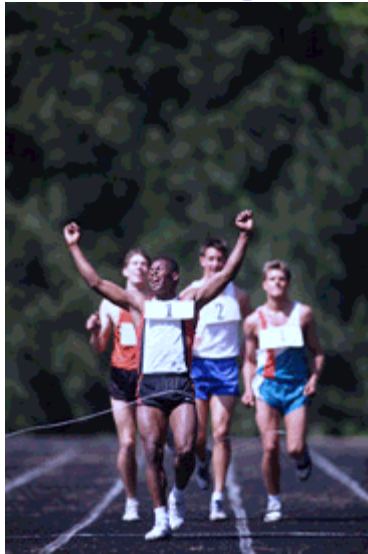


# Breaking Free!



## Revoking Fiduciary Relationships

56 Notice Concerning Fiduciary Relationship

**Part I Identification**

**Part II Authority**

**Part III Tax Notices**

**Part IV Revocation or Termination of Notice**

**Section A—Total Revocation or Termination**

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**Section C—Substitute Fiduciary**

**Part V Court and Administrative Proceedings**

Please Sign Here

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REQUEST FOR WITHDRAWAL OF APPLICATION

**SECTION OF PUBLIC MARKET SERVICE**

**FILE FOR SOCIAL SECURITY ADMINISTRATION**

5211

IRS Form 56 & SSA Form 521

# IRS Form 56

## Revoking Fiduciary Relationships

Original Report by Alfred Adask

A gentleman had a serious confrontation with the IRS, and did considerable research into the tax laws and came up with a very interesting hypothesis that might just break the IRS's back. Please keep in mind that our opinions on the legal system are only those of laymen. As such, our opinions will hopefully be considered and even criticized, but not automatically believed.

This hypothesis was largely precipitated by the discovery of IRS Form 56 "Notice Concerning Fiduciary Relationship". A close reading of this form, it's instructions, and background law suggests that our obligation to pay income tax may be based on "fiduciary relationships" which virtually no one recognizes or understands. However, we suspect that IRS Form 56 may be surprisingly powerful because the instructions on that form include, "Completing this part will relieve you of any further duty or liability as a fiduciary." [Emph. add.]

Thus, if our unexpected "fiduciary relationships" obligate us to pay income tax, we hypothesize that we might be able to terminate that obligation by terminating some of our fiduciary relationships.

This is a very long report. And there are two more behind it that also deal with IRS Form 56 and fiduciary relationships. We hope you'll take the time to read all of the report because we believe they are well worth the trouble.

Our hypothesis hangs on six relatively simple premises:

- 1) Every natural, living, flesh and blood person is identified by a capitalized, proper name like John Doe.
- 2) Government has created an artificial entity (an "evil twin" or "strawman") for virtually every flesh and blood person. This artificial entity is identified by the all upper case name that usually includes the middle initial ("JOHN N. DOE").
- 3) While government is prohibited by the Constitution from imposing income taxes on natural persons ("John"), they have every right to impose income taxes on their creations ("JOHN").
- 4) The foundation for our obligation to pay income tax is a fiduciary relationship between natural persons ("John") and artificial entities ("JOHN"). That is, government has managed to trick the natural person "John" into assuming the role of "fiduciary" (representing and acting for) the artificial entity "JOHN".

- 5) The fiduciary relationship between natural and artificial persons can be established through deception, clever laws, and, primarily, our own ignorance.
- 6) Proper use of IRS Form 56 may allow us to break the fiduciary relationship between the natural person ("John") and the artificial entity ("JOHN").

If the six premises in our hypothesis are correct, it follows that using IRS Form 56 (*or the principles it reveals*) may enable ordinary Americans to lawfully terminate their obligation to file and pay income tax

If our hypothesis is correct, we just might break the IRS. But even if we're right, it's certain that our understanding is incomplete, probably flawed, and in need of much testing before anyone can safely implement the withdrawal procedure our hypothesis suggests. So don't get excited and try to apply this hypothesis without doing much more research. Keep in mind what we always say; *"In God we Trust, everything else, we check."*

And even if our hypothesis is completely wrong, I'll still guarantee it's interesting. The insight into fiduciary relationships opens a new perspective for understanding income tax.

The cornerstone of corporate government's attempt to supplant the constitutional government is a fantastic scheme whereby ordinary Americans are tricked into believing that the names "John Doe" and "JOHN N. DOE" identify the same person.

However, God created the flesh and blood "John" while the artificial entity "JOHN" is created by government. By the law of creation, each entity is absolutely subject to whatever laws are imposed by his creator. For example, "John" is obligated by his God to tithe, but not normally liable to pay income tax. "JOHN," on the other hand, is freed from the obligation to tithe, but is absolutely liable to pay the income tax imposed by his creator the corporate government.

The corporate government's trick is to get "John" (*the natural born Citizen*) to voluntarily assume the duties and liabilities that corporate government imposed on his "evil twin" the citizen/subject/artificial entity named "JOHN". This scheme is so fantastic that it seems unbelievable and that's precisely why it's worked so well.

If you check the rules of English grammar, it's undeniable that for centuries, the proper names of natural, living, flesh and blood persons have been spelled in the "capitalized" format like " John Doe".

But if you examine your driver's license, social security card, bank account, and credit cards, you'll see that they are all issued to an entity identified by an all-uppercase name like "JOHN N. DOE". Under the centuries old rules of grammar, these uppercase names are not proper names and thus cannot properly identify a natural person.

We can suppose that there may be some harmless reason to justify violating ancient rules of grammar by using of all upper case names in our "official" documents. (*Perhaps government computers can't type in lower case?*)

But whatever that "harmless" reason for using all upper case names may be, it doesn't seem to apply to credit card applications. The same bank that keeps bank accounts and issued debit cards in the name "JOHN N. DOE," will regularly send credit card applications, which are addressed to "John Doe" (*proper name*).

Check the name on your bank account and the name on the credit card applications and I'll bet you find the same thing: Your bank account and credit cards are issued to an entity identified by all uppercase name ("JOHN"); your credit card applications are sent to a natural person identified by a capitalized, proper name ("John").

Can you think of a "harmless" reason why your bank account and credit cards are issued to an all upper case name, and yet your credit card applications from the very same bank are mailed to a proper name?

I can't.

This evidence is flimsy, but it's commonplace and it's consistent with the idea that the proper, capitalized name ("John Doe") identifies one person while the upper case name ("JOHN") identifies another. [NOTE: This hypothesis is very similar to that of REDEMPTION. More information on both subjects can be found at: <http://www.theawaregroup.com> ]

Thus, it appears that the bank is asking "John" (*the natural person*) to apply for a credit card that will be issued to "JOHN" (*the artificial, juristic person*). If so, this is exactly the same kind of subtle deception that we believe government practices every day when it tricks natural persons (like "John") into accepting the benefits and associated obligations intended for the artificial entity "JOHN".

OK, the banks send some letters addressed to "John" and others to "JOHN". It's probably just some programming oversight. *Yeah, right!*

We can imagine innocent explanations for this dual format. But we can also say this evidence (*however flimsy*) is also consistent with the suspicion that "John" and "JOHN" are two entirely different persons.

Even though we have anecdotal "evidence" to support the theory that "John" and "JOHN" identity two entirely different persons, the idea that government is tricking "John" into assuming liability for duties imposed on "JOHN" still seems incredible.

It's like saying the government is tricking Steve Smith (*who lives at 111 East Main St. in Johnson, Tennessee*) into assuming liability for the debts of the Steve Smith who lives at 900 4<sup>th</sup> Ave. Lavonia, Georgia. They're two entirely different people! How could government force one Smith in Tennessee to accept responsibility for the debts of another Smith in Georgia? The whole idea seems absurd.

Well, just because an idea seems absurd doesn't mean the idea is false.

In fact, government doesn't force us to assume the liabilities that are imposed on another person. Such force would be unconstitutional. Instead, government deceives us into voluntarily assuming the liabilities of another person through the use of applications (*just like the bank's credit card application*) and notices.

OK, for the sake of argument, let's say this "multiple persona" scheme (*getting "John" to assume the liabilities imposed on "JOHN"*) is legally plausible. Even so, how could our government have implemented such an incredible... dastardly... diabolical... scheme on the entire American people? There are not words to describe the magnitude of this alleged fraud.

Are we to believe that nearly 300 million Americans are being simultaneously tricked into assuming liabilities for a whole class of artificial entities? Are we to believe that this massive fraud has been secretly perpetrated for most of three generations? Are we to believe that not one government official in sixty years has made any attempt to expose this monstrosity?

I have to admit that faced with these questions, the whole idea of some "parallel political universe" populated by artificial entities with names virtually identical to our own is not just laughable, it's absurd. As if anyone would be dumb enough to believe this line of bull.

And although I write about these theories, I can't help looking at them and shaking my head in disbelief. Surely, I've made some gross, fundamental mistake. My thinking is distorted by some fundamental premise I've unwittingly embraced. Surely, after I write enough articles like this one, someone smart will write to me to explain how I'm making a fool of myself.

But instead of getting letters to tell me that I'm wrong, we constantly get letters and documents that tend to support this dual-name, parallel-political-universe hypothesis.

Even so, the whole idea is too bizarre to be believed by anyone who wasn't already crazy or almost mystical. For this theory of a "parallel political universe" to be valid, only a virtual handful of people can actually recognize and understand it. If the theory is valid, I doubt that it's understood and ultimately enforced by more than 10,000 people in the whole country. The President should know. Most of his cabinet. Many of the Senators. Some of the Congress. Key bureaucrats running the major agencies like FBI, DOJ, DOD, etc. should know. Federal Reserve, of course. Most longtime governors. Most state Secretaries of State. Big-time bankers. Some of the mightiest corporate giants.

But the lawyers don't know. Virtually no state politicians know. Cops certainly don't understand. The clerks and administrators who populate all government agencies don't have a clue.

If this "conspiracy theory" were valid, only a handful could know. Because if more knew, inevitably someone would tell, the whole world would find out and the system would collapse. The idea that such an incredible secret could be conceived, perpetrated and sustained for three generations is simply too improbable to be believed.

But probabilities are just numbers. This conspiracy scenario is far more disturbing than any mere study of mathematics for in the end, it could only exist if the conspirators had managed to somehow alter our very capacity to perceive reality. This dual-name scheme can't be explained as the work of handful of greedy or ambitious politicians or bankers who want more money, power or sex. This scheme is nothing like bank heists where the conspirators break in, steal the money, and jet off to the "good life" in Brazil. Instead, this is a conspiracy where you break in, steal the money, and not only convince the bank that no money's been stolen, but you convince all the bank stockholders to appoint you president of the bank and thank God for your services.

For this dual-name scheme to be true, we have to live in a society almost identical to Aldous Huxley's Brave New World in which we have been collectively "brainwashed" to the point where hundreds of millions of people are not only intellectually incapable of seeing the truth, we are psychologically incapable of believing the truth, even if we should accidentally discover it.

Thus, I have to admit that this dual-name theory is based on such incredible premises, that it can be safely dismissed as more ranting of the lunatic fringe. And yet, as hard as it is for me to believe the dual-name theory and the massive, seamless conspiracy it implies, I can't seem to find any evidence to the contrary. In fact, all the evidence I'm able to see persistently implies that no other explanation is possible.

For example, we are repeatedly reminded that we have a "voluntary" income tax system. And as you'll read, it appears that our obligation to pay income tax is truly based on our own "voluntary" acts wherein we (*proper persons like "John"*) first "volunteered" to administer the records and pay the income tax on behalf of an artificial entity like "JOHN".

