

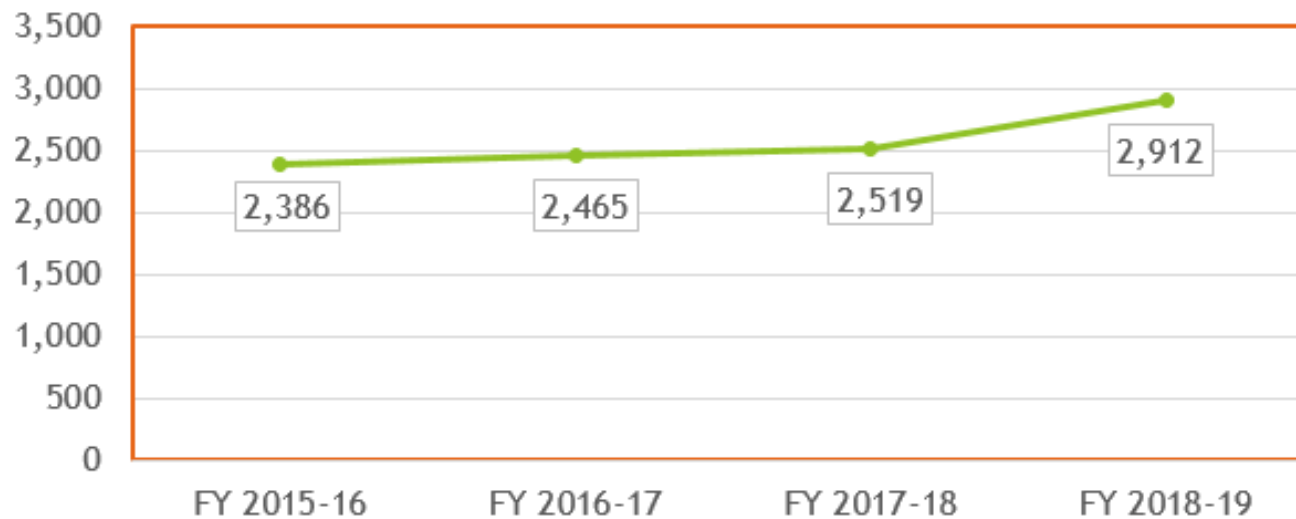
Number of UCC Filing Rejections (FY 2015-16 – FY 2018-19)¹⁶

The Secretary of State may reject a filing under Chapter 9 of Title 36 (Commercial Code - Secured Transactions) if it does not contain the statutorily required information, or the Secretary of State determines that it has been filed for an improper purpose, the filing is not within the scope of Chapter 9, or the secured party and debtor are the same.

One of the common types of rejections are UCC filings submitted by sovereign citizens. Some of these rejected filings are bogus liens against officials and entities in retaliation for a perceived wrong against the individual. For example, a sovereign citizen may file a lien against a law enforcement officer or magistrate judge following receipt of a traffic ticket. Other rejected filings include those in which an individual lists himself or herself as both the debtor and secured party. This is usually in an effort to avoid some kind of debt or to claim an account they believe was secretly set up by the government at birth.

A person whose Uniform Commercial Code filing has been rejected by the Secretary of State may file an appeal with the Administrative Law Court. During the time period covered in the program evaluation report, no appeals were filed with the Administrative Law Court.

Number of UCC Rejections



¹⁶ S.C. House of Representatives, House Legislative Oversight Committee, “Agency Presentation – Business filings, information technology, and administration (December 5, 2019),” under “Committee Postings and Reports,” under “House Legislative Oversight Committee,” under “Secretary of State, Office of the,” and under “Meetings,” <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/AgencyWebpages/SecretaryofState/SoS%20Presentation%20-%20Business%20Filings%20IT%20and%20Administration%20-%20PDF.pdf> (accessed January 21, 2020), slide 43, 45, and 46. Hereinafter “Business Filings Presentation.”