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CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION AT SANTA ANA
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SOUTHERN DIVISION AT SANTA ANA
DEPUTY

NOTE CHANGES MADE BY THE COURT

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15
16 IN THE UNITED STATES DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

17 United States,

18 Plaintiff,

Case No.
SACV 04-00273 DOC (ANx)

Permanent Injunction

21 Anthony L. Hargis individually and
22 dba Anthony L. Hargis & Co.,

23 Defendants.

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25 **ENTERED**
26 DEC - 6 2004
27 CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SANTA ANA OFFICE
28 BY _____ DEPUTY

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4 **Order**

5 Plaintiff United States of America moves for an Order to permanently
6 enjoin Anthony L. Hargis, individually and doing business as A.L.H. & Co. from
7 promoting a warehouse bank scheme that falsely promises customers that they can
8 legally hide their income, assets, expenditures and identities from the IRS through
9 the warehouse bank.

10 NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND
11 DECREED that:

12 1. Under 26 U.S.C. § 7408, an abusive-tax-shelter promoter may be
13 enjoined if a court finds that the person has engaged in any conduct subject to
14 penalty under section 6700 (relating to penalties for promoting abusive tax
15 shelters) and that injunctive relief is appropriate to prevent recurrence of such
16 conduct.

17 2. Hargis, individually and through ALH, participated in the sale of
18 accounts with the ALH warehouse bank, which is an entity, plan, or arrangement
19 within the meaning of 26 U.S.C. § 6700(a)(1)(A).

20 3. In promoting ALH, Hargis repeatedly falsely promised customers that
21 they could legally hide their income, assets, expenditures and identities from the
22 IRS through the warehouse bank

23 4. Hargis knew or had reason to know of the falsity of the statements made
24 in promoting ALH. Hargis proclaims himself a nationally recognized authority in

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1 the field of the constitutionality of the tax code, offers books and articles for sale
2 at ALH's website, www.anthonyhargis.com, and is aware that courts have
3 repeatedly held that warehouse banks are tax evasion schemes.

4 6. Hargis's false statements pertain to the legality of a scheme to hide
5 income, assets, expenditures, and identities from the IRS. As a result, Hargis's
6 repeated false statements are "material" within the meaning of 26 U.S.C. 6700.

7 7. Hargis has continued to make these false statements even after the IRS
8 informed him that he is making false statements about the supposed tax
9 advantages deriving from the warehouse bank, after he was jailed for refusing to
10 turn over bank records, and after the government brought suit to enjoin him from
11 making these misrepresentations.

12 8. Since the Complaint was filed on March 9, 2004, ALH customers who
13 owe substantial tax debts, are under IRS audit, have been found guilty and
14 sentenced for failing to file federal tax returns, or who have failed to file federal
15 tax returns have used ALH and its seven commercial bank accounts to hide their
16 income, assets, expenditures, and identities from the IRS.

17 9. All findings made at the preliminary-injunction hearing and as part of the
18 preliminary-injunction are incorporated here as part of the Court's findings of fact.

19 Accordingly, this Court ORDERS that:

20 A. Under 26 U.S.C. § 7408, a permanent injunction is entered prohibiting
21 Hargis, individually and doing business as A.L.H. & Co., and his representatives,
22 agents, servants, employees, attorneys, and those persons in active concert or
23 participation with him, from directly or indirectly promoting, marketing, or selling
24

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1 the warehouse bank scheme referenced above, or similar false and fraudulent
2 schemes, and from providing services to ALH customers.

3 B. That Hargis at his own expense contact by mail (and also by e-mail, if an
4 address is known) within 14 days of the entry of this Order all ALH customers,
5 past and present, and inform them of the Court's findings concerning the falsity of
6 Hargis's representations and attach a copy of the permanent injunction against
7 Hargis and his associates and related entities. Hargis shall file a sworn certificate
8 of compliance with this portion of the Order, within 18 days of the date of this
9 Order.

10 C. That ^{the Receiver} ~~Hargis and his representatives, agents, servants, employees,~~
11 ~~attorneys, and those persons in active concert or participation with him~~ remove
12 from ^{the A.L.H.} ~~his~~ website all false commercial speech, including all references to the
13 warehouse bank, and display prominently on the first page of the
14 www.anthonyhargis.com website a complete copy of the Court's permanent
15 injunction within 7 days of the entry of this Order.

16 D. That Hargis and his representatives, agents, servants, employees,
17 attorneys, and those persons in active concert or participation with him who
18 receive actual notice of this Order are enjoined under 26 U.S.C. §§ 7408 and 7402
19 from engaging in activity subject to penalty under 26 U.S.C. § 6700, including
20 organizing and/or selling a plan or arrangement (including, without limitation, the
21 warehouse banking scheme) and making a statement regarding the excludability of
22 income that they know or has reason to know is false or fraudulent as to any
23 material matter;

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1 E. that the United States may engage in post-judgment discovery to monitor
2 compliance with this injunction, and this Court shall retain jurisdiction of this
3 action for the purpose of implementing and enforcing this Final Judgment and all
4 additional decrees and orders necessary and appropriate to the public interest.

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6 Dated: December 6, 2004

David O. Carter
David O. Carter
United States District Judge

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