But who would be crazy enough to "volunteer" to pay income tax? Nobody. And surely, I don't remember ever signing a paper where I "volunteered" to pay income tax. And I don't know anyone else who ever did either.

The whole idea that anyone would volunteer to pay income tax is simply stupid.

Agreed.

But what if instead of volunteering to pay income tax, you volunteered to receive a tax refund?

Take a trip back in time. Remember your first 1040? Why did you file? To pay income tax? Did you owe money to Uncle Sam from your first paper route or job making fries at McDonalds? I doubt it.

If you're like the vast majority of kids and working adults, you filed your first 1040 to receive a tax refund for some portion of the withholding tax that had been taken out of your paychecks and sent to Washington. You filed because your employer paid you \$5 an hour but withheld \$1.50 an hour to send to Washington. You filed your 1040 at the first of the next year so you could get a fat chunk of the income tax that had been withheld from your paychecks.



If you were lucky, you might've received a check back from the government for \$200, \$400, maybe even \$500! Boy, remember the fun you had with that first refund? You could buy a new bicycle or maybe some clothes to impress the girls.

Now, let's suppose that the system has been set up whereby:

- 1) you (*the boy, "John"*) can't get a job without a Social Security Number (*so you applied for one*); and
- 2) the SSN was issued to the artificial entity "JOHN". (*Look at your SS card. I guarantee it's issued to the entity having the all-uppercase name.*)

OK, now you go to your prospective employer, show him your brand new Social Security card, and he hires you. But who (or what) did the boss actually hire? You, the flesh and blood "John"? Or it, the artificial entity created by government, named "JOHN" and identified by a SSN?

As you'll read below, IRS Form 56 strongly implies that "taxpayers" are exclusively the artificial entities identified by uppercase names ("JOHN") and SSNs. On the other hand, natural persons identified primarily by proper, capitalized names ("John") don't even have SSNs and are not liable to file and pay income tax. The evidence is implicit but inconclusive. Still, this implication offers more support for the idea that "John" and "JOHN" are not only two different "persons," they are two entirely different kinds of persons.

At this point, I suspect that (*unknownst to you and your employer*) your employer didn't precisely hire you (*the natural person*), he hired the artificial entity identified by the all upper case name and SSN. Alternatively, perhaps your employer actually did hire you (the natural person) but through the Social Security application and/or W2 or various other forms you ("John") agreed to do the actual work while "donating" your pay to the artificial entity "JOHN".

But whatever the explanation, I suspect that through the employment agreement and Social Security relationship, the money you ("John") earned was credited to the artificial entity "JOHN".

So who did they write your paychecks to? "JOHN". And when you opened a bank account with those checks, whose name is on the bank account? "JOHN". And when government sent that refund check, who was it made out to? "JOHN".

If all of that's true, you ("John") have a serious problem. How can you, the natural person, cash checks made out to an entirely different person the artificial entity "JOHN"? Wouldn't it be against the law for you to cash checks made out to some other person?

Normally, Yes.

But there are legal provisos for persons to represent other persons and act in their behalf. If you established a legal capacity for you ("John") to represent and act on behalf of "JOHN," you could cash "JOHN'S" checks all day, all week, all year.

For several years, I've understood intuitively that although "John" and "JOHN" are two different persons, nevertheless, they are bound together in some sort of legal relationship. For various reasons, I've suggested that the two must be bound in a trust relationship wherein "John" served as a trustee for the beneficiary "JOHN". I'm still not convinced that "trustee" precisely defines the relationship between "John" and "JOHN," but I have no doubt that a legal, "trustee-like" relationship exists.

However, with the discovery of IRS Form 56, I now have a much better understanding of that relationship. Whether that relationship can be described as "trustee" or not remains to be seen, but the bond between "John" and "JOHN" can absolutely be described as a "*fiduciary relationship*".

The instructions on the back of IRS Form 56 define "Fiduciary" as:

"A fiduciary is any person acting in a fiduciary capacity for any other person (or terminating entity), such as an administrator, conservator, designee, executor, guardian, receiver, trustee of a trust, trustee in bankruptcy, personal representative, person in possession of property of a decedent's estate, or debtor in possession of assets in any bankruptcy proceeding by order of the court." [Emph. add.]

This definition lists eleven kinds of fiduciary. Every one of those eleven "fiduciaries" needs to be fully understood before we can safely embrace this report's implications. However, for now, note that each of the eleven kinds of fiduciary can act as a fiduciary for any "person".

Form 56 instructions also define "*person*":

*"A person is any individual, trust, estate, partnership, association, company or corporation."*

Simply put, the term "person" is not confined to natural, flesh and blood people, but also includes artificial entities like trusts and corporations.

Thus, it is entirely possible for a natural person ("John") to serve as a fiduciary for an artificial entity named "JOHN".

The top of IRS Form 56 specifically references Section 6903 of the Internal Revenue Code. That section reads:

#### **SEC. 6903. NOTICE OF FIDUCIARY RELATIONSHIP.**

- (a) RIGHTS AND OBLIGATIONS OF FIDUCIARY. Upon notice to the Secretary that any person is acting for another person in a fiduciary capacity, such fiduciary shall assume the powers, rights, duties, and privileges of such other person in respect of a tax imposed by this title (except as otherwise specifically provided and except that the tax shall be collected from the estate of such other person), until notice given that the fiduciary capacity has terminated. [Emph, add]



First, note that (*so far as the IRS is concerned*) the only requirement to establish a fiduciary relationship is to send some sort of "notice" to the "Secretary". Judging from Section 6903, there is no requirement that the "notice" be notarized by the sender or officially approved. Apparently, if you simply send a "notice" that you are "acting" as a fiduciary for some other person, that notice will be accepted as fact based entirely on your say so.

Second, note that if you were to become the fiduciary for another person, you would "*assume the powers, rights, duties, and privileges of such other person in respect of a tax.*"

So let's suppose government had no constitutional authority to impose an income tax on natural persons (like "John") but could impose a tax on artificial entities like corporations and trusts. And let's suppose that government created an artificial entity entitled "JOHN N. DOE" identified by a SSN . . . could government impose an income tax on that artificial entity?

Absolutely.

In fact, government could impose virtually any tax, duty, or obligation on that artificial entity ("JOHN") without ever once violating the Constitution.

And let's suppose that government could devise a procedure to cause me ("John") to unwittingly send a "notice" to the IRS that I was now a fiduciary for "JOHN" (*the "taxpayer" identified with a SSN*). If I ("John") sent such notice of fiduciary relationship, whether I knew it or not, I would've "volunteered" to be a "taxpayer" on behalf of "JOHN".

Once the IRS received my "voluntary" notice of fiduciary relationship to "JOHN," the IRS could hound me, harass me, kick in my doors and jail me in order to compel me to honor my notice that I would serve as fiduciary for "JOHN".

Do you see the beauty of this scheme? Although prevented by the Constitution from imposing an income tax on natural persons (*like "John"*), government could lawfully impose any tax they like on their creature "JOHN". Then, if "John" could be "dumbed-down" (*perhaps through public education*) to the point where he didn't understand the rules of grammar, punctuation and capitalization, "John" would never dream that he and "JOHN" weren't one in the same.

Then if government could trick "John" into voluntarily sending a "notice" that he was the fiduciary for "JOHN," government would've degraded a sovereign, free Citizen from the status of government's master to the status of government's subject and slave.

If this scenario sounds like science fiction, bear in mind that the only detail that keeps it from being real is the question of "notice".

And all IRC 6903 says about "notice" is:

"(b) MANNER OF NOTICE. Notice under this section shall be given in accordance with regulations prescribed by the Secretary."

That is not very helpful. But we dug into the Code of Federal Regulations (CFRs) and found *"26 CFR 301.6093-1 Notice of Fiduciary Relationship."* (Note that "26 CFR" identifies the collection of Federal Regulations that apply to title 26 of the U.S. Code (income tax). The "301 " identifies the section dealing administrative and procedural regulations; the "6903" in that CFR cite corresponds to Section 6903 in the IRS code; and the "-1 " refers to individual income tax.)

"26 CFR 301.6903-1. Notice of Fiduciary Relationship.

""(a) Rights and obligations of fiduciary. Every person acting for another person in a fiduciary capacity shall give notice thereof to the district director in writing. As soon as such notice is filed with the district director, such fiduciary must', except as otherwise specifically provided, assume the powers, rights, duties, and privileges of the taxpayer with respect to taxes imposed by the code. If the person is acting as a fiduciary for a transferee, or other person subject to the liability specified in section 6901, such fiduciary is required to assume the powers, rights, duties, and privileges of transferee or other person under that section. The amount of the tax or liability is ordinarily not collectable from the estate of the fiduciary but is collectable from the estate of the taxpayer or from the estate of the transferee or other person subject to the liability specified in section 6901." [Emph. add.]

OK. So far, we know that a proper notice of fiduciary capacity must be:

- 1) in writing,
- 2) sent to an IRS district director, and
- 3) filed by the IRS.

Again, that description is not too helpful, but it does make clear that whatever such notice is, it must be a written document filed with a district director of the IRS.

Further, once that notice is written, received by the IRS district director and filed, the fiduciary must assume all the duties of the "taxpayer". Thus, while sending the first notice seems to be a voluntary act, once you do send that first notice, a permanent duty to file and pay income tax attaches and becomes mandatory. Screw up an they'll toss you in jail.

Note also that although the fiduciary represents the "taxpayer," the two entities are entirely separate persons. This doesn't prove that fiduciaries can't also be taxpayers in their own right. However, the possibility remains that no fiduciary is, in and of himself, a "taxpayer".

26 CFR 301.6903-1 continues with subsection:

"(b). Manner of Notice. The notice shall be signed by the fiduciary, and shall be filed with the district director for the district for the return of the person for whom the fiduciary is acting is required to be filed. The Notice must state the name, and address of

the person for whom the fiduciary is acting, and the nature of the liability of such person, that is, whether it is a liability for tax, and, if so, the type of tax, the year or years involved, or a liability at law or in equity of a transferee of property of a taxpayer, or a liability of a fiduciary under section 3467 of the Revised Statutes, as amended (31 U.S.C. 192), in respect of the payment of any tax from the estate of the taxpayer." [Emph. add.] Now we know that a proper notice must:

- 1) Include the signature of the fiduciary (*but, curiously, not that of the original "taxpayer"*).
- 2) Be filed with the district director in the same district where the taxpayer would normally file his income tax return.
- 3) State the "name and address" of the person (*taxpayer*) for whom the fiduciary is acting (*but curiously, there's no need to specify the fiduciary's name and address*).
- 4) Identify the "nature of the liability" i.e. the "type" of tax.
- 5) The "year or years involved" for the tax type.

And optionally,

- 6) ". . . or a liability at law or in equity of a transferee of property of a taxpayer."

*(We are not quite sure what "transferee of property of a taxpayer" means. So, although that meaning might be vital to our understanding, I won't analyze it here.)*

It probably seems impossible that you could ever have sent a complex, six-part notice to the IRS in which you "volunteered" to become a fiduciary. Surely, you would've remembered.

Maybe not.

We'll explore this possibility later in this report, but for now let me give you a hint: Can you say "1040," boys and girls? Have you ever filed a 1040? Each of the five elements required to provide a proper notice of fiduciary relationship is technically present on a properly filed 1040.

Is it possible that the 1040 constitutes proper notice of a natural person's (John's) fiduciary relationship to an artificial entity/ taxpayer (JOHN)? We suspect the answer may be yes.

Curiously, the six elements required by 26 CFR 301.6903-1 to constitute a proper notice do not include a requirement to identify the "name and address" of the fiduciary. The IRS doesn't even ask for the fiduciaries Social Security Number (SSN). Instead, the fiduciary is only required to provide his signature.

