UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF NORTH CAROLINA, CHARLOTTE DIVISION

Jessica Lennon Boggs v. New South Finance LLC

Boggs · No. 3:26-CV-00051-KDB-DCK · Decided February 4, 2026

SUMMARY

The court granted Plaintiff Jessica Lennon Boggs's motion to proceed in forma pauperis for purposes of initial review but dismissed her complaint without prejudice. The claims arose from the repossession of her vehicle after she failed to remain current on an automobile loan and asserted that purported negotiable instruments and UCC theories discharged the debt. The court found those theories legally baseless and denied the plaintiff's related motions as moot.

CASE DETAILS

COURT	United States District Court for the Western District of North Carolina, Charlotte Division
JURISDICTION	United States District Court for the Western District of North Carolina, Charlotte Division
DECIDED	February 4, 2026
DOCKET	3:26-CV-00051-KDB-DCK
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff moved to proceed in forma pauperis and filed claims arising from the repossession of her vehicle. The district court conditionally granted in forma pauperis status for initial review, screened the complaint under 28 U.S.C. § 1915(e)(2), dismissed the complaint without prejudice, denied related injunctive motions as moot, and closed the case.
STANDARD OF REVIEW	Under 28 U.S.C. § 1915(e)(2), the court conducts an initial review of an IFP complaint and must dismiss it if it is frivolous or malicious or fails to state a claim. A complaint is frivolous when it raises an indisputably meritless legal theory or rests on clearly baseless factual contentions. Pro se pleadings are construed liberally, but liberal construction does not permit the court to ignore a clear failure to allege facts supporting a cognizable federal claim. The court also independently examines subject-matter jurisdiction.
PRECEDENTIAL VALUE	unpublished

PARTIES	Jessica Lennon Boggs v. New South Finance LLC

TOPICS

civil procedure · motions to dismiss · subject matter jurisdiction · injunctions · uniform commercial code

PRACTICE AREAS

civil procedure · consumer credit · contracts · uniform commercial code

QUESTIONS PRESENTED

1. Whether the complaint was subject to dismissal under 28 U.S.C. § 1915(e)(2) because it relied on frivolous legal theories and clearly baseless allegations concerning purported discharge of an automobile-loan debt through a negotiable instrument.
2. Whether the plaintiff should be permitted to proceed in forma pauperis for purposes of initial review.
3. Whether the plaintiff's pending motions for injunctive relief and return of the vehicle remained viable after dismissal of the complaint.

HOLDINGS

1. The court granted the plaintiff's motion to proceed in forma pauperis for the limited purpose of conducting an initial review because her financial representations showed that she lacked sufficient resources to pay the filing fee.
2. The complaint was subject to dismissal without prejudice because it relied entirely on meritless legal theories and irrational factual assertions that a purported negotiable instrument, trust arrangement, or Treasury submission discharged the plaintiff's valid automobile-loan obligation.
3. Although the complaint was entitled to liberal construction, that principle did not require the court to overlook its failure to allege facts supporting a cognizable federal claim.
4. The court had an independent obligation to determine whether subject-matter jurisdiction existed, even though the issue was not challenged by a party.

KEY QUOTATIONS

> *"Boggs erroneously believes that she does not have to pay her valid automobile loan based on the widely discredited contention that Article 3 of the UCC permits her to simply declare her debts discharged based on her "tender" of a so-called "negotiable instrument.""*

> *"Because Boggs' claims rely entirely on meritless instruments and irrational legal theories, dismissal is warranted."*

FACTUAL BACKGROUND

Boggs obtained an automobile loan from New South Finance LLC and allegedly failed to remain current on her payment and insurance obligations. After receiving delinquency notices, she sent documents asserting that the loan had been submitted to the Treasury for settlement and that a purported negotiable instrument discharged the debt under UCC § 3-311. New South Finance rejected the proposed settlement and repossessed the vehicle on January 9, 2026, after Boggs failed to make the required payments.

