSN (the SSN belongs to your straw man, not to you, the living soul) should already have been replaced. Some states will not accept a UCC-1 that is filed with the SSN number in this position. There is no way to determine if they will accept it ahead of time. Therefore, you will first submit it with the SSN and, if they reject the filing, you can resubmit the UCC-1 without the SSN.
- 4 Financing Statement – Replace the text that says "[add the name of your state statute that parallels UCC 1-104]" with the number of the appropriate state statute. You should have already looked up this statute for Schedule A.

After all edits are complete, save this file so you won't lose the changes.

## Data for UCC-1 Form

Most states utilize the National UCC form. The boxes match the numbers below with their titles and they are underlined here so you can find them. Behind the box number and title are the values to fill out the form. If you are filing online, you will want to print this page so you copy the data correctly.

### **UCC-1 Information by field number:**

1a. ORGANIZATION'S NAME - <LASTNAME>, <FIRSTNAME> <MIDDLENAME>

ORGANIZATION/TRADE NAME/TRADEMARK - DEBTOR

1c. Mailing address – c/o **ENTER YOUR BIRTH ADDRESS HERE**

City – **ENTER BIRTH ADDRESS HERE**

State - <BIRTHSTATE> (2 letter abbreviation)

Postal Code – **ENTER BIRTH ZIP HERE**

Country – USA

1d. TAX ID#: SSN or EIN - **<SSN>**

1e. Type of Organization – DBA

1f. Jurisdiction – organization – USA

1g. Organization ID # -<birth-cert-num>

3b. Individuals Last name - <LastName>

First Name - <FirstName>

Middle Name - <MiddleName>

3c. Mailing address – c/o <Address1>

City - <City>

State - <ResState> (2 letter abbreviation)

Postal Code – [<Zip>]

Country – uSA **[Note: “uSA” is not a typo.]**

4. Financing Statement

This is Actual and Constructive Notice that all of Debtor's interest now owned or hereafter acquired is hereby accepted as collateral for securing contractual obligations in favor of the Secured Party as detailed in a true, correct, complete, notarized Security Agreement in the possession of the Secured Party.

NOTICE: In accordance with USC - Property - This is the entry of the Debtor in the Commercial Registry as a transmitting utility\* and the following property is hereby registered in the same as a public notice of a commercial transaction: <BIRTHDOCNAME> # <BirthCertNum>; Employer Identification #<EIN>; UCC Contract Trust Account #<CertMailNum>-<ein>; All property is accepted for value and is exempt from Levy. Adjustment of this filing is from Public Policy HJR-192 dated June 5, 1933, Public Law 73-10, UCC 1-104 and **[add the name of your state statute that parallels UCC 1-104]**. All proceeds, products, accounts, fixtures and the orders therefrom are released to the Debtor to serve as collateral for the Creditor Secured Party's benefit.

<LASTNAME>, <FIRSTNAME> <MIDDLENAME>, ORGANIZATION/TRADE NAME/TRADEMARK - DEBTOR

\* Transmitting Utility is defined as an agent solely utilized for the purpose of transmitting commercial activity for the benefit of the Secured Party. The DEBTOR is a Legal Entity according to the Uniform Commercial Code. DEBTOR is not claiming to be a public utility.

5. **Check all the boxes.**

8. OPTIONAL FILER REFERENCE DATA – After “Debtor:”, print the Name. After “Secured Party:” sign your normal signature.

### **UCC-1Ad Information by field number:**

9a. ORGANIZATION'S NAME - <LASTNAME>, <FIRSTNAME> <MIDDLENAME>

ORGANIZATION/TRADE NAME/TRADEMARK – DEBTOR **(put as much as will fit in the space)**

18. Check only if applicable and check only one box: Check the box “Debtor is a TRANSMITTING UTILITY.”

## Step 1e – Print & sign documents

Print one each of the customized documents: Security Agreement, Schedule A and data for the UCC-1 form. This file contains many section breaks.

Your version of MS Word may not support printing a page range when the document contains page breaks. If this is the case when you attempt to print a page range, the entire document will be printed. One way to avoid this problem is to put the cursor on a specific page and print just the “*current page*” which is one of the options in the dialog that is displayed when you select the “*Print*” menu item in the “*File*” menu.

Read the documents you created. These are your documents, so you must know, understand and proofread what they say. If you don’t understand some of the words, look them up in a good dictionary or legal dictionary.

