NONPRECEDENTIAL DISPOSITION
To be cited only in accordance with FED. R. APP. P. 32.1

United States Court of Appeals

For the Seventh Circuit
Chicago, Illinois 60604

Submitted October 20, 2026*
Decided October 27, 2026

Before

MICHAEL B. BRENNAN, *Chief Judge*

DORIS L. PRYOR, *Circuit Judge*

NANCY L. MALDONADO, *Circuit Judge*

No. 26-1385

MARQUISE PEGGS-BEY,
Plaintiff-Appellant,

v.

JPMORGAN CHASE BANK, N.A.,
Defendant-Appellee.

Appeal from the United States District Court for the Northen District of Illinois, Eastern Division.

No. 1:25-cv-12739

John F. Kness,
Judge.

O R D E R

Marquise Peggs-Bey sued JPMorgan Chase Bank ("Chase"), alleging that it wrongly refused to accept payment on his credit card debt. The district court dismissed the complaint as frivolous. We affirm.

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* We have agreed to decide the case without oral argument because the briefs and record adequately present the facts and legal arguments, and oral argument would not significantly aid the court. FED. R. APP. P. 34(a)(2)(C).

As we understand it, Peggs-Bey alleges that he provided Chase with a "coupon" for the amount in interest that Chase owed him on his "debenture bond," and Chase violated its obligation to apply this to his credit card balance to satisfy his debt. The "coupon" to which Peggs-Bey refers was a payment slip from a credit card statement on which he wrote a dollar amount and the phrase "Accepted for Deposit" on the front.

Peggs-Bey sued Chase, alleging that Chase breached its contract with Peggs-Bey and fraudulently withheld payments owed to him. The district court stayed the case and ordered Peggs-Bey to file a supplemental statement explaining whether the court had subject matter jurisdiction. After Peggs-Bey filed his statement, the district court dismissed the case with prejudice as frivolous, determining that the claims were "functionally identical" to claims brought by sovereign citizens.

On appeal, Peggs-Bey first challenges the district court's authority to screen and dismiss his case as frivolous. He argues that the dismissal was improper because he paid the filing fee. But the court has "ample authority" to screen and dismiss with prejudice "frivolous or transparently defective suits," regardless of whether the plaintiff has paid the filing fees. *Hoskins v. Poelstra*, 320 F.3d 761, 763 (7th Cir. 2003); *see also* 28 U.S.C. § 1915(e)(2)(B). Moreover, where, like here, federal jurisdiction may be lacking because the suit is predicated "on a frivolous federal claim, dismissal with prejudice is appropriate." *El v. AmeriCredit Fin. Servs., Inc.*, 710 F.3d 748, 751 (7th Cir. 2013).

Peggs-Bey also argues that he presented a valid claim for relief, but we disagree. Although Peggs-Bey denies any association, his arguments have the "earmarks of the 'Sovereign Citizens' movement," *id.* at 750, which we have repeatedly rejected as frivolous, *see Bey v. State*, 847 F.3d 559, 559–60 (7th Cir. 2017). Specifically, his contentions resemble the "vapor money" theory—the idea that one creates legal tender by writing financial phrases on credit card payment slips. This argument has been summarily rejected by courts across the country. *See Williams v. TD Auto Fin. LLC*, No. 1:23-cv-03642-LMM-RDC, 2024 WL 1957319, at *3, 5 (N.D. Ga. Apr. 11, 2024); *Harp v. Police & Fire Fed. Credit Union*, No. 23-2577, 2023 WL 5152625, at *3 (E.D. Pa. Aug. 10, 2023) (rejecting plaintiff's theory that writing "financial buzzwords" on credit card statement was valid legal tender to satisfy debt); *Adams v. Partners*, No. 24-CV-00943, 2025 WL 101615, at *5 (E.D. Wis. Jan. 15, 2025); *Allah-Bey v. Roberts*, 668 F. App'x 419, 420 (3d. Cir. 2016); *Price v. Lakeview Loan Servicing, LLC*, No. 21-11806, 2022 WL 896816, at *3 (11th Cir. Mar. 28, 2022). We have stated repeatedly that districts courts can and should dismiss these kinds of frivolous claims with prejudice. *See United States v. Benabe*, 654 F.3d 753, 767 (7th Cir. 2011).

Peggs-Bey next argues that he is entitled to default judgment because Chase failed timely to file an answer to his complaint. We disagree. The district court stayed the case to consider its jurisdiction, and Chase was not required to file an answer while the case was stayed.

Finally, Peggs-Bey accuses the district court of obstructing justice by intentionally misrepresenting his arguments. These are serious allegations and we do not take them lightly. The district court acted well within its discretion to dismiss Peggs-Bey's suit as frivolous, and we see no basis for Peggs-Bey's allegations that the district court engaged in misconduct.

Peggs-Bey has 14 days to show cause why he should not be sanctioned for prosecuting this frivolous appeal and to show cause why his ongoing appeal asserting the same frivolous theories against a different bank should not be summarily affirmed, *see Peggs-Bey v. Capital One Bank, N.A.*, No. 25 C 13740 (N.D. Ill. June 26, 2026), *appeal docketed*, No. 26-2671 (7th Cir. Aug. 13, 2026). FED. R. APP. P. 38.

AFFIRMED