PROCEDURAL HISTORY

Boggs filed a complaint against New South Finance LLC and moved to proceed in forma pauperis. After reviewing her financial representations, the court granted the IFP motion for the limited purpose of conducting an initial review. On screening, the court concluded that the complaint rested on legally baseless theories concerning purported negotiable instruments, discharge of debt, and the UCC, dismissed the complaint without prejudice, denied pending injunction-related motions as moot, and directed the clerk to close the case.

DISPOSITION

dismissed

CASES CITED

- Neitzke v. Williams, 490 U.S. 319, 325, 327-28 (1989)
- Adkins v. E.I. DuPont de Nemours & Co., 335 U.S. 331, 342-43 (1948)
- Haines v. Kerner, 404 U.S. 519, 520 (1972)
- Weller v. Dep't of Soc. Servs., 901 F.2d 387 (4th Cir. 1990)
- Hertz Corp. v. Friend, 559 U.S. 77, 94 (2010)
- Riccobono v. Barnum, No. CV-25-01851-PHX-DJH, 2025 WL 3088987, at *4 (D. Ariz. Nov. 5, 2025)
- Aalaam v. Equifax Info. Servs., LLC, No. 5:24-CV-00209-KDB-DCK, 2025 WL 492010, at *2 (W.D.N.C. Feb. 13, 2025)
- Puente v. Navy Fed. Credit Union, 2025 WL 408677, at *3 (E.D. Pa. 2025)
- Scott v. Westlake Fin., LLC, 2025 WL 2734569, at *1 (W.D.N.C. 2025)

OPINION

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF NORTH CAROLINA CHARLOTTE DIVISION CIVIL ACTION NO. 3:26-CV-00051-KDB-DCK JESSICA LENNON BOGGS, Plaintiff, v. MEMORANDUM AND ORDER NEW SOUTH FINANCE LLC, Defendant. THIS MATTER is before the Court on Plaintiff's Motion to Proceed In Forma Pauperis (Doc. No. 2). Based on that examination, the Court finds that Plaintiff's reasonable expected expenses approximately equal her expected income, and she does not otherwise have sufficient assets with which to pay the filing fee.

Accordingly, the Court will GRANT the Motion for the limited purpose of conducting an initial review but DISMISS Plaintiff's Complaint without prejudice after conducting that review. Plaintiff's Motion to Proceed IFP "The federal in forma pauperis statute, enacted in 1892 and presently codified as 28 U.S.C. § 1915, is designed to ensure that indigent litigants have meaningful access to the federal courts." Neitzke v. Williams, 490 U.S. 319, 325 (1989) (quoting Adkins v. E.I.

DuPont de Nemours & Co., 335 U.S. 331, 342-43 (1948)). To achieve its goal, the IFP statute "allows a litigant to commence a civil or criminal action in federal court in forma pauperis by filing in good faith an affidavit stating … that he is unable to pay the costs of a lawsuit." Id. In her IFP motion, Plaintiff alleges that she has no income or expenses and has been evicted from her residence.

Doc. No. 2 at 4–5. Based on these representations, the Court will conditionally grant the motion and permit Plaintiff to proceed IFP solely for the limited purposes of this initial review. A. Frivolity Review Because Plaintiff is proceeding IFP, the Court must review the Complaint to determine whether it is subject to dismissal on the grounds that it is "frivolous or malicious [or] fails to state a claim on which relief may be granted." 28 U.S.C. § 1915(e)(2).

In its frivolity review, this Court must determine whether the Complaint raises an indisputably meritless legal theory or is founded upon clearly baseless factual contentions, such as fantastic or delusional scenarios. Neitzke, 490 U.S. at 327-28. Furthermore, a pro se complaint must be construed liberally. Haines v. Kerner, 404 U.S. 519, 520 (1972).

However, the liberal construction requirement will not permit a district court to ignore a clear failure to allege facts in the Complaint which set forth a claim that is cognizable under federal law. Weller v. Dep't of Soc. Servs., 901 F.2d 387 (4th Cir. 1990).

In addition, the Court has an independent obligation to determine whether subject-matter jurisdiction exists, even when no party challenges it." Hertz Corp. v. Friend, 559 U.S. 77, 94 (2010) (internal citations omitted). Plaintiff Jessica Boggs' claims appear to arise from Defendant New South Finance LLC's repossession of her vehicle following her failure to remain current on her automobile loan obligations, which included making regular payments on the loan and providing proof of full- coverage insurance.