Now, fill in some values by hand on the newly printed documents. Do all writing in blue ink. The straw man’s name is always in capital letters on the left, with the first letter larger than the rest, e.g. JOHN HENRY DOE. The true-man’s name is always in cursive (script) on the right-hand side of the page.

- Fill in Commercial Security Agreement. On page one, fill in today’s date.
- Fill in Schedule A. Write today’s date in the top paragraph of each page. In the lower left of each page, print the straw man’s initials in all caps, e.g. JQP. In the lower right of each page, sign your initials in all cursive caps, e.g. JQP.
- Take the original Commercial Security Agreement to a notary. Sign and date the document in blue ink in front the notary. On the bottom left of the last page of the Commercial Security Agreement, print the straw man’s name in all capital letters (use big and little caps), e.g. JOHN QUINCY PUBLIC. On the bottom right of the last page, sign your name in cursive (script) using all the words in your true name, e.g. John Quincy Public.

Keep the originals of the Commercial Security Agreement and Schedule A for your records. These are the documents that back up the UCC filing that you are about to complete. Without these documents, the UCC filing would be fraudulent.

You can use transparency film (purchased from an office supply store) to prepare an “accepted for value” stamp (see sample on a later page). The text for the Accepted for Value Stamp is shown here:

Non-Negotiable Non-Transferable Charge Back  
Office Holder - Secretary of the Treasury  
I accept for value all related endorsements in accordance with  
UCC 3-419, HJR 192 of June 5, 1933, and Public Law 73-10. Charge my  
Personal UCC Contract Trust Account <reg-label-num>-<EIN>  
for the registration fees and command the memory of the account  
to charge the same to the Debtor’s Order, or your Order.  
Employer Identification # <EIN> – Bond # <BondNum>  
Pre-Paid – Preferred Stock – Priority  
Exempt from Levy – Posted: Certified Account  
Invoice # \_\_\_\_\_ Date \_\_\_\_\_

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Make several copies of the original birth certificate to practice with. Print a few A4V stamps onto the copies to determine the best position for the A4V stamp. One way to apply A4V stamp to the birth certificate is to use a transparency on a copy machine rather than directly printing from your printer onto the practice copies.

Print the “accepted for value” stamp on one of the original/certified copies of your birth certificate. Sign and date the certified copy that has the “accepted for value” stamp on it.

Fill in an invoice number that you will assign to each document where you use the stamp. You might consider using a combination of your initials and the date (in YYYYMMDD format), e.g. JQP20030416, as the invoice number. The numbers should be unique if you are creating more than one, so you may want to add an additional digit to the end of the string; i.e., JQP200304161.

You can also “accept for value” your driver’s license, social security card, passport and marriage license, but these are optional. If you wish to accept these documents for value, follow these bulleted steps below:

- Make a copy of the front of your driver’s license (color if possible) and imprint the “accepted for value” stamp on the face of it using the same procedure described above. Sign it and date it with today’s date. Leave the invoice number field blank.
- Make a copy of the front and back of your social security card (color if possible) on the same page and imprint the “accepted for value” stamp on the face of it using the same procedure described above. Sign it and date it with today’s date. Leave the invoice number field blank.
- If you have a valid passport, make a copy of the pages with your signature and picture (color if possible) and imprint the “accepted for value” stamp on the face of it using the same procedure described above. Sign it and date it with today’s date. Leave the invoice number field blank.
- If you have a marriage license, make a copy of it (color if possible) and print the “accepted for value” stamp on the face of it using the same procedure described above. Sign it and date it with today’s date. Leave the invoice number field blank.

You will keep the original copies of the “accepted for value” documents (birth certificate, driver’s license, social security card, passport, marriage license) with the Commercial Security Agreement and other documents that you have already prepared.

## **Step 1f - File your UCC-1 (UCC Financing Statement)**

**NOTE:** Before proceeding further in this process, you must have completed the Copyright process. This means that either of two things have happened: 1) your copyright must either be recorded with a county recorder or 2) you must have completed all of the copyright paperwork and you are ready to publish your copyright notice in the newspaper.

First, file your UCC Financing Statement in your birth state and then in the state where you reside and in any state(s) where you own property. File the same UCC Financing Statement (same contents) in each state where it needs to be filed. UCC filings are normally done with the Secretary of State (SOS). If property is involved, the UCC filing is (might be) done in the county where the property exists.