The failure to require the fiduciary's name, address and SSN would seem to invite a great deal of confusion. For example, what if the taxpayer lived in Wisconsin and the fiduciary lived in Florida? What if the fiduciary's name was "Bob Jones" without a printed name, address and SSN, how could the IRS tell if the fiduciary "Bob Jones" was the "Bob Jones" in Kansas or another "Bob Jones" in Kentucky?

Further, the failure to require precise identification for the fiduciary not only invites confusion, it invites absolute incomprehension. For example, I like to think of my signature as stylish and unique, but in truth it's just a scrawl that's so incomprehensible no one could even guess my name from my signature. So if I were to sign a document as a fiduciary, without any additional information (*name, address, SSN, etc.*), I don't believe anyone could possibly identify me as the fiduciary from only my signature alone.

The failure to require precise identification of the fiduciary seems inexplicable since the fiduciary is the person actually liable for filing and paying the income tax. Are we to believe the IRS has no interest in the precise name, address and SSN of the fiduciary actually responsible for filing and paying the income tax?

This omission is incomprehensible unless by requiring the fiduciary's precise name, address and SSN (*or lack thereof*) the government would necessarily reveal that the fiduciary and the taxpayer were two separate persons having similar but distinctly different names ("*John*" and "*JOHN*") who "lived" at the same address.

Suppose your 1040 had two identification sections: one at the top of the 1040 form for the name and address of the "taxpayer" (*the artificial entity "JOHN" identified with SSN*) and another at the bottom of the 1040 for the name and address of the fiduciary ("*John, the natural man who apparently does not have a SSN*") who signed the 1040 and thereby assumed personal liability for paying the tax. Even people who dropped out of public schools would have sense enough to see that "JOHN" the taxpayer was not "John" the fiduciary. Once that recognition was made, no one would "volunteer" to become a fiduciary responsible for another person's ("JOHN's") taxes, and the whole income tax system would collapse.

Of course, the idea that our income tax system may be based on dual-name, fiduciary scheme seems too fantastic to believe. And yet, if that scheme is only a fantastic delusion, can you think of a reason (*other than intentional deception and desire to conceal the dual-name scam*) why the IRS would not want to know the precise name, address and SSN of the fiduciary responsible for paying the income tax?

I cannot.

Section (b) "Manner of Notice," continues:

"Satisfactory evidence of the authority of the fiduciary to act for any other person in a fiduciary capacity must be filed with and made a part of the notice. If the fiduciary capacity exists by order of court, a certified copy of the order may be regarded as satisfactory evidence."

I'm not sure what constitutes "satisfactory evidence" for this "authority". Evidence of a fiduciary's authority might be found in other documents like a W-2, W-4 etc., that may be submitted with a 1040. Judging by the notice requirements specified in the instructions for IRS Form 56, "satisfactory evidence" might even consist of no more than the fiduciary's say so. His signed statement (*especially if given under penalty of perjury*) may be sufficient.

However, we strongly suspect that the original "authority" to act as a fiduciary for an artificial entity like "JOHN" may be the original Social Security Application and subsequent SS Number. If so, the presence of a SSN on any document might function as "proof" of "authority" for the natural person ("John") to act in a fiduciary capacity for an artificial entity like "JOHN".

More Section (b) "Manner of Notice":

“When the fiduciary capacity has terminated, the fiduciary in order to be relieved of any further duty or liability as such, must file with the district director with whom the notice of fiduciary relationship was filed written notice that the fiduciary capacity has terminated as to him, accompanied by satisfactory evidence of the termination of the fiduciary capacity.”

This text makes clear that:

- 1) when the fiduciary capacity has terminated,
- 2) the fiduciary must file a notice of that termination with the IRS district director,
- 3) and that notice must include evidence of the termination of fiduciary capacity.

These "Manner of Notice" instructions may be the most important procedural elements in successfully terminating the fiduciary relationship that we believe obligates us to pay income tax. The questions are:

- 1) How do you terminate a fiduciary capacity and,
- 2) What constitutes evidence of that termination?

We don't know.

However, if our previous conjecture is correct (*that the SS Application and SSN comprise the "authority" for one person to act as a fiduciary for another*), then it follows that in order to terminate "John's" fiduciary relationship to "JOHN" relative to income tax, John must:

- 1) Somehow terminate his SSN and/or his relationship to that number; and
- 2) Send evidence of that termination to the IRS.

A number of strategies have been advanced on "how to" end your relationship to Social Security. However, until recently, I was unaware of any strategy that absolutely worked. However, Social Security Administration (SSA) Form 521 "Withdrawal of Application" has been uncovered, and we believe this is the proper form for ending your relationship to Social Security. We'll provide more information on SSA Form 521 later.

In the meantime, here's more text from Section (b) "Manner of Notice":

The notice of termination should state the name and address of the person, if any, who has been substituted as fiduciary. Any written notice disclosing a fiduciary relationship, which has been filed with the Commissioner under the Internal Revenue Code of 1939 or any prior revenue law, shall be considered as sufficient notice within the meaning of section 6903. Any satisfactory evidence of the authority of the fiduciary to act for another person already filed with the Commissioner or district director need not be resubmitted." [Emph. add.]

This is the only section we've seen that requires a fiduciary's name and address be revealed. But that request appears optional. i.e., while you "should" provide that information, it's unclear that you "must". But even if you "must" provide the fiduciary's name and address, that request only applies to new, "substituted" fiduciaries. So far, we've still seen no mandatory requirement for a fiduciary to provide more than his signature on the documents he signs for the "taxpayer".

"[C] When notice is not filed. If the notice of the fiduciary capacity described in paragraph (b) of this section is not filed with the district director before the sending of notice of a deficiency by registered mail or certified mail to the last known address of the taxpayer (see section 6212), or the last known address of the transferee or other person subject to liability (see section 6901(g)), no notice of deficiency will be sent to the fiduciary." [Emph. add.]

This segment is still open to interpretation, but for the most part, it seems to say that in the event the income tax is not properly filed or paid by the fiduciary, the IRS will not send notice to the fiduciary ("John"), but will instead send notice the last known address of the taxpayer ("JOHN").

OK but why would the IRS rather send a notice of deficiency to the taxpayer ("JOHN") than to the fiduciary ("John") who is actually responsible for filing and paying the tax?

Probable answer? Again to avoid revealing the dual-name, fiduciary scheme by specifically identifying the fiduciary. i.e., if the IRS were forced to send the notice of deficiency to the fiduciary, it would have address its mail to the fiduciary's name ("John") rather than the taxpayer's ("JOHN"). Further, seeing that the IRS never specifically asked for the fiduciary's address or SSN, how could they know where the fiduciary lived?

On the other hand, by sending the notice of deficiency etc., to the taxpayer's "last known address," the IRS can be confident the fiduciary will receive their notice. Why? Because the IRS secretly knows that the taxpayer ("JOHN") and its fiduciary ("John") always "live" at the very same address.

Section [C] continues:

"In such a case the sending of the notice [of deficiency] to the last known address of the taxpayer, transferee, or other person, as the case may be, will be sufficient compliance with the requirements of the code, even though such taxpayer, transferee, or other person



is deceased, or is under a legal disability, or, in the case of a corporation, has terminated its existence. Under such circumstances, if no petition is filed with the Tax Court of the United States within 90 days after the mailing of the notice (or within 150 days after mailing in the case of such a notice addressed to a person outside the States of the Union and the District of Columbia) to the taxpayer, transferee, or other person, the tax, or liability under section 6901, will be assessed immediately upon expiration of such 90-day or 150-day period, and demand for payment will be made. See paragraph (a) of Section 301.6213-1 with respect to the expiration of such 90-day or 150-day period." [Emph. add.] Again, the notice will not be sent to the fiduciary (who is responsible for filing and paying the income tax), but to the taxpayer's "last known address".

Note also that the part of the legal remedy to an IRS notice of deficiency is to send a "petition" to the "Tax Court of the United States". There is a massive differences between "District Courts of the United States" (*which are the Article III judicial courts where most federal litigants think their cases are heard*) and "United States District Courts" (*which are administrative tribunals operating under Articles I, II or IV of the Constitution are absolutely not Article III judicial courts but are the courts where virtually all federal cases are heard*). Compare the title of the court where you should file your petition ("Tax Court of the United States") with the title of the court created under 26 US 7441:

"There is hereby established, under article I of the Constitution of the United States, a court of record to be known as the United States Tax Court. The members of the Tax Court shall be the chief judge and judges of the Tax Court." [Emph. add.]

See the difference? I'll guarantee that virtually all income tax cases are taken to the article I "United States Tax Court" rather than the "Tax Court of the United States" (*which I suspect may be an Article III, judicial court*). If you file your "petition" in the first Article I court, you'll probably be squashed like a bug. On the other hand, if you file your petition with the "Tax Court of the United States," you just might have a positive result.

Note also that if you live within one of the "States of the Union and the District of Columbia," you'll have 90 days to respond to a deficiency notice by petition in the Tax Court of the United States. If you live outside the "States of the Union and the District of Columbia" you'll have 150 days to respond by petition.

First, the number of days you're allowed (90 vs. 150) will indicate whether your are believed to be living within or outside the "de-jure" USA.

Second, I suspect that living "outside" the "States of the Union and District of Columbia" may be synonymous with living within the corporate United States. Thus, if you take over 90 days to petition the "Tax Court of the United States," you may implicitly concede you are a citizen of the corporate United States rather than a Citizen of one of the organic States of the Union.

## Equity Jurisdiction

26 CFR 301.6903-1 continues with subsection:

"(d) Definition of fiduciary. The term "fiduciary" is defined in section 7701(a)(6) to mean a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person." [Emph, add.]

Note that the controlling word in this definition is "acting". Thus, if you merely "act" like a fiduciary (*on behalf of any other person*), you are a fiduciary. There appears to be no absolute requirement for an official appointment or approval of your status as a fiduciary. Instead, any "act" on behalf of someone else can be construed as not only evidence, but also notice that you are that person's fiduciary. Thus, if "John" merely signed a document on behalf of "JOHN," he might be serving notice that "John" is fiduciary for "JOHN".

The idea that a mere signature can endow you with the duties of a fiduciary may seem farfetched. However, a maxim of equity is that *"equity regards as done, that what ought to be done"*. In *Camp v. Boyd*, 229 U.S. 530 (1913) this maxim was accepted as a general rule for Federal courts clothed with equity jurisdiction.

This maxim implies that there's no requirement for proof of fiduciary status. If you merely act like a fiduciary (*sign a document for another "person"*), courts of equity will presume that your act was done because it "ought to be done" (*because you are, in fact, the fiduciary*). No proof is required. Your acts alone are sufficient to warrant the presumption that you are a fiduciary.

This is more evidence of the danger of equity jurisdiction. Unlike law where it must be proved that a person is (*not merely acting like*) a fiduciary equity courts can freely treat you like a fiduciary and compel you to fulfill the fiduciary's duties (*pay income tax*) if you simply "acted" like a fiduciary at some point.

If the natural person "John" signed a document on behalf of any other person ("*JOHN*," *for example*) did he "act" like a fiduciary?

Absolutely.

But it gets worse. "Acting in any fiduciary capacity" might even be construed to include opening the mail. For example, under this definition, it's possible that if "John" merely opened (*perhaps merely received*) an envelope addressed to "JOHN," he would implicitly serve notice that he is "JOHN'S" fiduciary. In other words, if "John" didn't send that unopened letter right back to the sender (*perhaps with another notice that he is not "JOHN" nor is he the fiduciary for "JOHN"*), "John" could be presumed to be the fiduciary and thus liable for paying "JOHN'S" taxes.

