

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

Case No. 01-8816-CIV-MARRA

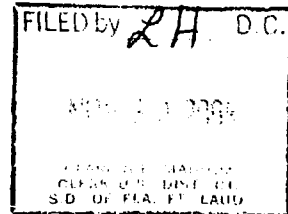
UNITED STATES OF AMERICA,

Plaintiff,

v.

LOUIS W. RATFIELD and  
LWR FINANCIAL SERVICES TRUST,

Defendants.



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**FINAL ORDER ENTERING PERMANENT INJUNCTION AND ASSESSING PENALTY**

THIS CAUSE is before the Court upon the Court's separately entered order granting the United States of America's Motion for Summary Judgment. The Court having concluded that a permanent injunction and penalty are appropriate relief for the Government in this case, it is

**ORDERED AND ADJUDGED** as follows:

1. Judgment is hereby entered in favor of Plaintiff, United States of America, and against the defendants, Louis W. Ratfield ("Ratfield") and LWR Financial Services Trust ("LWR"), on all three claims contained in the Complaint;
2. Defendants Ratfield and LWR, and all those in active concert or participation with them who have received actual notice of this permanent injunction, are hereby prohibited and permanently enjoined from:
  - (a) acting as a federal income tax return preparer,
  - (b) organizing or selling abusive tax shelters, plans, or arrangements that advise or encourage taxpayers to attempt to evade the assessment or collection of their correct federal tax;
  - (c) making false statements about the allowability of any deduction or credit,

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the excludability of any income, or the securing of any other tax benefit by the reason of participating in such tax shelters, plans, or arrangements;

- (d) assisting in the preparation of or preparing tax returns that they know will result in the understatement of any tax liability;
- (e) understating taxpayers' liabilities as prohibited by IRC § 6694;
- (f) engaging in any other activity subject to penalty under IRC §§ 6694, 6695, 6700, and/or 6701;
- (g) refusing to provide to the IRS lists of customers for whom they have prepared tax returns;
- (h) Representing or appearing with or on behalf of any other persons or entities in connection with any matter before the Internal Revenue Service; and
- (I) Preparing false letters or other documents for others for submission to the Internal Revenue Service.

3. Pursuant to IRC § 7402(a), that the defendants, Ratfield and LWR, shall contact by mail all individuals and entities who have purchased their abusive tax shelters, plans, arrangements, or programs, *i.e.*, their "pure" or "common law trusts," or any other abusive shelter, plan, or program in which defendants have been involved, to inform those persons of the Court's findings concerning the falsity of defendants' representations and attach a copy of the permanent injunction against defendants, and to file with the Court, within 45 days of the date this permanent injunction is entered, a certification that they each have done so;

4. Pursuant to IRC § 7402(a), that the defendants, Ratfield and LWR, shall contact by mail all individuals and entities for whom defendants have prepared a federal tax return, to inform those persons of the falsity of the defendants' representations, the falsity of the tax


returns prepared on their behalf, the possibility of the imposition of a frivolous filing penalty against them, the possibility that the United States may seek to collect any additional federal income taxes which they may owe, and the entry of the permanent injunction against the defendants, and to send those persons and entities a copy of this Order Entering Permanent Injunction and the Order Granting Plaintiff's Motion for Summary Judgment;

5. Pursuant to IRC § 7402(a), that Ratfield and LWR shall produce to the United States, within 60 days of the date the permanent injunction is entered, any records in their possession or to which they have access, identifying by name, Social Security Number, address, and telephone number all individuals who have purchased defendants' abusive tax plans, arrangements, or programs, or any other shelter, plan, or program in which defendants have been involved;
6. Pursuant to IRC § 7402(a), that Ratfield and LWR shall produce to the United States, within 60 days of the date the permanent injunction is entered, any records in their possession or to which they have access, identifying by name, Social Security Number, address, and telephone number all individuals and entities for whom defendants have prepared federal tax returns since January 1, 1996;
7. Pursuant to IRC § 7402(a), that the United States is permitted to engage in post-judgment discovery to ensure compliance with the permanent injunction;
8. A penalty in the amount of \$252,000 is hereby imposed upon Defendants Ratfield and LWR, joint and several liability, for the reasons set forth in the Court's Order Granting Plaintiff's Motion for Summary Judgment;

9. The Clerk may close this case.

**DONE AND ORDERED** in Chambers at Fort Lauderdale, Broward County, Florida, this

30<sup>th</sup> day of November, 2004.

  
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KENNETH A. MARRA  
United States District Judge

Copies to:

Robert D. Metcalfe, Esq.  
Gerald D'Ambrosio, Esq.