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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	Case No. CV06-2335-PHX-EHC
)	
v.)	
)	
DENNIS O. POSELEY; PATRICIA ANN)	
ENSIGN, a/k/a PATRICIA MOATS, a/k/a)	
PATRICIA POSELEY; JOHN F. POSELEY;)	
MARK D. POSELEY; DAVID W. TREPAS;)	
a/k/a DAVID MORNINGSTAR; RACHEL)	
MCELHINNEY; JEFFREY G. LEWIS;)	
KEITH D. PRIEST; and FRANK C.)	
WILLIAMS, individually and d/b/a)	
INNOVATIVE FINANCIAL)	
CONSULTANTS,)	
)	
Defendants.)	

FINAL JUDGMENT OF PERMANENT INJUNCTION

Plaintiff, the United States of America, has filed a Complaint for Permanent Injunction against defendant Mark D. Poseley. The United States and Poseley have filed a “Stipulation of Permanent Injunction” as follows:

Poseley waives the entry of findings of fact and conclusions of law under Federal Rule of Civil Procedure 52 and Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402(a) and 7408.

1 Poseley consents to entry of this Final Judgment of Permanent Injunction
2 without admitting that grounds exist for imposition of an injunction. Poseley
3 enters into this Final Judgment of Permanent Injunction voluntarily and waives
4 any right he may have to appeal from it.

5 Poseley consents to entry of Final Judgment of Permanent Injunction, based
6 on the following terms, without further notice and agrees that this Court shall
7 retain jurisdiction over him for the purpose of implementing and enforcing the
8 Final Judgment of Permanent Injunction.

9 Accordingly,

10 **IT IS ORDER** that:

11 1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340
12 and 1345 and I.R.C. §§ 7402(a) and 7408.

13 2. The Court finds that the tax-fraud schemes promoted by Poseley as
14 described in the Complaint violate various provisions of the Internal Revenue
15 Code.

16 3. The Court finds that Poseley consents to the entry of this injunction.

17 4. It is further ORDERED that Poseley, individually and doing business
18 under any other name or using any other entity, and his representatives, agents,
19 servants, employees, attorneys, and anyone in active concert or participation with
20 him, is permanently enjoined and restrained from, directly or indirectly:

21 (a) Making representations, in connection with the organization or sale of
22 any tax shelter, plan, or arrangement, that:

23 (1) Pure Trusts have no tax return filing or payment requirements,
24 and are tax-exempt regardless of their activities;

1 (2) individuals can assign their income to Pure Trusts and eliminate
2 their income tax return filing and payment requirements while retaining control
3 over the assets and income;

4 (3) Pure Trusts operate outside the jurisdiction of the United States;
5 and

6 (4) individuals can voluntarily withdraw from filing income tax
7 returns or paying federal taxes by rescinding their Social Security number;

8 (b) Selling services or products designed to assist customers to evade
9 reporting, filing, and paying taxes, including:

10 (1) preparing and selling documents purporting to create Pure Trusts
11 for individuals;

12 (2) obstructing or advising or assisting anyone to obstruct, IRS
13 examinations, collection actions, or other IRS actions;

14 (3) advising anyone that he or she is not required to file federal tax
15 returns or pay federal taxes;

16 (4) instructing, advising, or assisting anyone to stop withholding
17 federal employment taxes from wages;

18 (5) selling or distributing any promotional materials containing false
19 commercial speech regarding the internal revenue laws or speech likely to incite
20 others imminently to violate the internal revenue laws;

21 (c) Organizing (or assisting in organizing) or participating, directly or
22 indirectly, in the sale of any interest in any entity, plan, or arrangement, including
23 but not limited to those discussed above, that incites or assists customers to attempt
24 to violate the internal revenue laws or unlawfully evade the assessment or
25 collection of their federal tax liabilities or unlawfully claim improper tax refunds;

1 (d) Engaging in activity subject to penalty under 26 U.S.C. § 6700,
2 including making, in connection with the organization or sale of any plan or
3 arrangement, any statement about the securing of any tax benefit that the defendant
4 knows or has reason to know is false as to any material matter;

5 (e) Engaging in conduct subject to penalty under any provision of the
6 Internal Revenue Code, or engaging in any other conduct that interferes with the
7 administration and enforcement of the internal revenue laws; and

8 (f) Misrepresenting the terms of this injunction.

9 5. It is further ORDERED that the United States is permitted to engage in
10 post-judgment discovery to ensure compliance with this permanent injunction.

11 6. It is further ORDERED that this Court shall retain jurisdiction over this
12 action for the purpose of implementing and enforcing this Final Judgment of
13 Permanent Injunction.

14 DATED this 26th day of January, 2007.

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19 Earl H. Carroll
20 United States District Judge
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