We will try to file two forms, a UCC-1 and a UCC-1Ad. The reason for including the UCC-1Ad is so you can check the box in 18 that says “Transmitting Utility”. By filing as a transmitting

utility, you will not have to renew your UCC filing every five years. Some states will not accept filings with the “transmitting utility” box checked. These states usually consider a “transmitting utility” to be an electric company. If they won’t accept the filing with the box checked, submit the UCC-1 again but exclude the UCC-1Ad. If they accept this filing, you will have to re-file every five years to keep your filing active. By the way, we define a “transmitting utility” as: “an agent solely utilized for the purpose of transmitting commercial activity for the benefit of the Secured Party”.

It is preferable to file your UCC-1 by mail (Step 1f.1) because you cannot sign the UCC-1 form as the creditor if you file electronically (Step 1f.2). The list of states (below) shows where you can get information about filing in your state(s). These web sites will normally have the forms to file, the address where to mail the forms and the fees charged by the state(s). There is a section below that gives additional information about filing by mail. Use the web sites to download the UCC-1 (the main form) and UCC-1Ad (the addendum form). Usually these forms will be in PDF (Adobe Acrobat) format. If you are unable to find a form for your state(s), you may be able to use the form for almost any other state. As of the summer of 2001, most states in the nation adopted uniform forms.

Here is a partial list of web sites where you can get information about filing UCC Financing Statements in various state and territories:

Alabama - <http://www.sos.state.al.us/business/ucc.cfm>  
Alaska - <http://www.dnr.state.ak.us/ssd/>  
Arizona - [http://www.sosaz.com/business\\_services/ucc.htm](http://www.sosaz.com/business_services/ucc.htm)  
Arkansas - <http://www.sosweb.state.ar.us/business.html>  
California - <http://www.ss.ca.gov/business/ucc/ucc.htm>  
Colorado - <http://www.sos.state.co.us/pubs/business/pdf/formsindex.html>  
Connecticut - <http://www.sots.state.ct.us/CommercialRecording/CRDform.html#UCC>  
Delaware - <http://www.state.de.us/corp/ucc.htm>  
District of Columbia -  
Florida - <http://www.floridaucc.com/>  
Georgia - <http://www.gscca.org/filesandforms/uccforms.asp>  
Hawaii - <http://www.state.hi.us/dlnr/bc/FeeSchedule.html>  
Idaho - <http://www.idsos.state.id.us/ucc/uccindex.htm>  
Illinois - [http://www.cyberdriveillinois.com/departments/business\\_services/ucc.html](http://www.cyberdriveillinois.com/departments/business_services/ucc.html)  
Indiana - <http://www.in.gov/sos/business/ucc/forms.html>  
Iowa - <http://www.sos.state.ia.us/business/UCCLawInfo.html>  
Kansas - [http://www.kssos.org/forms/forms\\_results.asp?division=UCC](http://www.kssos.org/forms/forms_results.asp?division=UCC)  
Kentucky - <http://www.kysos.com/ADMIN/UCC/Uccfilingforms.asp>  
Louisiana - <http://www.sec.state.la.us/comm/ucc-index.htm>  
Maine - <http://www.state.me.us/sos/cec/corp/ucc.htm>  
Maryland - [http://www.dat.state.md.us/sdatweb/ucc/ucc\\_home.html](http://www.dat.state.md.us/sdatweb/ucc/ucc_home.html)  
Massachusetts - <http://corp.sec.state.ma.us/portal/UCC/UCCMain.htm>  
Michigan - [http://www.michigan.gov/sos/1,1607,7-127-1631\\_8851---,00.html](http://www.michigan.gov/sos/1,1607,7-127-1631_8851---,00.html)  
Minnesota - <http://www.sos.state.mn.us/uccd/index.html>  
Mississippi - <http://www.sos.state.ms.us/busserv/ucc/ucc.asp>  
Missouri -  
Montana - <http://sos.state.mt.us/css/BSB/RA9.asp>  
Nebraska - <http://www.sos.state.ne.us/htm/UCCmenu.htm> &