OK. Nice theory, but what is the relationship between fiduciaries and courts of equity?

According to Chapter XI, Volume 1 ("Common Law") of the National Law Library (1939), the relationship between fiduciaries and courts of equity is absolute and probably exclusive:

#### "4. Obligations Arising from Fiduciary Relations.

Whenever there is a confidential relation, such as principal and agent, partnership, executor or administrator and creditor next of kin or legatee, director and corporation, husband and wife, parent and child, guardian and ward, or medical or religious adviser and person relying on such adviser, courts of equity applied the analogy of an express trust, and held those in whom confidence was reposed in such cases to the standard of fairness, full disclosure, and entire good faith to which they held trustees. Also courts of equity applied by analogy their jurisdiction over fraud and treated any abuse of the confidence reposed, any failure to come up to the standard of fair conduct and good faith, and any use of the relation to obtain personal advantage at the expense of the person reposing confidence or entitled to the benefit of the relation, as a "constructive fraud" to be undone by the court or to be relieved by restitution or by requiring a full and entire accounting for profits or advantages inequitably obtained. Likewise they required specific performance of the duties involved in or attaching to the relations. Thus in all cases of fiduciary relations there are obligations cognizable and enforceable inequity." [Emph. add.]

Get it? If you unwittingly sign a document (*or even receive mail*) on behalf of another person, you have acted as a fiduciary. Based on that unwitting action, you will have established the presumption that you're a fiduciary and that you are subject to the jurisdiction of a court of equity.

There are dangers in equity and we won't go into it in depth here. However, so far as I can tell, it's extremely difficult for modern Americans to access courts of law instead, whether we (*or even our attorneys*) know it or not, virtually all of our cases are heard in courts of equity. But in courts of equity, litigants have virtually no unalienable Rights and the judge is not bound by law. Instead, the judge is expected to rule strictly according to his own conscience. Thus, if the equity court judge doesn't like the color of your eyes, he can rule against you. Defendants are at great jeopardy in courts of equity, especially if they are being prosecuted by the government. The judge will inevitably rule (*in good conscience*) against the defendant and for the government.

Thus, the presumption of a fiduciary relationship may be a principle device by which the courts presume we are subject to the arbitrary decision of courts of equity.

26 CFR 301.6903-1 concludes:

"(e) Applicability of other provisions. This section, relating to the provisions of section 6903, shall not be taken to abridge in any way the powers and duties of fiduciaries provided for in other sections of the code."

In other words, nothing in section 6903 may be construed to diminish any fiduciary relations and duties imposed by other sections of the IRC. The government seems pretty determined to defend the duties imposed on fiduciaries against any possible conflicts that might be perceived within the code or CFRs.

If you add all of the specified requirements for a proper notice of fiduciary capacity (*written; signed by fiduciary; sent to the same district director where the taxpayer should send his income tax return; provides name and address of taxpayer, type of tax and tax years involved*) the average person would quickly conclude that he's never sent any such notice to any IRS district director, except for, maybe his 1040 income tax return.

Yep, we're speculating but nevertheless, every requirement listed in 26 CFR 301.6903-1 is technically satisfied when one fills out a Form 1040 for "U.S. Individual Income Tax Return" for "1999" and sends it to the IRS district director. Although it's possible that one or more additional documents (*we attach our W-2's etc. to our tax returns*) might also be necessary to constitute proper "notice" of a fiduciary relationship, the 1040 seems sufficient to serve that purpose.

Basically, we suspect the taxpayer's all upper case name ("JOHN"), SSN and address are printed at the top of the 1040 and the natural person "John" (*fiduciary*) signs his name at the bottom of the 1040. Although improbable, it seems that when "John" first signed the 1040 for "JOHN," "John" inadvertently "acted" like a fiduciary and thereby sent notice to the IRS district director that "John" had, in fact, become "JOHN'S" fiduciary.

*(Incidentally, I know that the repeated use of "John" and "JOHN" is confusing. But that confusion may be part of the reason this dual-name scheme works.)*

That speculation sounds farfetched to most. But section 3.403 of the Texas Business and Commerce Code tells us that anyone who signs any instrument on behalf of another entity, without identifying his representative capacity relative to that other entity, becomes personally liable for whatever debt or obligation is created on that instrument.

For example, if the president of a corporation signs a corporation check without identifying his representative capacity ("*president*") next to his signature, he becomes personally liable for whatever obligation is created on that check. If the check bounces, the president, not the corporation, becomes liable for the debt. Conversely, if the president identifies himself as such next to his signature, the corporation is liable for the bounced check.

This principle is not identical to the "fiduciary capacity" hypothesis we're exploring in this article, but it's sufficiently similar to confirm that by merely signing a document, you may unwittingly assume unexpected fiduciary obligations.

For example, suppose "John" signed a 1040 on behalf of the taxpayer "JOHN". If "JOHN" is truly an artificial entity, only a person acting in a fiduciary capacity could possibly have the legal capacity to sign that document. And if that signature was provided under penalty of perjury (*as on a 1040*), it might be fairly assumed in equity that the person signing ("John") recognized the seriousness of the affixing his signature and could therefore be presumed to be the "fiduciary" for "JOHN".

Thus, the fact that "John" acted as a fiduciary by signing the document under penalty of perjury could constitute good evidence (a "*notice*") that he was the fiduciary for the taxpayer "JOHN".

I've heard the rumor for years that you create your obligation to pay income tax with the first 1040 you send to the IRS. Until now, I've never understood why that might be true.

However, it's no longer impossible to imagine that in order to recover the withholding taxes imposed on "JOHN" the boy "John" might've filed out his first 1040 and unwittingly "notified" the IRS that "John" had just "voluntarily" become the fiduciary for "JOHN" and thereby agreed to accept all "JOHN's" future tax liabilities.

See the seduction? Government didn't "force" us to sign that first 1040 it "rewarded" us, enticed us, with the promise of refunding some of our own money.

Does the previous scenario explain how we "voluntarily" became subject to paying income tax? I'm not sure.

But if that "notice" scenario explains how we unwittingly got into this mess, it also implies that it might not be too difficult to get out.

After all, everything we've seen so far indicates that the only requirements needed to assume the role of fiduciary is:

- 1) act like a fiduciary; and/or
- 2) send a relatively simple notice.

Could it be that all you need to do to get out is to:

- 1) stop acting like a fiduciary; and
- 2) send a similarly simple notice?

Judging by IRS Form 56, the answer is.....maybe.

This whole hypothesis hangs on two premises:

- 1) That "John" and "JOHN" identify two different legal entities; and,
- 2) "John" has been deceived into unwittingly assuming the role of fiduciary for "JOHN".

If either of those premises is false, I hope this entire report been amusing because it is otherwise a waste of time.

But if both of those premises are correct and I believe they are then we are closing in on a "final solution" for corporate governance. Remember what it says in the instructions for Part IV on IRS Form 56?

"Completing this part will relieve you of any further duty or liability as a fiduciary if used as a notice of termination." (Emph. add.)

The potential power in that statement is extraordinary. If it's true that our obligation to pay income taxes on behalf of other artificial entities is based on a fiduciary relationship,

then all it takes to terminate that relationship and the attached obligations (*like paying income tax*) may be another simple Form 56 notice.

No matter how it's happened, if "John" has become a fiduciary for the taxpayer "JOHN," it appears that he may be able to terminate that fiduciary relationship and associated tax liability by filing IRS Form 56.

Could it really be that easy? Maybe.

More than likely, there are additional forms and notices necessary to fully terminate your relationship to the corporate government and all its little artificial "friends".

Even so, if the two fundamental premises (*"John" and "JOHN" are two entirely different persons; but "John" is a fiduciary for "JOHN"*) are true, then we're on the verge of busting this whole corporate system wide open.

Why? Because if those two premises provide the fundamental mechanism used to burden us with income tax, I'll bet they're also the foundation for the drivers license (*issued to "JOHN"*), vehicle registration (*issued to "JOHN"*) and almost every other form of non-constitutional corporate government regulation and oppression. If we can stop them on income tax, we can stop them on anything.

### **MORE FORMALITIES.**

However, even if IRS Form 56 provides an exit from income tax liability, it's not necessarily the only form required to withdraw from the corporate system.

For example, we have also discovered Form SSA-521 from Social Security Administration, entitled, "REQUEST FOR WITHDRAWAL OF APPLICATION", OMB No. 0960-0015. unbelievable as it sounds, this form is readily available on the S.S.A. website.

Apparently, by using SSA Form 521, the original application for a Social Security Number is revoked. Our strong suspicion is that the SSN is only issued to the artificial entity ("JOHN") rather than the natural person ("John"). We don't believe that a Form 521 "termination" will "terminate" the existence of the artificial entity "JOHN". Instead, we suspect that real purpose for the original SS Application was not simply to receive benefits but, rather, to receive authority to act as a fiduciary for the artificial entity. In other words, when I ("John") "applied for Social Security" I may have been unwittingly applying for permission to act as the fiduciary for the artificial entity "JOHN". The Social Security Number that was issued on the resulting SS Card is not "my" number, but rather the number of the artificial entity "JOHN" and/or the reference (*license*) number that specified the authority for me to act as fiduciary for JOHN.

The idea that the SS Application and resulting "number" comprise the "authority" for "John" to act as a fiduciary for the artificial entity "JOHN" is purely speculative, but still makes some sense. For example, when I open a bank account, the bank wants to know my SSN. Similarly, the folks at the Department of Motor Vehicles want to see my SSN when I apply for a new Drivers License. We can easily explain the request for SSN as an



identification and record-keeping device. But it's also possible to imagine that the SSN is required as "proof of authority" for the natural person "John" to act as fiduciary (*sign checks or drive a car*) for the artificial entity "JOHN".

If so, then by using SSA Form 521 to withdraw my former application for Social Security, I would be canceling the primary "authority" for me ("John") to act as fiduciary for the artificial entity ("JOHN"). Once that authority was cancelled, it would not only be possible to cancel other examples of fiduciary relationships between me ("John") and my artificial entity nemesis JOHN, it might be necessary to cancel those relationships.

In other words, if withdrawing my application for Social Security cancelled my primary authority to act as fiduciary for my nemesis "JOHN," it might be illegal for me to continue to representing JOHN in any capacity. I might use IRS Form 56 to then properly notify the IRS that I'd stopped "being the fiduciary" for JOHN. But I might be required to also notify the people at my bank, voter's registration, and Department of Motor Vehicles (*to name only a few*) that I was no longer the fiduciary for JOHN.

Why?

Because to continue acting as a fiduciary (*without the proper authority*) might either constitute fraud or worse, might somehow constitute a new "notice," a new "application" to act as fiduciary for my old buddy JOHN.

We are currently digging through forms for the Department of Commerce (*which may be the ultimate repository for our birth certificates, though they will no longer admit it.*) and the Immigration and Naturalization Service (*which is reportedly the final authority on the citizenship of all Americans not just immigrants*).

We suspect there may be a approximately a half dozen forms which, taken together, might be sufficient to free an individual from the jurisdiction of the corporate government. Until all of these forms are identified and properly understood, the use of just one form may be insufficient to free us from corporate governance.

On the other hand, even if you only used one of these forms properly, you might still be able to intimidate the government sufficiently to make them leave you alone and instead seek easier targets.

But it's always a crapshoot when dealing with law and government. There are intangible, human and unpredictable elements in every confrontation with the "authorities". Never a guarantee. The most you can ever hope for is to improve the probability that you might win.

We suspect that use of IRS Form 56 (*and SSA Form 521*) may increase our chances of successfully withdrawing from corporate governance. But we aren't sure, and we certainly don't offer any guarantees.

