

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

FILED IN THE  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON

FEB 09 2005

JAMES R. LARSEN, CLERK  
DEPUTY  
SPOKANE, WASHINGTON

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
DONALD C. KAHL and )  
PATRICIA A. KAHL, )  
 )  
Defendants. )

Case No. CV-04-114-JLQ

**FINAL JUDGMENT OF  
PERMANENT INJUNCTION**

Plaintiff, United States of America, has filed a Complaint for Permanent Injunction and Other Relief in this matter against the defendants Donald C. Kahl and Patricia A. Kahl ("Defendants").

Defendants waive the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil procedure and 26 U.S.C. § 7408.

Defendants, without admitting the allegations in the Complaint and without admitting that grounds exist for imposition of an injunction, consent to entry of this Final Judgment of Permanent Injunction without any further notice.

Defendants state that they enter into this Final Judgment of Permanent Injunction voluntarily, and waive any right they may have to appeal from the Final Injunction of Permanent Injunction.

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND

DECREED that:

1. The Court has jurisdiction over this action pursuant to §§ 1340 and 1345 of Title 28 of the United States Code, and §§ 7402 and 7408 of the Internal Revenue Code of 1986, as amended (26 U.S.C.) (the “Code”).

2. The Court finds that Defendants have not admitted the United States’ allegations that they have engaged in conduct that is subject to penalty under §§ 6700 and 6701 of the Code and that interferes with the enforcement of the Internal Revenue Laws.

3. The Court finds that Defendants have consented to the entry of judgment for injunctive relief pursuant to Code §§ 7402 and 7408 to prevent them from engaging in conduct subject to penalty under §§ 6700 and 6701 of the Code, including organizing, promoting or selling the “corporation sole” and “claim of right” tax programs, as described in the Complaint.

4. It is further ORDERED, ADJUDGED AND DECREED that Defendants, individually and doing business as or through any other entity, and anyone acting in concert with either of them, are permanently enjoined and restrained from, directly or indirectly, by the use of any means or instrumentalities:

- (a) Organizing, promoting, marketing, or selling any abusive tax shelter, plan or arrangement that advises or encourages taxpayers to attempt to violate the internal revenue laws or unlawfully evade the

assessment or collection of their federal tax liabilities, including the “corporation sole” and “claim of right” programs, as described in the Complaint;

- (b) Making false statements about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by the reason of participating in such tax shelters, plans or arrangements;
- (c) Encouraging, instructing, advising or assisting others to violate the tax laws, including to evade the payment of taxes;
- (d) Engaging in conduct subject to penalty under 26 U.S.C. § 6700, *i.e.*, by making or furnishing, in connection with the organization or sale of an abusive shelter, plan, or arrangement, a statement the defendant knows or has reason to know to be false or fraudulent as to any material matter;
- (e) Engaging in conduct subject to penalty under 26 U.S.C. § 6701, *i.e.*, preparing or assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which the defendant knows will (if so used) result in the understatement of tax liability;
- (f) Engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws by the Internal Revenue Service.


5. It is further ORDERED, ADJUDGED AND DECREED that Defendants shall produce to the United States the names and addresses of all persons to whom either of them has sold, directly or indirectly, the “corporation sole” or “claim of right” programs, as described in the Complaint, and shall file with the Court within 20 days of this date a certification that they have done so.

6. It is further ORDERED, ADJUDGED AND DECREED that Defendants shall notify all persons to whom either of them has sold, directly or indirectly, the “corporation sole” or “claim of right” programs of this injunction order, and shall file with the Court within 20 days a certification that they have done so.

7. It is further ORDERED, ADJUDGED AND DECREED that Defendants shall instruct Freedom & Privacy Committee to remove Defendants’ names from any Freedom & Privacy Committee website and to remove all references to the “corporation sole” and “claim of right” programs from [www.freedomcommittee.com/5721/5721](http://www.freedomcommittee.com/5721/5721), and shall file with the Court within 20 days of this date a certification that they have done so.

There being no just reason for delay, the Clerk is directed to enter this Final Judgment forthwith. *close this file.*

SO ORDERED this 7<sup>th</sup> day of February, 2005.

  
JUSTIN L. QUACKENBUSH  
United States District Judge

Consented to by:

  
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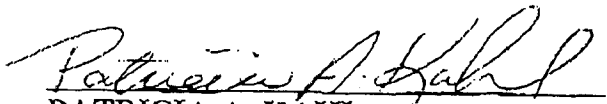
DONALD C. KAHL

4235 S. Cheney-Spokane Rd., #89

Spokane, Washington 99224

Telephone: (509) 443-6465

*Pro Se*

  
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PATRICIA A. KAHL

4235 S. Cheney-Spokane Rd., #89


Spokane, Washington 99224

Telephone: (509) 443-6465

*Pro Se*

JAMES A. MCDEVITT

United States Attorney

  
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MARTIN M. SHOEMAKER

Ga. Bar # 001340

Trial Attorney, Tax Division

U.S. Department of Justice

P.O. Box 7238

Washington, D.C. 20044

(202) 514-6491 phone

Attorney for Plaintiff U.S.A.