<http://www.sos.state.ne.us/UCC/RA9Forms.htm>  
Nevada - [http://www.sos.state.nv.us/comm\\_rec/ucc/index.htm](http://www.sos.state.nv.us/comm_rec/ucc/index.htm)  
New Hampshire - <http://www.state.nh.us/sos/ucc/index.htm>  
New Jersey - <http://www.state.nj.us/treasury/revenue/dcr/geninfo/uccman.html>  
New Mexico - <http://www.sos.state.nm.us/ucc/ucchome.htm>  
New York - <http://www.dos.state.ny.us/corp/corpwww.html> &  
<http://www.dos.state.ny.us/corp/uccfaq.html>  
North Carolina - <http://www.secretary.state.nc.us/ucc/>  
North Dakota -  
<http://www.state.nd.us/sec/CentIndexing/centralindexingdivisionmnu.htm>  
Ohio -  
Oklahoma - [http://www.sos.state.ok.us/cfs/ucc\\_filing\\_information.htm](http://www.sos.state.ok.us/cfs/ucc_filing_information.htm)  
Oregon - <http://www.filinginoregon.com/ucc/index.htm> &  
<http://www.filinginoregon.com/forms/#UCC>  
Pennsylvania -  
<http://www.dos.state.pa.us/corps/cwp/view.asp?a=1093&Q=431210&corpsNav=>  
Puerto Rico -  
Rhode Island - <http://www.corps.state.ri.us/ucc.htm>  
South Carolina - [http://www.scsos.com/uniform\\_commercial\\_code.htm](http://www.scsos.com/uniform_commercial_code.htm)  
South Dakota - <http://www.state.sd.us/sos/ucc.htm>  
Tennessee - <http://www.state.tn.us/sos/service.htm#ucc>  
Texas - <http://www.sos.state.tx.us/ucc/index.shtml>  
Utah - <http://www.commerce.state.ut.us/corporat/uccpage.htm>  
Vermont - <http://www.sec.state.vt.us/tutor/dobiz/ucc/ucchome.htm>  
Virginia - [http://www.state.va.us/scc/division/clk/fee\\_ucc.htm](http://www.state.va.us/scc/division/clk/fee_ucc.htm)  
Virgin Islands -  
Washington - <http://www.dol.wa.gov/unfc/uccforms.htm>  
West Virginia - <http://www.wvsos.com/ucc/main.htm>  
Wisconsin - <http://www.wdfi.org/ucc/>  
Wyoming - <http://sos.wy.state.wy.us/uniform/uniform.htm>

## Step 1f.1 - File your UCC-1 by mail

Follow these steps to file by mail.

1. Use the Sister States web site, <http://www.sisterstates.com/>, the above list of web sites or an Internet search engine to find the web site for the secretary of state in your state(s).
2. The SOS's web site will likely have the UCC-1 and UCC-1Ad forms. The forms are usually in PDF (Adobe Acrobat) format. Download and save them on your computer.
3. Use information on the "Data for UCC-1 Form" to guide you in filling out the form. You can use the "copy and paste" function on your computer to ensure you have entered the data correctly on the form. Many of the PDF forms can be edited (typed on) using Adobe Acrobat Reader. However, you will not be able to save the modifications unless you have purchased the full Adobe Acrobat version. If you are unable to save your changes, you can use the form to enter your information and then print the form out. On line 8, put "Debtor" on the left side and "Secured Party" in the middle (as shown in the example below). Print two originals of the forms. Sign both copies in blue ink of the UCC-1 on line 8. Sign after "Debtor" in large and small capital letters, e.g. JOHN QUINCY PUBLIC, and sign after "Secured Party" using your normal signature.
4. From SOS's web site for the state where you are going to file, find the address of where to file by mail, the filing fees and certified copy fees.
5. Get a money order to pay for the fees and at least one certified copy. You may want to get additional copies for your files. You may be able to pay with a personal check or credit card. The SOS web site should tell you the payment options they support.
6. Write a cover letter similar to the sample below stating what you are enclosing: payment for the filing and at least one certified copy, enclosing the two original signed UCC-1 and UCC-1-Ad's, requesting that they certify one set, and a self-addressed stamped envelope to return the extra certified, signed original back. States vary on how they return they return your documents to you. Some separate your SASE and do not use your SASE, but will accept your FedEx account number if you want it returned quickly. Be sure to check with the state you are filing in to comport with their return requirements. If they send back a certified copy without a blue ink signature, you can just sign the one they send in blue ink immediately beneath your original signature.
7. Prepare the package for mailing: Cover letter, two UCC-1 forms, two UCC-1Ad forms, and payment for the filing fees. Do **not** send the Schedule A or any of the Copyright material with the UCC-1. Anything you file will become public record, and you should keep these documents private. You may have to record the Security Agreement in some states in order to file the UCC forms. It is okay to attach the Security Agreement, but NOT the Schedule A.
8. Make a copy of the UCC forms for your records and keep it with your returned receipt.
9. Get two Priority Mail envelopes, and stamps from the Post Office (\$3.50 X 2 \$7.00).
10. Address and stamp both Priority Mail envelopes (one to the Secretary of State from you and the other one to your mailing address from the Secretary of State).
11. Put the material (Cover letter, UCC-1 forms, UCC-1Ad forms, payment for the filing fees, and method for return to you) in the Priority Mail envelope addressed to the Secretary of State.