## The New (Fiduciary) World Order?

In the previous report, I explained that the whole theory of a "parallel political universe" populated by artificial entities ("*evil twins*" having names almost identical to yours but spelled in all upper case letters) seems too nonsensical to be believed. As I said, this theory is so bizarre that it is very hard to believe.

And yet, crazy as it seems, I can't deny that this theory does "walk like a duck". And it swims, and it flies, and has feathers and goes good with orange sauce.

It's getting real hard to deny that this must be a "duck".

I can't help but wonder if this "theory" was the same "new order" that President Franklin D. Roosevelt referenced in his Jan. 4, 1935 State of the Union address when he said, "*We have undertaken a new order of things, yet we progress to it under the framework and in the spirit and intent of the American Constitution. We have proceeded throughout the Nation a measurable distance on the road toward this new order ...*". [Emph, add.]

Was FDR's "new order" (and now "*new world order*") really a new fiduciary order? Perhaps that conclusion leaps too far.

But still, it is increasingly apparent that "fiduciary relationships" are the foundation for the corporate government's unwanted and non-constitutional control over the American people.

Want to be free? Want to restore a constitutional government? Study fiduciary relationships.

Once we fully understand how we got into this corporate mess, we'll also understand how to get out. To complete that understanding, a host of questions need to be considered and answered.

For example, what happens if "John" terminates his fiduciary relationship to "JOHN" with the IRS and then opens a utility bill or a bank statement addressed to "JOHN"? By such simple acts, does "John" once again "act like a fiduciary" and thereby serve implicit "notice" that he is (*again*) JOHN's fiduciary?

Or are our fiduciary relationships separate? In other words, is it possible to terminate the fiduciary relationship relative to the IRS without compromising your fiduciary relationship relative to your bank?

What if we use SSA Form 521 to revoke our application for Social Security? Is Social Security the mother of all fiduciary relationships? Is it the "authority" for all subsequent fiduciary relationships between natural persons ("John") and their corporate nemesis ("JOHN")? By revoking the SS Application, would we also automatically terminate all other fiduciary relationships that tie us to corporate government? Or would we merely revoke the authority for those relationships and thus allow the presumption of such relationships to continue unless explicitly denied?

And if all those other fiduciary relationships are tied into one tidy bundle, what are the legal consequences if "John" notifies the IRS that he's terminated his fiduciary relationship to "JOHN," but continues to write checks on the bank account drawn up in "JOHN's" name? Would that constitute some form of fraud? Impersonation? Felony?

But if I terminate "JOHN's" bank account, is it even possible for me to get a bank account in "John's" name? Can "John" have a credit card? Debit card? Checking account? Or are all modern bank accounts only intended for artificial entities?

I don't know.

What about an electric utility account, voter's registration, or library card? Is this "parallel political universe" so extensive that without my "evil twin" JOHN to guide me, I might wind up as isolated as a modern "Robinson Crusoe"?

And what about legislation like Senate Bill SB-2099 that may require taxpayers to list all guns that they have or own on their 2000 1040 federal tax form? [The full text of the proposed Bill is on the U.S. Senate homepage. <http://www.senate.gov/>. You can find the Bill by doing a search by the bill number. (SB-2099)] If passed, this Bill may even require fingerprints and a manufacturing tax of \$50 per gun (*including starter pistols!*).

Are natural persons ("John") still obligated to report their handguns to the IRS if they sever their fiduciary relationships to the artificial entity ("JOHN")? Or is the obligation to report the possession of handguns only imposed on taxpayers ("JOHN") and therefore irrelevant to natural persons who've severed their fiduciary relationship to the taxpayer?

And what would happen if our hypothesis concerning fiduciary relationships was validated and it was determined that by severing this relationship, you could lawfully keep as many unregistered firearms as you liked? Imagine the political implications if the National Rifle Association or Gun Owners of America discovered that you could use the same strategy to end your obligation to pay income tax and keep your firearms!

Do you see the political implications? American gun-owners are generally indifferent to income tax issues and esoteric arguments about the legal distinctions between names like "John" and "JOHN". But what if gun owners discovered that by terminating their fiduciary relationships, they might not only secure their right to unregistered ownership of their firearms, but also end their obligation to file and pay income tax? Could we reasonably expect ten or twenty million American gun owners to quickly file their SSA 521's and IRS Form 56's and exit en masse from under corporate government control?

That revolutionary potential may be here NOW.

## **Caveat Emptor**

Through the use of artificial entities identified by the all upper case name, the web of fiduciary relationships seems to extend into almost every aspect of our lives. Because we're just beginning to perceive major parts of that web, we're still uncertain about what consequences will follow if we sever one or two fiduciary relationships.

The web of fiduciary relationships appears extensive and complex. Perhaps we can escape that web with one or two notices to the IRS and/or Social Security. On the other hand, perhaps we must escape each individual strand of that web by sending notices of termination to the utility companies, banks, etc. as well as the IRS and Social Security.

Moreover, once we're free, that freedom may be imperiled every time someone sends us a letter addressed to the uppercase name ("JOHN"). To remain free of government's fiduciary obligations, must we instantly return the unopened letter? Should we attach a notice explaining that 1) we are not the artificial entity to which the letter is addressed; and 2) we are not a fiduciary for that entity?

We are confident that fiduciary relationships are the fundamental device by which we are snared in corporate government's web. Having identified that mechanism, we can now free ourselves from that web. But it is still unclear how to avoid again flying back into that same sticky web.

More study is required. But in the meantime, know this: I suspect we finally understand enough to be dangerous. I believe we are on the brink of breaking the bastards' backs.

A silent revolution is unfolding. Your world is changing. Dramatically. And it's happening right now. Corporate government's "parallel political universe" is dissolving in the water of patriot research.

# General Instructions for the IRS Form 56.

On the back of every Form 56, there are "general instructions" for filling out that form. What follows are all of the instructions from the back of the Form 56, (which are in black) plus side comments (which are in *italicized blue*) and quotes from outside sources (like IRS sections of Black's Law Dictionary) are in **bolded green**.

As you'll read, it's surprising how much you can learn (or at least infer) simply by reading a form's instructions.

## Form 56 (Rev. 8-97)

### General Instructions:

*Section references are to the Internal Revenue Code unless otherwise noted.*

### Purpose of Form:

You may use Form 56 to notify the IRS of the creation or termination of a fiduciary relationship under section 6903 and to give notice of qualification under section 6036.<sup>1</sup>

<sup>1</sup> *Since you "may use Form 56 to notify the IRS of the creation or termination of a fiduciary relationship" it appears that a fiduciary relationship could be created without using this form. We suspect that the first 1040 you file serves as a notice to the IRS that the natural person ("John") has assumed the role of fiduciary relative to the artificial entity/ taxpayer ("JOHN")*

*Note that this notice takes place "under section 6903" of the Internal Revenue Code which reads:*

## **SEC. 6903. NOTICE OF FIDUCIARY RELATIONSHIP.**

- (a) **RIGHTS AND OBLIGATIONS OF FIDUCIARY.** Upon notice to the Secretary that any person is acting for another person in a fiduciary capacity, such fiduciary shall assume the powers, rights, duties, and privileges of such other person in respect of a tax imposed by this title (except as otherwise specifically provided and except that the tax shall be collected from the estate of such other person), until notice given that the fiduciary capacity has terminated.
- (b) **MANNER OF NOTICE.** Notice under this section shall be given in accordance with regulations prescribed by the Secretary.

## Who Should File:

The fiduciary (*see Definitions below*) uses Form 56 to notify the IRS of the creation, or termination, of a fiduciary relationship under section 6903. For example, if you are acting as fiduciary for an individual, a decedent's estate, or a trust, you may file Form 56. If notification is not given to the IRS, notices sent to the last known address of the taxable entity, transferee, or other person subject to tax liability are sufficient to satisfy the requirements of the Internal Revenue Code. [Emph. add.]<sup>2</sup>

<sup>2</sup> *Again, it appears that use of Form 56 to notify the IRS of the creation of a fiduciary relationship is optional.*

*Note that if the notice of fiduciary relationship is not sent to the IRS, the IRS will simply continue sending its notices, demands and assessments to the "last known address" of the taxpayer and depend on the "taxpayer" to forward the IRS's paperwork to the fiduciary.*

*Because the IRS doesn't absolutely require the name and address of the fiduciary, they needn't reveal the existence of the fiduciary relationship by sending papers to the natural fiduciary ("John") rather than the taxpayer ("JOHN").*

*This implication could be tested by simply sending the IRS a Form 56 that identified the natural person ("John") as the fiduciary for the taxpayer ("JOHN,) complete with a brand new address. Our fiduciary hypothesis would be supported if the IRS stopped addressing its correspondence to "JOHN" and instead addressed it to the fiduciary "John".]*

Receivers and assignees for the benefit of creditors also file Form 56 to give notice of qualification under section 6036. However, a bankruptcy trustee, debtor in possession, or other like fiduciary in a bankruptcy proceeding is not required to give notice of qualification under section 6036. Trustees, etc., in bankruptcy proceedings are subject to the notice requirements under title. 11 of the United States Code (*Bankruptcy Rules*).<sup>3</sup>

<sup>3</sup> *If you're interested in learning more precise requirements for constructing a proper administrative notice, study Title 11. Also see report entitled "Administrative Notices."*

## Definitions:

Fiduciary. A fiduciary is any person acting in a fiduciary capacity for any other person (*or terminating entity*), such as an administrator, conservator, designee, executor, guardian, receiver, trustee of a trust, trustee in bankruptcy, personal representative, person in possession of property of a decedent's estate, or debtor in possession of assets in any bankruptcy proceeding by order of the court.<sup>4</sup>

<sup>4</sup> *Note that you can be a fiduciary for any "person". As stated in the following definition, the meaning of "person" includes artificial entities like trusts, corporations, etc. Thus it is possible for a natural person ("John") to assume a fiduciary relationship to an artificial*



*entity named "JOHN". Also note that there are eleven kinds of fiduciary. While we suspect that "trustee" is the proper designation for the fiduciary relationship between "John" and "JOHN," we aren't sure.]*

**Person.** A person is any individual, trust, estate, partnership, association, company or corporation.

**Decedent's estate.** A decedent's estate is a taxable entity separate from the decedent that comes into existence at the time of the decedent's death. It generally continues to exist until the final distribution of the assets of the estate is made to the heirs and other beneficiaries.<sup>5</sup>

<sup>5</sup> *This definition of "decedent's estate" clearly references the estate of a living person who has died. But "decedent" is defined in Black's Law Dictionary (7th Ed.) as "A dead person...." Note that a "dead person" does not necessarily identify a person who was once alive but then died. A "dead person" (and thus a decedent) might include any artificial entity (like a corporation or trust) that were legal persons, but nevertheless had never been alive.]*

**Terminating entities.** A terminating entity, such as a corporation, partnership, trust, etc., only has the legal capacity to establish a fiduciary relationship while it is in existence. Establishing a fiduciary relationship prior to termination of the entity allows the fiduciary to represent the entity on all tax matters after it is terminated.

