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12 Attorneys for United States of America

13 UNITED STATES DISTRICT COURT

14 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15 UNITED STATES OF AMERICA,) No. EDCV 04-1566 VAP (SGLx)
16)
Plaintiff,)
17)
v.) STIPULATED REQUEST FOR
18) PRELIMINARY INJUNCTION AND STAY
ORDER
19 N.C.K. SERVICES, INC.,)
CARLA D. BERRY; KAREN D.)
20 BERRY; and IVAN T. JOHNSON,)
21)
Defendants.)
22)
23)

24 The United States of America and Defendants N.C.K. Services,
25 Inc., Carla D. Berry, Karen D. Berry, and Ivan T. Johnson hereby
26 stipulate and agree as follows:
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FILED
CLERK, U.S. DISTRICT COURT
MAY - 1 2006
CENTRAL DISTRICT OF CALIFORNIA
BY DEPUTY

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APR 26 2006
U.S. DISTRICT COURT
CENTRAL DISTRICT
RIVERSIDE

DOCKETED ON CM
MAY - 2 2006
BY [Signature] 044

1 1. Defendants Carla D. Berry, Karen D. Berry, and Ivan T.
2 Johnson, operating through Defendant N.C.K. Services, Inc.
3 (collectively, "Defendants"), prepare federal income tax returns
4 for others for compensation.

5 2. Defendants are currently prohibited from preparing
6 federal income tax returns pursuant to the terms of the Court's
7 March 15, 2006 Temporary Restraining Order ("TRO"). The TRO also
8 included an order to show cause why Defendants should not be
9 preliminarily enjoined from preparing income tax returns pending
10 a trial on the merits of the United States' complaint for
11 permanent injunctive relief ("Show Cause Order").

12 3. Based on a stipulation between the parties, the Court
13 continued the hearing on the Show Cause Order until May 1, 2006
14 and ordered the TRO to remain in full force and effect during the
15 intervening period.

16 4. Defendants are the subject of a parallel criminal
17 investigation by the U.S. Department of Justice, Tax Division, in
18 Washington, D.C., and the U.S. Attorney's Office in Riverside,
19 California.

20 5. Continuation of this civil action may adversely affect
21 the ability of the government to conduct the parallel criminal
22 proceeding.

23 6. The parties believe that it would be in their interests
24 and the interest of judicial economy to stay the instant civil
25 action pending the outcome of the parallel criminal proceeding.

26 7. During the stay of this civil action, Defendants agree
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1 to refrain from preparing federal income tax returns for others
2 and to otherwise comply and act in accordance with the terms of
3 the proposed preliminary injunction and stay order submitted
4 herewith.

5 8. The parties agree to report to the Court concerning the
6 status of the criminal proceedings 180 days from the date of the
7 Court's approval of this Stipulation and to file subsequent
8 reports every 180 days thereafter or as directed by the Court.


9 9. Any party may move to terminate the stay of this civil
10 action for good cause shown.

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1 So stipulated and agreed:

2 DEBRA W. YANG
United States Attorney
3 SANDRA B. BROWN
Assistant United States Attorney
4 Chief, Tax Division
5 ROBERT F. CONTE (SBN 157582)
Assistant United States Attorney

6 Dated: 4-26-06


7 ADAM F. HOLBIG
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11 Attorneys for the United States of
12 America

4-25-06


DUANE D. DADE

14 Dated: 4-25-06

DUANE D. DADE

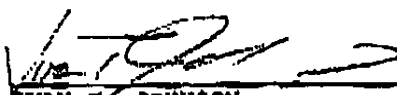
16 Attorney for Defendants N.C.K.
17 Services, Inc. and Carla D. Berry

18 Dated: 4-25-06


19 KAREN D. BERRY

20 Defendant, Pro Se

22 Dated:


23 IVAN T. JOHNSON

24 Defendant, Pro Se

26
27 IT IS SO ORDERED

28 DATED _____ 4

U.S. DISTRICT COURT JUDGE

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[Proposed]

ORDER

Before the Court is the parties' Stipulated Request for Preliminary Injunction and Stay Order. Based on said stipulation, and good cause being shown therefor,

IT IS HEREBY ORDERED that this matter be stayed pending further order of the Court.