12. Mail the package. You may wish to send it by certified mail so you have proof and know when it arrived.)

The next page is a sample cover letter that you can use when mailing your UCC-1 to a state.

<true-name>  
<street>  
<city>, <res-state> <zip>

<date of letter>

Secretary of State

\_\_\_\_\_  
\_\_\_\_\_

Dear Sir,

Please find enclosed two duplicate original UCC-1 Financing Statement for:

<TrueName>, Secured Party

Please file these documents and return a certified copy of each. Enclosed is a money order for \$ \_\_\_\_\_ for the filing fee and \$ \_\_\_\_\_ for the certified copies.

Enclosed is a self addressed stamped Priority Mail envelope for your convenience.

Thank you,

\_\_\_\_\_  
<FirstName> <LastName>

## Step 1f.2 - File your UCC-1 electronically

Follow these steps to file electronically.

1. Use the Sister States web site, <http://www.sisterstates.com/>, the above list of web sites or an Internet search engine to find the web site for the secretary of state in your state(s).
2. If your state supports electronic filing, you may have to create an account on the SOS's web site. They will usually want a credit card for payment. If your state does not support electronic filing and you can't file by mail to your state, you will have to file in a state in the same UCC region (see below).
3. Follow the instructions on the SOS web site to file a UCC Financing Statement (UCC-1 and UCC-1Ad). Use the data shown on the UCC Financing Statement Information page(s) to fill out the form. If your state does not support electronic filing or you don't want to file electronically, you will need to follow the instructions to file by mail.
4. If you can't file in your "res" state, follow the instructions, to file in the same UCC region.
5. Request at least one certified copy of the UCC Financing Statement. You may also want additional copies for your records.

The disadvantage of filing electronically is that you can't sign the UCC-1 as the Secured Party. But we believe it is better to file it electronically than not at all. So we use electronic filing as a fall-back in cases where you can't get the state to accept a mailed copy. Filing electronically may or may not allow you to select "transmitting utility" when you file.

### Filing UCC Financing Statement in the Same Region:

If you have trouble filing your UCC-1 in any state (birth, "res" or where you have property), you can file in any other state in the same UCC Region. By filing in the same region, the UCC-1 will be accepted as if it had been filed in the state where you first tried to file it. The following is the list of UCC Regions and the states in each region.

**Region 1:** Washington State, Oregon, Nevada, California, Arizona, New Mexico, Colorado, Utah, Alaska, Hawaii

**Region 2:** Idaho, Montana, Wyoming, North Dakota, South Dakota, Nebraska

**Region 3:** Texas, Oklahoma, Kansas, Missouri, Arkansas, Louisiana

**Region 4:** Minnesota, Wisconsin, Iowa, Michigan, Illinois, Indiana, Ohio

**Region 5:** Kentucky, Virginia, Tennessee, North Carolina, South Carolina, Alabama, Mississippi, Georgia, Florida

**Region 6:** Massachusetts, Maine, New Hampshire, Vermont, New York, West Virginia, Pennsylvania, Delaware, Maryland, New Jersey, Rhode Island, Connecticut

### What to do after the UCC-1 is filed in your birth state:

After filing your first UCC-1 (in your birth state), you are now in a position to publish your copyright notice (at the end of Step 1). Publishing your copyright is only necessary if you were not able to get your copyright recorded in some county in your state.

After filing your UCC-1 in your birth state, you should also file in the state where you live and in any state(s) where you have property. You can do these filings now or you can wait a few weeks. You can now proceed to Step 2 where you will set up your UCC Contract Trust Account. You must have completed your UCC-1 filing in your birth state before proceeding.

The next page contains a sample of what a UCC-1 might look like.

**UCC FINANCING STATEMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

---

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

John Q. Public  
c/o 100 Maple Ave.  
Ft. Worth, Texas [76000]

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME  
**PUBLIC, JOHN QUINCY, ORGANIZATION/TRADE NAME/TRADEMARK - DEBTOR**

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**C/O BIRTH ADDRESS BIRTH TOWN ST 11111 USA**

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any  
**123-45-6789 DEBTOR DBA USA**  NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any  NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX  
**Public John Quincy**

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY  
**c/o Current Street Residence Town State [99999] uSA**

4. This FINANCING STATEMENT covers the following collateral:

This is Actual and Constructive Notice that all of Debtor's interest now owned or hereafter acquired is hereby accepted as collateral for securing contractual obligation in favor of the Secured Party as detailed in a true, correct, complete, notarized Security Agreement in the possession of the Secured Party.