### **When and Where To File:**

Notice of fiduciary relationship. Generally, you should file Form 56 when you create (*or terminate*) a fiduciary relationship. To receive tax notices upon creation of a fiduciary relationship, file Form 56 with the Internal Revenue Service Center where the person for whom you are acting is required to file tax returns. However, when a fiduciary relationship is first created, a fiduciary that is required to file a return can file Form 56 with the first tax return filed.<sup>6</sup>

<sup>6</sup> *Again, the idea that you "should" file Form 56 and that you "can" file Form 56 makes it clear that 1) a fiduciary relationship can be created without using Form 56; and 2) that some other form of notice is possible. Also, the phrase "a fiduciary who is required to file a return" strongly implies that anyone required to file a 1040 may be a "fiduciary". Are you required to "file"? If so, it seems you may be a "fiduciary".*

*Although, "when a fiduciary relationship is first created, a fiduciary that is required to file a return can file Form 56 with the first tax return filed," it appears that there is no requirement to send a Form 56 notice with the "first tax return". Does that mean no formal notice is required? Or does it imply that by simply sending the 1040, the fiduciary serves notice without using IRS Form 56. In other words, does this imply that the first 1040 form all by itself constitutes proper notice of a fiduciary relationship between "John" and "JOHN"?*

**Proceedings (other than bankruptcy) and assignments for the benefit of creditors.** A fiduciary that is appointed or authorized to act as:

A receiver in a receivership proceeding or similar fiduciary (*including a fiduciary in aid of foreclosure*), or

An assignee for the, benefit of creditors, must file Form 56 on, or within 10 days of, the date of appointment with the Chief, Special Procedures Staff, of the district office of the IRS having jurisdiction over the person for whom you are acting.<sup>7</sup>

<sup>7</sup> *If only "receiver(s)" and "assignee(s)" must file Form 56, and since average persons are never accused of "failure to file" a Form 56, there is a strong inference that whatever kind of fiduciary relationship "John" may have with "JOHN," that relationship is not that of "receiver" or "assignee for the benefit of creditors".*

The receiver or assignee may also file a separate Form 56 with the service center where the person for whom the fiduciary is acting is required to file tax returns to provide the notice required by section 6903.

## **Specific Instructions Part 1**

### **Identification:**

Provide all the information called for in this part.

Identifying number. If you are acting for an individual, an individual debtor, or other person whose assets are controlled, the identifying number is the social security number (SSN). If you are acting for a person other than an individual, including an estate or trust, the identifying number is the employer identification number (EIN).<sup>8</sup>

<sup>8</sup> *It appears that anyone having a "social security number" belongs to a class called "persons whose assets are controlled". I don't know what that term means, but such class of persons would be consistent with that of "beneficiaries" of a trust whose "assets" are controlled, managed and administered by the trustees. This implies that any person with a SSN does not own legal title to "his" assets, is not free, and is necessarily subject to the control of others.*

*Further, "if you are acting for a person other than an individual... the identifying number is the employer identification number (EIN)." This implies that SSN may be strictly reserved for "individuals".*

**Black's Law Dictionary (7th ed.), defines "individual" as:**

**"1. Existing as an indivisible entity" [one that can't be separated into parts]; or "2. Of or relating to a single person or thing, as opposed to a group."**

*Thus, an "individual" cannot be a standard corporation since the corporation is divisible into stockholders, officers, etc. Likewise, it seems unlikely that a trust (which has trustees and beneficiaries and is therefore "divisible") could be an "individual".*

*At first, this definition of "individual" seems to preclude application to artificial entities. Since trusts and corporations are "divisible," it might seem that an "individual" can only be a natural person (who can't be divided into smaller units). If that were true, the dual-name theory (John vs. JOHN) would collapse and, with it, our hypothesis concerning fiduciaries.*

*However, Black's 4th edition says "individual" (in part) is "a private or natural person" but may also "include artificial persons." Therefore, it seems theoretically possible for an "individual" to be artificial, indivisible, and be identified by a SSN.*

*Question: What kind of artificial entity is "indivisible"?*

*Answer: A corporation sole.*

*Why? Because, so far as I know, a corporation sole consists of a single person, and is therefore the only artificial entity that is indivisible.*

*Implication? If the dual-name and fiduciary hypotheses are correct, then the entity identified by the uppercase name ("JOHN") may be a corporation sole.*

*We find additional support for this implication (and the dual-name theory in general) in Black's (7th ed.) definition of "King". If you read closely, you'll see that the "King" (the natural person) seems to act as the fiduciary for the "Crown" (the "body politic" and "corporation sole").*

### **King. English law. The British government, the Crown.**

**"In modern times it has become usual to speak of the Crown rather than of the King, when we refer to the King in his public capacity as a body politic. We speak of the property of the Crown, when we mean the property, which the King holds in right of his Crown. So we speak of the debts due by the Crown, of legal proceeding and against the Crown, and so on. The usage is one great convenience, because it avoids a difficulty which is inherent in all speech and thought concerning corporations sole, the difficulty, namely, of distinguishing adequately between the body politic and the human being by whom it is represented and whose name it bears." John Salmond, Jurisprudence 341-42 (Glanville L. Williams ed., 10th ed. 1947). [Emph. add.]**

*If nothing else, note that the English have long recognized the "difficulty of distinguishing adequately between the body politic [artificial entity, Crown] and the human being [natural person, King] by whom it [the Crown] is represented. This "difficulty" is exactly parallel to the problem of "dual-names" in the U.S. In England, the natural "King" represents the body politic "Crown"; in the U.S., the natural person "John" represents the artificial entity "JOHN".*

*First, the fact that the English have recognized a "dual-name" problem (at least for their kings) doesn't prove that such problem exists in the U.S. However, the English experience lends credence to the theory that a dual-name strategy has been employed in the U.S. to distinguish between the natural person ("John") and the artificial entity ("JOHN").*

*Second, note that the King/Crown "difficulty" involves a "corporate sole" exactly the kind of artificial entity that can be inferred from the Form 56 instructions and Black's Law Dictionaries concerning the relationship between "individuals" and SSNs.*

Decedent's SSN. If you are acting on behalf of a decedent, enter the decedent's SSN shown on his or her final Form 1040 in the space provided.

Address. Include the suite, room, or other unit number after the street address.

If the postal service does not deliver mail to the street address and the fiduciary (*or person*) has a P.O. box, show the box number instead of the street address. For a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Please do not abbreviate the country name.<sup>9</sup>

<sup>9</sup> *Those of you who are sensitive to the legal implications of using a zip code might be interested to note that if you were operating in the USA as a nation "foreign" to the corporate U.S., you probably wouldn't use a "postal code" (I don't think there are any for the USA), and you would want to use the unabbreviated proper name "The United States of America" as the last line of your mailing address.*

## **Part II-Authority:**

Line 1a. Check the box on line 1a if the decedent died testate (*i.e. having left a valid will*) and enter the decedent's date of death.

Line 1b. Check the box on line 1b if the decedent died in testate (*i.e. without leaving a valid will*). Also, enter the decedent's date of death and write "Date of Death" next to the date.<sup>10</sup>

<sup>10</sup> *This section of Form 56 offers clues to how we may have unwittingly created a troublesome fiduciary relationship. Clearly, lines 1a and 1b on Form 56 apply only to former living persons who have died (either testate or in testate), and thus have no obvious relevance to establishing a fiduciary relationship with an artificial entity. Similarly, line 1c "Valid trust instrument and amendments," seems an unlikely "authority" for allowing "John" to inadvertently create a fiduciary relationship with "JOHN". Although trust documents can be easily misunderstood or even overlooked, I don't recall seeing any "valid trust instruments" to justify creating a fiduciary relationship with "JOHN".*

*That leaves line 1d "Other" to explain how the natural born Citizen "John" unwittingly created a fiduciary relationship with artificial entity "JOHN".*

*In order to understand how to revoke the fiduciary relationship between "John" and "JOHN," we may need to first understand the "authority" under which we first created the relationship. As outlined elsewhere in this article, I suspect that original authority may have been your Social Security Application.*

Assignment for the benefit of creditors. Enter the date the assets were assigned to you and write "Assignment Date" after the date.

Proceedings other than bankruptcy. Enter the date you were appointed or took possession of the assets of the debtor or other person whose assets are controlled.<sup>11</sup>

<sup>11</sup> *Again, we find the term, "person(s) whose assets are controlled". This phrase was previously referenced to imply that it may include all entities that have Social Security Numbers and/or are beneficiaries of a trust. Here, the phrase implicitly means a "debtor". We can tentatively infer that the terms "debtor," "beneficiary" and any entity having a SSN may be mutually inclusive, nearly synonymous terms. Further, it appears possible that "Proceedings other than bankruptcy" might include any administrative hearing or other administrative determination for an entity that had a SSN. The underlying presumption might be that the government's administrative agencies are responsible for "controlling" the assets of any entity that had a SSN.*

### **Part III-Tax Notices:**

Complete this part if you want the IRS to send you tax notices regarding the person for whom you are acting.

Line 2. Specify the type of tax involved. This line should also identify a transferee tax liability under section 6901 or fiduciary tax liability under 31 U.S.C. 3713(b) when either exists.

### **Part IV-Revocation or Termination of Notice:**

Complete this part only if you are revoking or terminating a prior notice concerning a fiduciary relationship. Completing this part will relieve you of any further duty or liability as a fiduciary if used as a notice of termination.<sup>12</sup>

<sup>12</sup> *Better read that again. "Completing this part will relieve you of any further duty or liability as a fiduciary...."! This is the key statement that we find so intriguing. If the natural person "John" could use a Form 56 to terminate his fiduciary relationship to the artificial entity "JOHN," then it appears that termination might relieve "John" of any "further duty or liability" to file 1040s or pay income tax on behalf of the artificial entity "JOHN" (which has a SSN).*

## Part V Court and Administrative Proceedings:

Complete this part only if you have been appointed a receiver, trustee, or fiduciary by Court or other governmental unit in a proceeding other than a bankruptcy proceeding.<sup>13</sup>

<sup>13</sup> *The phrase "proceeding other than bankruptcy proceeding" was previously referenced as possibly meaning any administrative hearing or determination concerning an entity having a SSN. If that meaning is correct, then the official acceptance of SSA application might constitute such a "proceeding". Likewise, by filing a 1040, the IRS might be conducting a "proceeding" that effectively "appointed" "John" as fiduciary for "JOHN". Note that you should complete Part V "only if you've been appointed . . . etc."*

*Form 56 does not seem to require any official approval. However, as you'll see below, the IRS can suspend processing of your notice if you don't provide all of the information required. This implies that the form must be filed out in a way that is precisely appropriate for your circumstances. For example, if you were required to fill out Part V of this form, but didn't do so because you didn't understand the meaning of the instructions, the IRS might suspend processing your Notice. Point: To use this form effectively, it may have to be filled out with great precision.*

If proceedings are scheduled for more than one date, time, or place, attach a separate schedule of the proceedings.

Assignment for the benefit of creditors. You must attach the following information:

1. A brief description of the assets that were assigned, and
2. An explanation of the action to be take regarding such assets, including any hearings, meetings of creditors, sale, or other scheduled action.

