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IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF NEVADA

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 )  
 REINHOLD V. SOMMERSTEDT; DANIEL J. )  
 YOUNG; STEPHEN R. NESTOR; and )  
 LYNN A. LAKERS, )  
 )  
 Defendants. )

Case No. 2:06-CV-00273-BES-GWF  
**STIPULATED ORDER OF  
 PERMANENT INJUNCTION  
 AS TO DEFENDANT STEPHEN R.  
 NESTOR**

Plaintiff United States has filed a complaint for permanent injunction against the defendants Reinhold V. Sommerstedt, Daniel J. Young, Stephen R. Nestor and Lynn A. Lakers. Defendant Stephen R. Nestor, without admitting any of the allegations in the complaint except as to jurisdiction, waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and consents to the entry of this permanent injunction under Rule 65 of the Federal Rules of Civil Procedure and 26 U.S.C. §§ 7402 and 7408. Defendant Nestor further waives any right that he may have to appeal from this permanent injunction. The plaintiff and defendant Nestor agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against defendant Nestor for asserted violations of the Internal Revenue Code nor precludes defendant Nestor from contesting any such penalties.

1 NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED  
2 that:

3 1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and  
4 under 26 U.S.C. §§ 7402 and 7408.

5 2. The Court finds that the defendant Nestor has neither admitted nor denied the United  
6 States' allegations that he has engaged in conduct subject to penalty under §§ 6700 and/or 6701  
7 of the Internal Revenue Code.

8 3. Defendant Nestor and his agents, servants, employees, attorneys, and all persons in  
9 active concert or participation with them who receive actual notice of this Order are permanently  
10 enjoined under 26 U.S.C. §§ 7402 and 7408 from:


- 11 a) Organizing or selling or otherwise promoting the foreign trust conduit scheme  
12 described in the complaint, or any substantially similar scheme;
- 13 b) Engaging in any other activity subject to penalty under IRC § 6700, including  
14 organizing or selling any plan or arrangement and making in connection  
15 therewith a statement regarding the allowance of a tax deduction, the  
16 excludability of income, or the securing of any other tax benefit that defendant  
17 Nestor knows or has reason to know is false or fraudulent as to any material  
18 matter;
- 19 c) Engaging in activity subject to penalty under IRC § 6701, including preparing or  
20 assisting in the preparation of a document relating to a matter material under the  
21 internal revenue laws that includes a position that defendant Nestor knows will,  
22 if used, result in understatement of another person's federal tax liability;
- 23 d) Engaging in any other activity subject to penalty under any other penalty  
24 provision in the Internal Revenue Code;
- 25 e) Engaging in any other conduct interfering with the administration and  
26 enforcement of the internal revenue laws.
- 27 f) misrepresenting any of the terms of this Order.

1 4. Defendant Nestor shall contact by mail all individuals and entities who have  
2 purchased his trust schemes, plans, arrangements or programs, and enclose a copy of this  
3 permanent injunction, and shall file with the Court, within 30 days of the date this permanent  
4 injunction is entered, a certification signed under penalty of perjury confirming that he has done  
5 so;

6 5. Defendant Nestor shall produce to counsel for the United States, within 30 days of the  
7 date this permanent injunction is entered, a list identifying by name, Social Security number,  
8 address, e-mail address, and telephone number all individuals or entities that have purchased any  
9 of defendants' tax schemes, plans, arrangements, or programs, and defendant Nestor shall file  
10 with the Court, within 30 days of the date this permanent injunction is entered, a certification  
11 signed under penalty of perjury confirming that he has done so.

12 6. The United States may engage in post-judgment discovery to ensure compliance with  
13 this permanent injunction.

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15 IT IS SO ORDERED this 3<sup>rd</sup> day of May, 2006.

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19 BRIAN E. SANDOVAL  
20 UNITED STATES DISTRICT JUDGE  
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Prepared and submitted by:

DANIEL G. BOGDEN  
United States Attorney

Date: May 2, 2006

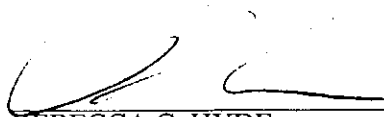
  
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Attorneys for the Plaintiff,  
United States of America

Seen and agreed to by:

Date: 4-7-06

  
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Attorney for the Defendant,  
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