NOTICE: In accordance with USC - Property - This is the entry of the Debtor in the Commercial Registry as a transmitting utility and the following property is hereby registered in the same as a public notice of a commercial transaction: Certificate of Live Birth # 145-60-00000; Employer Identification #123456789; UCC Contract Trust Account #<reg-Label-Num>-<ein>; All property is accepted for value and is exempt from Levy. Adjustment of this filing is from Public Policy HJR-192 of June 5, 1933, Public Law 73-10 and Texas Business & Commerce 1.104. All proceeds, products, accounts, fixtures and the orders therefrom are released to the Debtor to serve as collateral for the Creditor.

**PUBLIC, JOHN QUINCY, ORGANIZATION/TRADE NAME/TRADEMARK - DEBTOR**

**\*\* Transmitting Utility is defined as an agent solely utilized for the purpose of transmitting commercial activity for the benefit of the Secured Party. The DEBTOR is a Legal Entity according to the Uniform Commercial Code. DEBTOR is not claiming to be a public utility.**

5. ALTERNATIVE DESIGNATION (if applicable)  LESSEE/LESSOR  CONSIGNEE/CONSIGNOR  BAILEE/BAILOR  SELLER/BUYER  AG. LIEN  NON-UCC FILING

6.  This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum  if applicable 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]  All Debtors  Debtor 1  Debtor 2

8. OPTIONAL FILER REFERENCE DATA  
Debtor: Secured Party:

# UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

## 9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME <b>PUBLIC, JOHN QUINCY, ORGANIZATION/TRADE NAME</b>		
OR		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

## 10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

## 11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR					
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. <b>SEE INSTRUCTIONS</b>	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	
					<input type="checkbox"/> NONE

## 12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name ("2a or 2b)

12a. ORGANIZATION'S NAME					
OR					
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers  timber to be cut or  as-extracted collateral, or is filed as a  fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a  Trust or  Trustee acting with respect to property held in trust or  Decedent's Estate

18. Check only if applicable and check only one box.

Debtor is a TRANSMITTING UTILITY

Filed in connection with a Manufactured-Home Transaction — effective 30 years

Filed in connection with a Public-Finance Transaction — effective 30 years

## Step 2 – Set Up UCC Contract Trust Account

This step will create documents which you will mail to the Secretary of the Treasury, John Snow, or his successor, to establish a UCC Contract Trust Account. The establishment of this account will allow you to issue Bills of Exchange (BoE) to discharge debts and may be helpful when you begin to use Bonds of Discharge (BoD). The documents that will be customized and created in this step include: cover letter (Charge Back), Bill of Exchange and a Certificate of Service form.

Most of the customization of the documents has already been accomplished. However, you will need to make some additional changes to the documents.

### Step 2a – Customize the cover letter

Make the following changes to the cover letter:

- On the top of the next page, put the date you intend to mail this packet of material to the Secretary of the Treasury.
- On the bottom of the page, enter the invoice number you wrote on the “accepted for value” birth certificate.
- **Do not fill in the dollar value. Mr. Snow will fill this space in.**

Print out two copies of the cover letter: one for your records and one to mail.

<FirstName> <LastName>  
without prejudice  
c/o <Address1>  
<City>, <ResState> <Zip>

Date: <October 28, 2003>

John W. Snow – Secretary of the Treasury, or his Successor  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

“NON-NEGOTIABLE”  
“Non-Transferable”  
“CHARGE-BACK”

Dear Mr. Snow:

I accept for value all related endorsements in accordance with U.C.C. 3-419, HJR 192 of 5 June 1933 and Public Law 73-10. Charge my UCC Contract Trust Account <reg-Label-Num>-<EIN> for the registration fees and command the memory of account to charge the same to the debtor’s Order, or your Order.

The total amount of this BONDED NON-NEGOTIABLE ACCEPTANCE FOR VALUE in the enclosed filing is \$\_\_\_\_\_.

Receipt of the Certified Mail Return Receipt (PS Form 3811) is hereby accepted as acknowledgement that my Personal Certified UCC Contract Trust Account # <CertMailNum> is activated through the Secretary of the Treasury.