### Signature:

Sign Form 56 and enter a title describing your role as a fiduciary (e.g., *assignee, executor, guardian, trustee, personal representative, receiver, or conservator*).<sup>14</sup>

<sup>14</sup> *If you are "creating" your new fiduciary relationship with Form 56, then I'd say include that new fiduciary title with your signature. But it's unclear whether you should attach the fiduciary title to your signature if you use Form 56 to terminate your fiduciary relationship.*

*I don't know what the correct procedure may be. However, the form itself reads "Fiduciary" and then "Title, if applicable". The "if" implies that sometimes the "fiduciary" must use his title, but other times he need not. Therefore, it seems possible that a natural person who's giving up his fiduciary capacity would no longer use the former "title".*



Paperwork Reduction Act and Privacy Act Notice. We ask for the information on this form to carry out the Internal Revenue laws the United States. Form 56 is provided for your convenience and its use is voluntary.<sup>15</sup>

<sup>15</sup> *Again, Form 56 can be used to create (or terminate) a fiduciary relationship. However, its use is not required. Therefore, it may be possible to create (or terminate) a fiduciary relationship with an entirely different form, or perhaps with no form whatever. This easy in, easy out procedure is consistent with the suspicion that we may have unknowingly served our first notice of fiduciary relationship by using a form like the 1040.*

Under section 6109 you must disclose the social security number or employer identification number of the individual or entity for which you are acting. The principal purpose of this disclosure is to secure proper identification of the taxpayer.<sup>16</sup>

<sup>16</sup> *Section 6109 of the IRC is entitled "Identifying Numbers" and deals primarily with use of the SSN and EIN. It's too long to analyze here, but it should be studied intently to better understand IRS Form 56. But while the "taxpayer" must have a SSN (or EIN), there's no similar requirement for the fiduciary.*

*Similarly, in "Part I Identification" of Form 56, there is a space to identify the SSN for the person "for whom you are acting" but there is no blank or instruction associated with Form 56 that also requests the SSN or EIN for fiduciary.*

*Can you imagine the IRS processing any form for anyone without asking for their SSN/EIN?*

*I can't.*

*And yet, on Form 56 there's no requirement for the fiduciary to disclose his SSN or EIN. Why? I don't know, but the only reason I can imagine is that the fiduciary (the natural person "John") doesn't have a SSN/EIN. If so, the SSN is only issued to the artificial entity ("JOHN").*

*For me, this makes perfect sense. After all, a natural person has a certain age, size, race, eye color, language etc., and can be identified even after he dies by friends or relatives by his appearance alone. Thus, no identifying number is necessary to "identify" a natural, flesh and blood person. But how can you tell the difference between two artificial entities (corporations sole, for example) that have identical names like "JOHN E. DOE" and "JOHN E. DOE"? Given that both entities have no physical reality, the easiest way to distinguish between them would be to issue each a unique identifying number like the SSN.*

We also need this information to gain access to the tax information in our files and properly respond to your request. If you do not disclose this information, we may suspend

processing this notice of fiduciary relationship and not consider this as proper notification until you provide the information.<sup>17</sup>

<sup>17</sup> *This is the only text on the form itself or in the form's instructions that indicates the IRS has any authority to refuse or reject this notice. If you fail to provide the proper information (primarily the SSN, but there might be other details that must be precisely accurate), the IRS can "suspend" processing but that's not truly a rejection or refusal to process. It's simply an option to decline to process a Form 56 that contains an error. Once the error is corrected, it appears that the IRS must accept the notice of termination of fiduciary relationship. The strong implication is that the authority to create or terminate a fiduciary relationship is entirely external to the IRS, and quite possibly a right that is not only inherent in every natural person but perhaps even "unalienable".*

***Note:** there seems to be no express duty for the IRS to notify you if they accept your notice, or if they stop processing your notice due to some defect. Thus, you can't simply send them a Form 56 notice of termination and automatically assume that they've accepted your notice. You'll probably want to follow-up and secure confirmation that your Form 56 notice as been accepted.*

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Record-keeping . . . 8 m

Learning about the law or the form . . . 32 m

Preparing the form . . . 46 m

Copying, assembling, and sending the form to the IRS. . .15 m.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. DO NOT send Form 56 to this address. Instead, see When and Where To File on this page.

### ***Distilled Law:***

*Finally, most people see government forms as aggravating, bureaucratic mazes to be quickly "filled in" but never read or studied.*

*But, as you can see, governmental forms can be extraordinary sources of distilled law. It takes persistence, finesse and understanding to read forms (and especially their instructions) accurately and I don't claim to have mastered the art. But if you can read*

*closely, you can probably get to the heart of legal principles that are normally explained in hundreds of pages of law books.*

*I recommend that individuals interested in really "cracking" this legal system start studying forms and their instructions. It sounds dull, but it can be illuminating, even exciting.*

# Notice Concerning Fiduciary Relationship

OMB No. 1545-0013

(Internal Revenue Code sections 6036 and 6903)

## Part I Identification

Name of person for whom you are acting (as shown on the tax return)	Identifying number	Decedent's social security no.
Address of person for whom you are acting (number, street, and room or suite no.)		
City or town, state, and ZIP code (If a foreign address, see instructions.)		
Fiduciary's name		
Address of fiduciary (number, street, and room or suite no.)		
City or town, state, and ZIP code	Telephone number (optional) (      )	

## Part II Authority

- 1 Authority for fiduciary relationship. Check applicable box:
- a(1)**  Will and codicils or court order appointing fiduciary. Attach certified copy . . . **(2)** Date of death .....
- b(1)**  Court order appointing fiduciary. Attach certified copy . . . . . **(2)** Date (see instructions) .....
- c**  Valid trust instrument and amendments. Attach copy
- d**  Other. Describe ▶ .....

## Part III Tax Notices

Send to the fiduciary listed in Part I all notices and other written communications involving the following tax matters:

- 2** Type of tax (estate, gift, generation-skipping transfer, income, excise, etc.) ▶ .....
- 3** Federal tax form number (706, 1040, 1041, 1120, etc.) ▶ .....
- 4** Year(s) or period(s) (if estate tax, date of death) ▶ .....

## Part IV Revocation or Termination of Notice

### Section A—Total Revocation or Termination

- 5** Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship . ▶
- Reason for termination of fiduciary relationship. Check applicable box:
- a**  Court order revoking fiduciary authority. Attach certified copy.
- b**  Certificate of dissolution or termination of a business entity. Attach copy.
- c**  Other. Describe ▶ .....

### Section B—Partial Revocation

- 6a** Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship . . . . . ▶
- b** Specify to whom granted, date, and address, including ZIP code, or refer to attached copies of earlier notices and authorizations ▶ .....

### Section C—Substitute Fiduciary

- 7** Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary(ies) and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies) . . . . . ▶

## Part V Court and Administrative Proceedings

Name of court (if other than a court proceeding, identify the type of proceeding and name of agency)	Date proceeding initiated		
Address of court	Docket number of proceeding		
City or town, state, and ZIP code	Date	Time	a.m. / p.m. / Place of other proceedings

I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.

**Please Sign Here**

Fiduciary's signature	Title, if applicable	Date
Fiduciary's signature	Title, if applicable	Date

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

### Purpose of Form

You may use Form 56 to notify the IRS of the creation or termination of a fiduciary relationship under section 6903 and to give notice of qualification under section 6036.

### Who Should File

The fiduciary (see **Definitions** below) uses Form 56 to notify the IRS of the creation, or termination, of a fiduciary relationship under section 6903. For example, if you are acting as fiduciary for an individual, a decedent's estate, or a trust, you may file Form 56. If notification is not given to the IRS, notices sent to the last known address of the taxable entity, transferee, or other person subject to tax liability are sufficient to satisfy the requirements of the Internal Revenue Code.

Receivers and assignees for the benefit of creditors also file Form 56 to give notice of qualification under section 6036. However, a bankruptcy trustee, debtor in possession, or other like fiduciary in a bankruptcy proceeding is not required to give notice of qualification under section 6036. Trustees, etc., in bankruptcy proceedings are subject to the notice requirements under title 11 of the United States Code (Bankruptcy Rules).

### Definitions

**Fiduciary.** A fiduciary is any person acting in a fiduciary capacity for any other person (or terminating entity), such as an administrator, conservator, designee, executor, guardian, receiver, trustee of a trust, trustee in bankruptcy, personal representative, person in possession of property of a decedent's estate, or debtor in possession of assets in any bankruptcy proceeding by order of the court.

**Person.** A person is any individual, trust, estate, partnership, association, company or corporation.

**Decedent's estate.** A decedent's estate is a taxable entity separate from the decedent that comes into existence at the time of the decedent's death. It generally continues to exist until the final distribution of the assets of the estate is made to the heirs and other beneficiaries.

**Terminating entities.** A terminating entity, such as a corporation, partnership, trust, etc., only has the legal capacity to establish a fiduciary relationship while it is in existence. Establishing a fiduciary relationship prior to termination of the entity allows the fiduciary to represent the entity on all tax matters after it is terminated.

### When and Where To File

**Notice of fiduciary relationship.** Generally, you should file Form 56 when you create (or terminate) a fiduciary relationship. To receive tax notices upon creation of a fiduciary relationship, file Form 56 with the Internal Revenue Service Center where the person for whom you are acting is required to file tax returns. However, when a fiduciary relationship is first created, a fiduciary who is required to file a return can file Form 56 with the first tax return filed.

**Proceedings (other than bankruptcy) and assignments for the benefit of creditors.** A fiduciary who is appointed or authorized to act as:

- A receiver in a receivership proceeding or similar fiduciary (including a fiduciary in aid of foreclosure), or
- An assignee for the benefit of creditors, must file Form 56 on, or within 10 days of, the date of appointment with the Chief, Special Procedures Staff, of the district office of the IRS having jurisdiction over the person for whom you are acting.

The receiver or assignee may also file a separate Form 56 with the service center where the person for whom the fiduciary is acting is required to file tax returns to provide the notice required by section 6903.

## Specific Instructions

### Part I—Identification

Provide all the information called for in this part.

**Identifying number.** If you are acting for an individual, an individual debtor, or other person whose assets are controlled, the identifying number is the social security number (SSN). If you are acting for a person other than an individual, including an estate or trust, the identifying number is the employer identification number (EIN).

**Decedent's SSN.** If you are acting on behalf of a decedent, enter the decedent's SSN shown on his or her final Form 1040 in the space provided.

**Address.** Include the suite, room, or other unit number after the street address.

If the postal service does not deliver mail to the street address and the fiduciary (or person) has a P.O. box, show the box number instead of the street address.

For a foreign address, enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Please **do not** abbreviate the country name.

### Part II—Authority

**Line 1a.** Check the box on line 1a if the decedent died **testate** (i.e., having left a valid will) and enter the decedent's date of death.

**Line 1b.** Check the box on line 1b if the decedent died **intestate** (i.e., without leaving a valid will). Also, enter the decedent's date of death and write "Date of Death" next to the date.

**Assignment for the benefit of creditors.** Enter the date the assets were assigned to you and write "Assignment Date" after the date.

**Proceedings other than bankruptcy.** Enter the date you were appointed or took possession of the assets of the debtor or other person whose assets are controlled.

### Part III—Tax Notices

Complete this part if you want the IRS to send you tax notices regarding the person for whom you are acting.

**Line 2.** Specify the type of tax involved. This line should also identify a transferee tax liability under section 6901 or fiduciary tax liability under 31 U.S.C. 3713(b) when either exists.

### Part IV—Revocation or Termination of Notice

Complete this part only if you are revoking or terminating a prior notice concerning a fiduciary relationship. Completing this part will relieve you of any further duty or liability as a fiduciary if used as a notice of termination.

## Part V—Court and Administrative Proceedings

Complete this part only if you have been appointed a receiver, trustee, or fiduciary by a court or other governmental unit in a proceeding other than a bankruptcy proceeding.

If proceedings are scheduled for more than one date, time, or place, attach a separate schedule of the proceedings.

**Assignment for the benefit of creditors.—** You must attach the following information:

1. A brief description of the assets that were assigned, and
2. An explanation of the action to be taken regarding such assets, including any hearings, meetings of creditors, sale, or other scheduled action.

### Signature

Sign Form 56 and enter a title describing your role as a fiduciary (e.g., assignee, executor, guardian, trustee, personal representative, receiver, or conservator).

### Paperwork Reduction Act and Privacy Act Notice.

We ask for the information on this form to carry out the Internal Revenue laws of the United States. Form 56 is provided for your convenience and its use is voluntary. Under section 6109 you must disclose the social security number or employer identification number of the individual or entity for which you are acting. The principal purpose of this disclosure is to secure proper identification of the taxpayer. We also need this information to gain access to the tax information in our files and properly respond to your request. If you do not disclose this information, we may suspend processing the notice of fiduciary relationship and not consider this as proper notification until you provide the information.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

<b>Recordkeeping</b> . . . . .	8 min.
<b>Learning about the law or the form</b> . . . . .	32 min.
<b>Preparing the form</b> . . . . .	46 min.
<b>Copying, assembling, and sending the form to the IRS.</b> . . . .	15 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send Form 56 to this address. Instead, see **When and Where To File** on this page.