See Doc. No. 1-2. According to the Complaint, beginning in early October 2025, Boggs received delinquency notices advising that she was behind on her loan payments and instructing her either to bring the account current and provide proof of full-coverage insurance or surrender the vehicle. See id. Rather than cure the delinquency, Boggs sent New South Finance a document titled "Notice of Submission to the United States Department of the Treasury," asserting that she had submitted the loan agreement to the Treasury for "review, settlement, and payment under trust authority" pursuant to purported "principles of equitable setoff and discharge." Doc.

No. 1-3 at 4. When, unsurprisingly, no payment was made by the Treasury—or by Boggs—the delinquency notices continued, along with warnings that the vehicle could be lawfully repossessed. Doc. No. 1 at 4. On or about December 22, 2025, Boggs sent a second letter, titled

“Conditional Settlement and Discharge of Account,” which she claimed enclosed a “conditional settlement instrument.” Id. The letter asserted that she was tendering a “negotiable instrument” containing “language to trigger acceptance under UCC § 3-311,” and that upon acceptance, the loan obligation would be “fully discharged and settled.” Doc.

No. 1-3 at 8–9. New South Finance responded on December 25, 2025, stating that it did not agree to any settlement other than a full payoff of the account. Doc. No. 1-4 at 2. When Boggs failed to make the required payments, New South Finance repossessed the vehicle on January 9, 2026. Id. at 1. Much of the language of the Complaint is familiar to this Court as it speaks of trusts, alleged payments of the underlying debt through “tender of a negotiable instrument,” and how the lender allegedly violated the UCC in proceeding with the repossession.

Boggs erroneously believes that she does not have to pay her valid automobile loan based on the widely discredited contention that Article 3 of the UCC permits her to simply declare her debts discharged based on her “tender” of a so-called “negotiable instrument.” Although not explicitly stated, Boggs’ Complaint rests on theories commonly associated with the “sovereign citizen” movement.

Riccobono v. Barnum, No. CV-25-01851-PHX-DJH, 2025 WL 3088987, at *4 (D. Ariz. Nov. 5, 2025). Courts have repeatedly rejected similar arguments as legally baseless and routinely dismiss claims premised on these flawed theories. See, e.g., Aalaam v. Equifax Info. Servs., LLC, No. 5:24-CV-00209-KDB-DCK, 2025 WL 492010, at *2 (W.D.N.C. Feb. 13, 2025) (discussing the widely discredited “vapor money” theory and plaintiff's allegations that the UCC allowed him to discharge his debts based on the “tender” of a “negotiable instrument” and dismissing the matter); Puente v. Navy Fed.

Credit Union, 2025 WL 408677, at *3 (E.D. Pa. 2025) (characterizing allegations that a plamtiff “tendered payment” through pseudo-legal instruments as “legal-sounding but meaningless verbiage” typical of sovereign citizen filings); Scott v. Westlake Fin., LLC, 2025 WL 2734569, at *1 (W.D.N.C. 2025) (dismissing claims based on the plaintiffs creation of a purported “Private Living Trust” to extinguish a vehicle lien).

The same defects are present here. Boggs has submitted baseless documents concerning a fictitious trust and asserting that she has satisfied her loan in full through her “tender” of a “negotiable instrument.” Because Boggs’ claims rely entirely on meritless instruments and irrational legal theories, dismissal is warranted. NOW THEREFORE IT IS ORDERED THAT: 1.

Plaintiff's IFP Motion (Doc. No. 2) is GRANTED for purposes of this Order; 2. Plaintiff's Complaint (Doc. No. 1) is DISMISSED without prejudice; 3. Plaintiff's Motion for Injunction (Doc. No. 3), Emergency Motion for Temporary Restraining Order (Doc. No. 5), Motion to Set

Preliminary Injunction Hearing (Doc. No. 6), and Emergency Motion to Compel Return of Vehicle (Doc.

No. 7) are all DENIED as moot; and 4. The Clerk is directed to close this matter in accordance with this Order. SO ORDERED ADJUDGED AND DECREED. Signed: February 4, 2026