Thank you for your help in this matter. If you have any questions or need my assistance, please feel free to contact me. Until then, I am

Very truly,

Posted: Certified Trust #: <CertMailNum>

Invoice(s) #

<invoice # assigned to birth certificate>

\_\_\_\_\_  
Party

\_\_\_\_\_  
<FirstName> <LastName>, Secured

Trustee, but not individually

c/o <Address1>

<City>, <ResState> <Zip>

EIN <EIN>

Bond # <BondNum>

Pre-Paid - Preferred Stock

Priority – Exempt from Levy

## **Step 2b – Customize the Bill of Exchange**

Make the following changes to the Bill of Exchange (BoE):

- On the top of the next page, customize the yellow-highlighted date you intend to mail this packet of material to the Secretary of the Treasury.
- On the bottom of the page, enter the invoice number you wrote on the “accepted for value” birth certificate.
- Remove any yellow-highlighting on the page.
- Do not fill in the dollar value. Mr. Snow will fill this space in.
- Print out two copies of the BoE. One will be for your records and one will be to mail.

Date: <October 28, 2003>

John W. Snow – Secretary of the Treasury, or his Successor  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Certified Mail Article Number <CertMailNum>

**BONDED CERTIFIED BILL OF EXCHANGE IN ACCORD WITH HJR 192 of June 5, 1933**  
**NOT SUBJECT TO NEGOTIABILITY**

RE: CHARGEBACK of PERSONAL UCC CONTRACT TRUST ACCRUAL

Dear Mr. Snow, Secretary-in-charge:

Enclosed are documents (copies) from examination of the Undersigned's Commercial Agreements, which are listed on the enclosed (accounting), with Receipts and other evidence that have been accepted for value, all related endorsements front and back, to include those in accord with UCC 3-419. The total amount of this BONDED REGISTERED BILL OF EXCHANGE enclosed is \$\_\_\_\_\_.

Please Charge-back the Undersigned's UCC Contract Trust Account, # <CertMailNum>-<ein>, for the same value, and charge the account for the fees necessary for securing and registration (for the priority exchange for the tax exemption to discharge the public liability) of the personal possessions, and command Memory of the account to charge the same to the Debtor's Order or your Order.

This POSTED Certified Trust Accrual, which is part of the Undersigned's tax estimate, is directed for use (priority) for the Republic (Article IV, Section IV of the original United States Constitution) in accord with public policy HJR 192, (discharge of the public debt) through adjustment and setoff, when authorized.

Mr. John W. Snow, Secretary-in-charge and/or your Deputy-in-charge, are to take the Undersigned's acceptance (BA), this Article Seven receipt, in exchange for the tax exemption priority. This BONDED REGISTERED BILL OF EXCHANGE, in accord with HJR 192, Public Law 73-10 is hereby presented for the receiver to the Federal Window, for settlement, (EFT), which must be within the three (3) day Truth-in-Lending time (Reg. Z).

With this POSTED transaction the CHARGEBACK charges documented by the enclosed forms, for use by the Republic, is complete.

ATTACHED INVOICE NUMBERS:

<invoice # assigned to birth certificate>

Very truly,

---

<TrueName>, Secured Party  
Employer Identification # <EIN>  
c/o <Address1>  
<City>, <ResState> <Zip>  
Bond # <BondNum>  
Pre-Paid - Preferred Stock  
Priority – Exempt from Levy

## CERTIFICATE OF SERVICE

On \_\_\_\_\_, 2003, I mailed to:

John W. Snow – Secretary of the Treasury, or his Successor  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

the papers identified as:

1. Cover-letter (Chargeback)
2. Bonded Bill of Exchange
3. 1040-ES
4. Copy of Accepted for Value Birth Certificate
5. Copy of UCC-1 filing
6. Unsigned Certificate of Service form

by mailing them in a pre-paid envelope, bearing Registered Mail <CertMailNum> for <FirstName> <LastName>.

My mailing location is:

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I am over the age of 18 and not a party to the transaction regarding the papers I mailed.

Dated \_\_\_\_\_

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

## Step 2c – Fill out a 1040-ES form

Download a copy of the 1040-ES form (a PDF file) for the current year from the IRS web site, <http://www.irs.ustreas.gov/prod/cover.html>.

Print out a copy of the form.

The PDF file contains four different forms, one for each quarter of the year. These are designated with the quarter number.

Select the form for the current quarter and fill in your first name and middle initial, last name (upper and lower case), your straw man's social security number, and your mailing address. The address should **not** start with "c/o". Leave the amount blank.

Put a **yellow** sticky note on the front of the 1040-ES that says:

"Please complete this form. Thank you."

Here is a sample of what the completed form might look like.

