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CENTRAL DISTRICT OF CALIFORNIA  
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13 Attorneys for United States

14  
15 IN THE UNITED STATES DISTRICT COURT FOR THE  
16 CENTRAL DISTRICT OF CALIFORNIA

17 UNITED STATES OF AMERICA,  
18 Plaintiff,  
19 v.  
20 JAMES L. TOLBERT  
a/k/a JAMES TOLBERT BEY,  
21 Defendant.

Case No. CV 05-6041-RGK (SSx)  
**Amended Order of Default  
Judgment and Permanent  
Injunction**

22 Upon motion of the United States to alter or amend the default judgment  
23 and permanent injunction entered on July 12, 2006, the Court enters this amended  
24 permanent injunction against defendant James L. Tolbert, a/k/a James Tolbert Bey  
25 ("Tolbert").  
26 //

27  
28 *Amended Order of Default Judgment  
and Permanent Injunction*

*United States v. James L. Tolbert  
Case No. CV 05-6041-RGK (SSx)*

THIS CONSTITUTES NOTICE OF ENTRY  
AS REQUIRED BY FRCP, RULE 77(d)

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**ORDER**

Based on the findings of fact and conclusions of law issued concurrently herewith, the Court ORDERS that:

1. Tolbert is permanently enjoined and restrained from, directly or indirectly, by the use of any means or instrumentalities, acting as an income tax return preparer (as defined in I.R.C. § 7701(a)(36)).

2. Tolbert, individually and doing business under any other name or using any other entity, and his representatives, agents, servants, employees, attorneys, associates, and those persons in active concert or participation with him, are permanently enjoined and restrained from, directly or indirectly, by the use of any means or instrumentalities:

(a) Engaging in activity subject to penalty under I.R.C. § 6700, including organizing or selling a plan or arrangement and making a statement regarding the excludibility of income that he knows or has reason to know is false or fraudulent as to any material matter by representing that:

(1) the United States includes "only the District of Columbia and territories over which the federal government has exclusive jurisdiction;"

(2) the United States is a foreign country in relation to California (or any other state), and that customers of Tolbert, are citizens of California (or another state, if the customer resides elsewhere) and not of the United States;

(3) federal taxes withheld from earnings of customers in California (or another state) are being withheld by a foreign country;

(4) income earned in a state is not taxable;

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1 (5) American citizens working in the United States need not file  
2 federal income returns because "compensation for labor" is totally different in  
3 meaning and in law from "income."

4 (b) Engaging in activity subject to penalty under I.R.C. § 6701, including  
5 preparing and/or assisting in the preparation of a document related to  
6 a matter material to the internal revenue laws that includes a position  
7 that he knows will result in an understatement of tax liability;

8 (c) Organizing, promoting, marketing, or selling any type of abusive tax  
9 shelter, plan, or arrangement, including any asset protection device  
10 such as trusts, limited liability corporations, or similar arrangements,  
11 advocating noncompliance with the income tax laws or tax evasion,  
12 misrepresenting the tax savings realized by using such an  
13 arrangement or concealing the receipt of income or location of assets  
14 from the IRS;

15 (d) Organizing or selling abusive tax shelters, plans, or arrangements that  
16 advise or encourage taxpayers to attempt to evade the assessment or  
17 collection of their correct federal tax;

18 (e) Engaging in any other activity subject to penalty under the Internal  
19 Revenue Code; and

20 (f) Engaging in other conduct interfering with the administration and  
21 enforcement of the internal revenue laws and from promoting any  
22 false tax scheme.

23 3. It is further ORDERED, ADJUDGED AND DECREED that Tolbert  
24 shall contact by mail all individuals, corporations, or business entities for whom  
25 he has prepared tax returns, and inform them of the Court's findings concerning  
26 the falsity of Tolbert's representations and attach a copy of the permanent  
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1 injunction against Tolbert, and shall file with the Court within 30 days. a  
2 certification that he has done so.

3 4. It is further ORDERED, ADJUDGED AND DECREED that Tolbert  
4 shall produce to the United States within 30 days, a list of the names, Social  
5 Security Numbers (or Employer Identification Numbers or Taxpayer Identification  
6 Numbers), addresses, e-mail addresses, and telephone numbers of all individuals,  
7 corporations, or other business entities for which he has prepared federal tax  
8 returns or that have purchased his tax-fraud plans, arrangements, or programs, or  
9 any other tax shelter, plan, or program in which Tolbert has been involved;


10 5. It is further ORDERED, ADJUDGED AND DECREED that the United  
11 States is permitted to engage in post-judgment discovery to ensure compliance  
12 with the permanent injunction.

13 6. It is further ORDERED, ADJUDGED AND DECREED that this Court  
14 shall retain jurisdiction of this action for the purpose of implementing and  
15 enforcing this Amended Final Judgment.

16 There being no just reason for delay, the Clerk is directed to enter this  
17 Amended Final Judgment forthwith.

18 IT IS SO ORDERED.

19 Date: SEP 05 2006

  
R. GARY KLAUSNER  
UNITED STATES DISTRICT JUDGE

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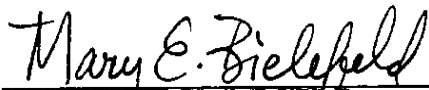
**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the foregoing proposed Amended Order of Default Judgment and Permanent Injunction has been made upon the following by depositing a copy in United States' mail, postage prepaid, this 24<sup>th</sup> day of July, 2006, addressed to:

James L. Tolbert  
a/k/a James Tolbert Bey  
4433 Don Felipe Drive  
Los Angeles, CA 90008

James L. Tolbert  
a/k/a James Tolbert Bey  
1655 La Fayette Road  
Los Angeles, CA 90019

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