# FORM 56 NOTES

These references point to IRC sections 6036 and 6903 point on to 26 CFR 301.6903-1.

## **PART 1: Identification**

Identification asks for the Name, Address and SSN of "person for whom you are acting" but only ask for the Fiduciary's Name and Address there is no requirement that the fiduciary identify "his" SSN. We suspect the reason for this omission may be that only an artificial entity created by government and identified with an all upper-case name has a SSN. Natural, flesh and blood fiduciaries are not required to list their SSNs because they don't have SSNs.

Also, note that according to the instructions on the back of Form 56, use of Form 56 is optional for the creation of a fiduciary relationship. While the fiduciary is asked to identify his name and address on this optional form when he terminates the fiduciary relationship, I have yet to see any form or indication that a fiduciary is required to specify his name and address when he first "acts" as fiduciary and/or sends "notice" of his fiduciary capacity to the IRS.

## **PART 2: Authority**

I'm unsure what "authority" originally allowed the natural man "John" to create a fiduciary relationship on behalf of "JOHN". However, if our theory of fiduciary relationship is valid, it's apparent that under normal circumstances, the authority for "John" to serve as fiduciary for "JOHN" is not identified by boxes "a(1)," "b(1)" or "c". Instead, that authority would have to fall under the generic class of "d. Other".

Nevertheless, if there were no express legal authority to act as fiduciary, then I could theoretically "act" as a fiduciary for President BUSH, sign checks from his checking account on his behalf and sign Bills proposed by Congress into Law.

Obviously, that can't be so. There must be some "express" authority to act as a fiduciary. But what "other" authority could there be that would apply to virtually all Americans?

Even if this authority is not expressly identified in the original "notice" of fiduciary capacity, it appears that government must at least presume a legal authority exists whenever one person "acts" as a fiduciary for another.

By merely "acting" as fiduciary for "JOHN," I am presumed to be that fiduciary. But does it also follow that by merely "acting" like President BUSH's fiduciary, I also become his fiduciary?

Of course not.



Thus, although the legal authority to assume a fiduciary capacity is unspecified, there must be an "authority" somewhere that allows "John" to become fiduciary for "JOHN" and "George" to be fiduciary for "GEORGE".

### **The SSN Nexus**

The only "authority" that I can currently imagine that would "presumably" apply for all of us is our Social Security Application. Although I have no supporting evidence, the artificial entity "JOHN" is probably created when they issue a birth certificate in the all upper-case name. That artificial entity probably exists in near-perfect isolation until the natural person "applies" for a Social Security Card for that artificial entity.

I begin to suspect that with that Social Security Administration (SSA) application, the natural person ("John") requests legal authority to "represent" the artificial person ("JOHN"). If the SSN application is approved, use of the SSN may constitute evidence of legal authority for the fiduciary relationship. If so, when a bank or government agency asks to see your SSN, they are really asking for evidence that you (*the natural person*) have lawful authority to "act" as fiduciary for the artificial person ("JOHN") with which that bank or government agency has authority to transact business.

Again, that's pure conjecture. However, what other document can virtually all, adult Americans be presumed to possess if not the SS card? That presumption would allow courts of equity to accept any fiduciary "act" as evidence that a lawful fiduciary relationship exists between "John" and "JOHN".

Also, if the artificial entity "JOHN" has a SSN, that SSN is mandatory on most forms being JOHN's name. Thus (*although not expressly identified as such*), the SSN appearing on virtually all forms referencing "JOHN" may comprise the implicit "authority" for "John" to represent "JOHN". It would certainly be convenient if the SSN were evidence of that authority, since it could be easily confirmed by contacting the SSA.

### **PART 3: Tax Notices**

Part III asks that the fiduciary request government to, "Send to the fiduciary listed in Part-I all notices and other written communications involving the following tax matters:"

But note that the instructions in 26 CFR 301.6903-1 for filing a proper notice do not require a fiduciary to identify his name and address (*as is seen in Part-I of Form 56*) to the IRS. Instead, it may be enough for him to merely "act" like a fiduciary for his fiduciary capacity to be presumed valid by a court of equity.<sup>1</sup>

<sup>1</sup> *Part III of Form 56 presents a small opportunity to "test" our proposed fiduciary hypothesis. Suppose the fiduciary "John" had a second mailing address besides the mailing address used by the artificial entity "JOHN". And suppose "John" sent a Form 56 to the IRS requesting that all future notices etc. from the IRS concerning tax matters of "JOHN" would not be sent to "JOHN'S" address, but rather to the alternative address for the fiduciary "John".*

*If government approved the "bifurcation" of the fiduciary's address from the taxpayer's address, it would tend to prove that government recognized that "John" and "JOHN" were two different persons, and that "John" was the fiduciary for "JOHN".*

*On the other hand, if government made a fuss and refused to accept this Form 56 Notice Concerning Fiduciary Relationship, it would tend to prove that "John" was not the fiduciary for "JOHN" and show that our hypothesis was invalid.*

*Anyone have two addresses that would care to try this test?*

#### **PART4: Revocation or termination of Notice**

I don't yet understand the difference between "revoking" and "terminating" a previous notice of fiduciary capacity. However, "revocation" would seem to be a temporary condition that might be later reversed, while "termination" seems permanent. Whatever the answer, this is an important question for future research.

However, government does ask that the former fiduciary provide his "reason for termination of fiduciary relationship". (*Note that government does not request the reason for "revocation", only "termination". Perhaps no reason is necessary for "revocation" if that act only suspends the fiduciary relationship temporarily.*)

The first two generic reasons for revoking (line "a") or terminating (line "b") seem inappropriate for the average fiduciary ("John") who wants to get out of paying income taxes for "JOHN". That leaves line "c Other" to explain the reason for terminating your fiduciary relationship.

So far as I can tell, the rules governing these notices (as seen in 26 CFR 301.6903-1) do not require that a "reason" be provided. Nevertheless, if you were to provide a reason, what would it be? You're sick and tired of paying income tax? You'll go nuts if you have to fill out just one more 1040? Your doctor warned you to avoid stress, so you'll have to stop fighting the April 15th rush?

All of those "reasons" may or may not work. But it strikes me that if the Social Security Application were the primary source of the authority for "John" to act as "JOHN'S" fiduciary, then if "John" were to successfully file a Social Security Administration Form 521 ("*Request for Withdrawal of Application*"), he might terminate his authority to act as fiduciary for "JOHN". It's pure conjecture, but that strikes me as a pretty good reason to notify the IRS with Form 56 that "John" is no longer fiduciary for "JOHN".

Why?

No more authority from the SSA to act in that capacity.

In other words, first, you'd have to "withdraw" your application from Social Security (*probably by using SSA Form 521*). Then, after that withdrawal was verified, you'd have legitimate "reason" to notify the IRS (*using IRS Form 56*) that you had terminated your fiduciary relationship to the artificial entity you've been serving all these years.

Whether "John's" Social Security Application is, in fact, the "authority" for him to act as fiduciary for "JOHN" remains to be seen. But it's pretty clear that something must provide an "authority" for "John" to act on behalf of "JOHN". We must identify that "authority" and, if possible cancel it. Once the original authority is confirmed and canceled, it might be impossible for the IRS to deny termination of the subsequent fiduciary relationship as outlined in IRS Form 56.

#### **PART 5: Court & Administrative Proceedings**

This section doesn't seem obviously relevant to terminating our fiduciary relationships to our "beloved" artificial entity "taxpayers". Still, if we could get the Social Security Administration to admit in an administrative hearing at a particular date and time that our SS Application had, in fact, been "withdrawn," that admission might help "force" official approval of the IRS Form 56 termination of fiduciary relationship process.

# REQUEST FOR WITHDRAWAL OF APPLICATION

Do not write in this space

**IMPORTANT NOTICE.**— This is a request to cancel your application. If it is approved, the decision we made on your application will have no legal effect, all rights attached to an application, including the rights of reconsideration, hearing, and appeal will be forfeited, and any payments we made to you or anyone else on the basis of that application will have to be returned. You must then reapply if you want a determination of your Social Security rights at any time in the future but any subsequent application may not involve the same retroactive period. This procedure is intended to be used only when your decision to file has resulted, or will result, in a disadvantage to you. Your local Social Security office will be glad to explain whether, and how, this procedure will help you.

NAME OF WAGE EARNER, SELF-EMPLOYED INDIVIDUAL, OR ELIGIBLE INDIVIDUAL	SOCIAL SECURITY NUMBER	
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PRINT YOUR NAME <i>(First name, middle initial, last name)</i>	DATE OF APPLICATION	TYPE OF BENEFIT
	TYPE OF APPLICATION	

I hereby request the withdrawal of my application, dated as above, for the reasons stated below. I understand that (1) this request may not be cancelled after 60 days from the mailing of notice of approval; and (2) if a determination of my entitlement has been made, there must be repayment of all benefits paid on the application I want withdrawn, and all other persons whose benefits would be affected must consent to this withdrawal. I further understand that the application withdrawn and all related material will remain a part of the records of the Social Security Administration and that this withdrawal will not affect the proper crediting of wages or self-employment income to my Social Security earnings record.

Give reason for withdrawal. *(If you need more space, use the reverse of this form.)*

- I intend to continue working. (I have been advised of the alternatives to withdrawal for applicants under age 65 and still wish to withdraw my application.)
- Other (Please explain fully): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Continued on reverse

## SIGNATURE OF PERSON MAKING REQUEST

Signature <i>(First name, middle initial, last name)</i> <i>(Write in ink)</i>	Date <i>(Month, day, year)</i>
<b>SIGN HERE</b> 	Telephone Number <i>(include area code)</i>

Mailing Address *(Number and Street, Apt. No., P.O. Box, or Rural Route)*

City and State	ZIP Code	Enter Name of County (if any) in which you now live
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**Witnesses are required ONLY if this request has been signed by mark (X) above. If signed by mark (X), two witnesses to the signing who know the person making the request must sign below, giving their full addresses.**

1. Signature of Witness	2. Signature of Witness
Address <i>(Number and Street, City, State and ZIP Code)</i>	Address <i>(Number and Street, City, State and ZIP Code)</i>

## FOR USE OF SOCIAL SECURITY ADMINISTRATION

<input type="checkbox"/> APPROVED	<input type="checkbox"/> NOT APPROVED BECAUSE $\longrightarrow$	<input type="checkbox"/> BENEFITS NOT REPAID	<input type="checkbox"/> CONSENT(S) NOT OBTAINED	<input type="checkbox"/> OTHER <i>(Attach special determination)</i>
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SIGNATURE OF SSA EMPLOYEE	TITLE <input type="checkbox"/> CLAIMS AUTHORIZER <input type="checkbox"/> OTHER <i>(Specify)</i>	DATE
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**Additional Remarks:**

We may also use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies. Many agencies may use matching programs to find or prove that a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you provide us may be used or give out are available in Social Security Offices. If you want to learn more about this, contact any Social Security Office.

The **Paperwork Reduction Act of 1995** requires us to notify you that this information collection is in accordance with the clearance requirements of section 3507 of the Paperwork Reduction Act of 1995. We may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a valid OMB control number. We estimate that it will take you about 5 minutes to complete this form. This includes the time it will take to read the instructions, gather the necessary facts and fill out the form.