Form	<b>1040-ES</b> <small>Department of the Treasury Internal Revenue Service</small>	<b>2003 Payment Voucher 1</b>	<small>OMB No. 1545-0087</small>				
File only if you are making a payment of estimated tax by check or money order. Mail this voucher with your check or money order payable to the <b>"United States Treasury."</b> Write your social security number and "2003 Form 1040-ES" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.		<b>Calendar year—Due April 15, 2003</b>					
		Amount of estimated tax you are paying by check or money order.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; text-align: center;">Dollars</td> <td style="width: 20%; text-align: center;">Cents</td> </tr> <tr> <td style="height: 20px;"></td> <td style="height: 20px;"></td> </tr> </table>	Dollars	Cents		
Dollars	Cents						
Type or print	Your first name and initial <b>John Q.</b>	Your last name <b>Public</b>	Your social security number <b>123-45-6789</b>				
	If joint payment, complete for spouse						
	Spouse's first name and initial	Spouse's last name	Spouse's social security number				
	Address (number, street, and apt. no.) <b>100 Maple Ave.</b>						
	City, state, and ZIP code (If a foreign address, enter city, province or state, postal code, and country.) <b>Dallas, Texas 75000</b>						

For Privacy Act and Paperwork Reduction Act Notice, see instructions on page 5.

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## Step 2d – Mail the packet

Perform the following steps to mail the material to the Secretary of the Treasury.

1. Sign and date the cover letter to the Secretary of the Treasury. Leave the amount in the 2<sup>nd</sup> paragraph blank.
2. Sign and date the BOE. Leave the amount blank at the end of the first paragraph.
3. Print two copies of the “Certificate of Service”.
4. Make a copy (color if possible) of the “accepted for value” birth certificate (the original “accepted for value” documents were created during the UCC-1 filing process) to enclose.
5. Photocopy your birth state UCC-1 filing (or another state in the same UCC region if you were unable to file in your birth state). Stamp it “Accepted for Value” and enclose the accepted photocopy in the package to the Secretary of the Treasury.
6. In the UCC-1 filing process, you created a birth certificate with an accepted for value stamp on it. Make up an invoice number and fill it in the invoice # field. We suggest using a combination of the your initials and the date, e.g. JQP20030416. Make sure the accepted for value stamp has been signed and dated.
7. Fill in the 1040-ES using your name. A 2003 fill-in 1040-ES pdf file is be provided for this purpose. Make sure you use the current year’s form for this step.
8. Fill out the US Postal Service form PS 3800 (Certified Mail form) that you got during the R2 process. Fill in your address and the address of the Secretary of the Treasury.
9. Fill out a US Postal Service PS Form 3811 (Domestic Return Receipt, the green card) with your address and the address of the Secretary of the Treasury. Check the “Certified” box on PS Form 3811. The green card will provide a 3<sup>rd</sup> party witness that the packet was delivered.
10. Address an envelope to mail the packet to the Secretary of the Treasury (address is on the cover letter).
11. Prepare the package for mailing:
  - a. Cover letter to the Secretary of the Treasury with 1040-ES (staple 1040-ES in center at the top horizontally)
  - b. BoE
  - c. copy of UCC-1 from your birth state.
  - d. copy of the birth certificate which has been accepted for value
  - g. unsigned Certificate of Service form (to let them know you are using Proof of Service)
  - h. PS Form 3800 – Certified mail form
  - i. PS Form 3811 – green return receipt
  - j. The addressed envelope.
12. Make a copy of the whole package for your files after it has all the signatures.
13. Have a **friend** (not a family member) fill out the 2<sup>nd</sup> copy of the Certificate of Service, sign it and leave it with you. This provides a 3<sup>rd</sup> party witness of what was in the envelope and

that the packet was mailed.

14. Have your friend seal the envelope after they have confirmed the contents. Your friend should mail the package by certified mail using the Certified Mail form that you used when you were preparing your UCC-I package. You can either give your friend the cost of the postage, go with him/her to the Post Office to pay the fee, or reimburse him/her later. The postal worker will stamp the PS Form 3800 with the date the packet was mailed.
15. After mailing the packet, have your friend return the PS Form 3800 stub to you. The Post Office will "round stamp" it. The green Return Receipt Requested postcard is proof of the delivery. Proof of service is getting more important, and this is evidence it was sent to Mr. Snow and someone signed on his behalf.
16. After you get the green card back, tape it and the receipt to a plain white 8.5x11 sheet of paper and place it with your copies of the documents you sent to keep in your files.
17. After you receive the green card (return receipt) back, you can begin writing Bonded Bills of Exchange.