

IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF OHIO

UNITED STATES OF AMERICA	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil No. 07-1221
	)	
DANIEL D. WEDDINGTON; JAMES R.	)	
EARL; MID-CON PETROLEUM, INC.,	)	
AURORA CAPITAL GROUP, INC,	)	
JEFFREY GAUMER	)	
	)	
Defendants.	)	

STIPULATED PRELIMINARY INJUNCTION  
AND ORDER STAYING CASE AS TO DANIEL D. WEDDINGTON

The United States has filed a complaint for permanent injunction under 26 U.S.C. §§ 7402(a), 7407, and 7408 against defendants Daniel D. Weddington, James R. Earl, Mid-Con Petroleum, Inc., Aurora Capital Group, Inc., and Jeffrey Gaumer.

Defendant Weddington has moved for a stay of this case pending resolution of what he suspects is a criminal investigation of him and others for the same conduct that is alleged in the amended complaint in this case. The United States confirms that there is such a criminal investigation of Weddington and possibly others, and agrees to a stay of this civil case as between Weddington and the United States pending resolution of the criminal investigation of Weddington and any criminal trial of Weddington that may occur. This stay does not affect the Government's case against the other defendants.

Defendant Weddington waives the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, and consents to the entry of this preliminary injunction, and agrees to be bound by its terms. The United States and

Weddington agree that no provision in this stipulated preliminary injunction or the fact that Weddington is agreeing to it constitutes an admission by Weddington of any of the allegations set forth by the United States in its amended complaint.

The United States and Weddington further agree that the lack of provisions in this preliminary injunction barring Weddington from all tax return preparation and barring him from certain other activities as requested in the amended complaint does not preclude the United States from seeking such relief once the stay in this case is lifted.

The United States and Weddington agree that entry of this preliminary injunction neither precludes the Internal Revenue Service from assessing additional tax or penalties against Weddington for asserted violations of the Internal Revenue Code nor precludes Weddington from contesting any such penalties.

### **ORDER**

**IT IS ORDERED** that defendant Daniel D. Weddington and his representatives, agents, servants, employees, and anyone in active concert or participation with him, is **PRELIMINARILY ENJOINED**, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402, 7407, and 7408, effective from entry of this Order until further notice, from directly or indirectly:

(1) Interfering with or obstructing IRS audits or investigations of participants in joint ventures in the alleged Mid-Con IDC scheme as described in paragraph 6 of the amended complaint;

(2) Representing or advising Mid-Con IDC scheme participants other than himself during IRS audits, investigations and/or litigations of their cases;

(3) Organizing, promoting, marketing, or selling the alleged Mid-Con IDC scheme, as described in the amended complaint, or any other scheme that is the same as

or substantially similar to the alleged IDC scheme;

(4) Organizing, promoting, marketing, or selling any tax shelter, plan, or other arrangement that advises or assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;

(5) Causing or assisting other persons or entities to understate their federal tax liabilities on federal tax returns;

(6) Engaging in any conduct subject to penalty under IRC § 6700 by organizing, promoting, marketing, or selling any tax shelter, plan, or other arrangement and, in connection therewith, making gross valuation overstatements (as defined in IRC § 6700) or making statements that he knows or has reason to know are false or fraudulent about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by reason of participating in such tax shelter, plan, or other arrangement;

(7) Engaging in activity subject to penalty under I.R.C. § 6701, including advising with respect to, preparing, or assisting in the preparation of a document related to a material matter under the internal revenue laws that he knows will, if used, result in an understatement of another person's tax liability;

(8) Issuing or selling letters of credit or soliciting or receiving any renewal fees or other funds relating to any old or new letters of credit with respect to the alleged Mid-Con IDC scheme; and

(9) Engaging in any other conduct subject to penalty under any penalty provision of the IRC, or engaging in any other conduct that interferes with the administration or enforcement of the internal revenue laws.

Agreed to on July 15, 2008 by:

GREGORY G. LOCKHART  
United States Attorney

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SO ORDERED this 4<sup>th</sup> day of August 2008.

s/James L. Graham  
James L. Graham  
United States District Judge