

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States District Court
Southern District of Texas
FILED

FEB 01 1991

Jesse E. Clark, Clerk

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

DAVID ESTRADA, individually and)
d/b/a ESTRADA'S PROFESSIONAL)
SERVICES, SPECIALIZED SERVICES)
AND ESTRADA'S TAX SERVICES,)

Defendant.)

CASE NO.

H 91 - 301

CONSENT JUDGMENT ENTRY

Plaintiff, the United States of America, having filed its Complaint herein on February ___, 1991 and defendant, David Estrada, having acknowledged receipt of a copy of the Summons and Complaint filed herein and having admitted the jurisdiction of this Court over the subject matter of this action, and the United States and Estrada having entered into a Stipulation For Entry of Judgment of Permanent Injunction, dated February ___, 1991, the original of which has been filed with this Court, wherein Estrada waived answer and all defenses to the United States' Complaint and further having specifically agreed to the entry of a final judgment of permanent injunction with respect to Estrada, and it appearing that no notice of hearing upon the entry of said Final Judgment of Permanent Injunction by Consent need be given;

Upon the Stipulation For Entry of Judgment of Permanent Injunction between the United States and Estrada and upon the consent of the parties hereto, the Court hereby finds that

1. David Estrada, individually and d/b/a Estrada's Professional Services, Specialized Services and Estrada's Tax

Services, has engaged in conduct subject to penalty under Sections 6694 and 6695 of the Code and that pursuant to Section 7407 of the Code, injunctive relief is appropriate to prevent recurrence of such conduct.

2. David Estrada, individually and d/b/a Estrada's Professional Services, Specialized Services and Estrada's Tax Services, has engaged in conduct subject to penalty under Section 6701 of the Code and that pursuant to Section 7408 of the Code, injunctive relief is appropriate to prevent recurrence of such conduct.

3. David Estrada, individually and d/b/a Estrada's Professional Services, Specialized Services and Estrada's Tax Services, has engaged in conduct which interfered with the administration and enforcement of the internal revenue laws by the Internal Revenue Service and that pursuant to Section 7402(a) of the Code, injunctive relief is appropriate to prevent recurrence of such conduct.

NOW, THEREFORE, upon the above findings and upon the Stipulation For Entry of Judgment of Permanent Injunction between the United States and Estrada and upon the consent of the parties hereto, it is

ORDERED, ADJUDGED AND DECREED that final judgment in favor of the plaintiff United States and against defendant Estrada is hereby granted and ordered entered as the judgment in this action permanently enjoining defendant David Estrada, individually and d/b/a as Estrada's Professional Services, Specialized Services and Estrada's Tax Services, and all of his officers, agents,

servants, employees, and attorneys, and persons in active concert or participation with him, directly or indirectly by the use of any means or instrumentality from:

1. Taking any action in furtherance of aiding, assisting, advising, or preparing for compensation federal tax returns and claims for refund of third-party taxpayers;

2. Further engaging in conduct subject to penalty under Sections 6694, 6695 and 6701 of the Code including but not limited to the following:

- a. intentionally or recklessly disregarding the rules and regulations of the Internal Revenue Service;
- b. willfully understating or attempting to understate the tax liabilities of third-parties;
- c. taking unrealistic positions in regards to the allowability of deductions and credits; and
- d. failing to keep a copy of all returns prepared or, in the alternative, a client list.

3. Acting as an income tax return preparer within the meaning of Section 7701(a)(36) of the Code, i.e., preparing for compensation or employing one or more persons to prepare for compensation any return of tax or claim for refund, including any substantial portion of a return or claim for refund;

4. Interfering with and/or impeding the proper administration of the internal revenue laws.

It is further ORDERED, ADJUDGED and DECREED that Estrada disclose to the United States the names, addresses and Social Security or tax identification numbers of all of his clients and of all persons whose federal income tax returns he has prepared for the tax years 1984 to the date of this Order, inclusive.

It is further ORDERED, ADJUDGED and DECREED that Estrada identify and provide to the Internal Revenue Service all documents in his possession or under his control which relate to those individuals described in the preceding paragraph.

It is further ORDERED, ADJUDGED and DECREED that Estrada notify, in writing, in a form satisfactory to the Internal Revenue Service, all persons whose income tax returns he has prepared from 1984 to the date of this Order, inclusive, of the findings and relief ordered by the Court; and that Estrada file with the Court a list of the names and addresses of all persons so notified within 30 days of the date of this Order.


It is further ORDERED, ADJUDGED and DECREED that the Court shall retain jurisdiction of this action for the purpose of implementing and enforcing the final judgment and all additional

decrees and orders necessary and appropriate to the public
interest.

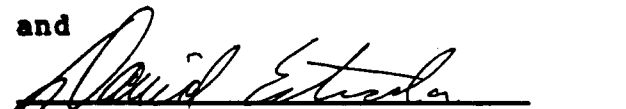
The defendant to pay all costs.


UNITED STATES DISTRICT JUDGE

APPROVED:


Charles P. Hurley
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and


David Estrada, individually
and d/b/a Estrada's Professional
Services, Specialized Services
and Estrada's Tax Services