IT IS HEREBY FURTHER ORDERED that Defendants N.C.K. Services, Inc., Carla D. Berry, Karen D. Berry, and Ivan T. Johnson, and all other persons acting in concert with them, directly or indirectly, by use of any means or instrumentality, are **ORDERED TO CEASE** and are hereby **PRELIMINARILY ENJOINED** pending a trial on the merits of the United States' complaint for permanent injunctive relief from:

(1) Preparing federal tax returns or requesting, or assisting in, or directing the preparation and/or filing of federal tax returns for any person or entity other than themselves, or representing any person or organization whose liabilities are under examination or investigation by the IRS;

(2) Engaging in conduct subject to penalty under I.R.C. Section 6694, including understating customers' tax liabilities;

(3) Engaging in conduct subject to penalty under Section 6695, including failing to sign returns and failing to list identifying numbers on such returns;

(4) Engaging in conduct subject to criminal penalty;

(5) Engaging in any other conduct subject to penalty under

1 the internal revenue laws or that otherwise interferes with the
2 administration and enforcement of those laws; and

3 (6) Obtaining, using, or retaining any other person's
4 Social Security number or other federal tax identification number
5 or federal tax return information in any way for any purpose.

6 **IT IS HEREBY FURTHER ORDERED** that:

7 (1) On or before 4:00 ~~a.m.~~/p.m. on the 15th day of
8 May, 2006, Defendants shall produce to counsel for the
9 United States a list that identifies by name, social security
10 number, address, e-mail address, telephone number, and tax
11 periods all persons for whom Defendants prepared federal tax
12 returns or claims for refund since January 1, 2005. On or before

13 1:00 ~~a.m.~~/p.m. on the 16th day of May, 2006, Defendants
14 shall file with the Clerk of Court a sworn certification that
15 said documentation has been so produced; and

16 (2) On or before 1:00 ~~a.m.~~/p.m. on the 2^d day of
17 May, 2006, Defendants shall prominently post notice at
18 their place of business indicating that the Court has issued this
19 Preliminary Injunction Order prohibiting Defendants, and all
20 other persons acting in concert with them, directly or
21 indirectly, by use of any means or instrumentality, from
22 preparing federal tax returns or requesting, or assisting in, or
23 directing the preparation and/or filing of federal tax returns
24 for any person or entity other than themselves, or representing
25 any person or organization whose liabilities are under
26 examination or investigation by the IRS.

IT IS SO ORDERED

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28 **DATED** April 28, 2006

Virginia L. Milon
U.S. DISTRICT COURT JUDGE

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Dated: _____

VIRGINIA A. PHILLIPS
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

I, **CHRISTOPHER PARK**, declare:

That I am a citizen of the United States and resident or employed in Riverside County, California; that my business address is the Office of United States Attorney, 3880 Lemon Street, Suite 210, Riverside, CA 92501; that I am over the age of eighteen years, and am not a party to the above-entitled action; That I am employed by the United States Attorney for the Central District of California who is a member of the Bar of the United States District Court for the Central District of California, at whose direction I served a copy:

STIPULATION REQUEST FOR PRELIMINARY INJUNCTION AND STAY ORDER

Placed in a closed envelope, for collection and interoffice delivery addressed as follows:

Placed in a sealed envelope for collection and mailing via United States Mail, addressed as follows:

By hand-delivery addressed as follows:

By facsimile as follows:

By Fed Ex

**DUANE D. DADE
DUANE D. DADE & ASSOCIATES
1317 WEST FOOTHILL BLVD., SUITE 232
UPLAND, CA 91786**

**KAREN D. BERRY
852 E. MESA DRIVE
RIALTO, CA 92776**

**IVAN T. JOHNSON
933 DRIFTWOOD CIRCLE
BANNING, CA 92220**

This Certificate is executed on APRIL 26, 2006, in Riverside, California. I certify under penalty of perjury that the foregoing is true and correct.


CHRISTOPHER PARK