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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

UNITED STATES OF AMERICA,

Plaintiff,

v.

DENNIS O. POSELEY; PATRICIA ANN  
ENSIGN, a/k/a PATRICIA MOATS, a/k/a  
PATRICIA POSELEY; JOHN F. POSELEY;  
MARK D. POSELEY; DAVID W. TREPAS;  
a/k/a DAVID MORNINGSTAR; RACHEL  
MCELHINNEY; JEFFREY G. LEWIS;  
KEITH D. PRIEST; and FRANK C.  
WILLIAMS, individually and d/b/a  
INNOVATIVE FINANCIAL  
CONSULTANTS,

Defendants.

)  
) Case No. CV 06-2335-PHX-EHC  
)

**ORDER**

**FINAL JUDGMENT OF PERMANENT INJUNCTION**

Plaintiff, the United States of America, has filed a Complaint for Permanent Injunction against defendant David W. Trepas. The United States and Trepas have filed a “Stipulation of Permanent Injunction” as follows:

Plaintiff, the United States of America, has filed a Complaint for Permanent Injunction against defendant David Trepas. Trepas does not admit the allegations in the Complaint, except that he admits that the Court has jurisdiction over him and over the subject matter of this action.

1 Trepas waives the entry of findings of fact and conclusions of law under Federal  
2 Rule of Civil Procedure 52 and Internal Revenue Code (I.R.C.) (26 U.S.C.) §§  
3 7402(a) and 7408.

4 Trepas consents to entry of this Final Judgment of Permanent Injunction  
5 without admitting that grounds exist for imposition of an injunction. Trepas enters  
6 into this Final Judgment of Permanent Injunction voluntarily and waives any right  
7 he may have to appeal from it.

8 Trepas consents to entry of Final Judgment of Permanent Injunction, based  
9 on the following terms, without further notice and agrees that this Court shall  
10 retain jurisdiction over him for the purpose of implementing and enforcing the  
11 Final Judgment of Permanent Injunction.

12 Accordingly,

13 **IT IS ORDER** that:

14 1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340  
15 and 1345 and I.R.C. §§ 7402(a) and 7408.

16 2. The Court finds that the pure trusts promoted by Trepas violate various  
17 provisions of the Internal Revenue Code.

18 3. The Court finds that Trepas consents to the entry of this injunction.

19 4. It is further ORDERED that Trepas, individually and doing business  
20 under any other name or using any other entity, and his representatives, agents,  
21 servants, employees, attorneys, and anyone in active concert or participation with  
22 him, is permanently enjoined and restrained from, directly or indirectly:

23 (a) Making representations, in connection with the organization or sale of  
24 any tax shelter, plan, or arrangement, that:

25 (1) Pure Trusts have no tax return filing or payment requirements,  
26 and are tax-exempt regardless of their activities;

1 (2) individuals can assign their income to Pure Trusts and eliminate  
2 their income tax return filing and payment requirements while retaining control  
3 over the assets and income;

4 (3) Pure Trusts operate outside the jurisdiction of the United States;  
5 and

6 (4) individuals can voluntarily withdraw from filing income tax  
7 returns or paying federal taxes by rescinding their Social Security number;

8 (b) Selling services or products designed to assist customers to evade  
9 reporting, filing, and paying taxes, including:

10 (1) preparing and selling documents purporting to create Pure Trusts  
11 for individuals;

12 (2) obstructing or advising or assisting anyone to obstruct, IRS  
13 examinations, collection actions, or other IRS actions;

14 (3) advising anyone that he or she is not required to file federal tax  
15 returns or pay federal taxes;

16 (4) instructing, advising, or assisting anyone to stop withholding  
17 federal employment taxes from wages;

18 (5) selling or distributing any promotional materials containing false  
19 commercial speech regarding the internal revenue laws or speech likely to incite  
20 others imminently to violate the internal revenue laws;

21 (c) Organizing (or assisting in organizing) or participating, directly or  
22 indirectly, in the sale of any interest in any entity, plan, or arrangement, including  
23 but not limited to those discussed above, that incites or assists customers to attempt  
24 to violate the internal revenue laws or unlawfully evade the assessment or  
25 collection of their federal tax liabilities or unlawfully claim improper tax refunds;

1 (d) Engaging in activity subject to penalty under 26 U.S.C. § 6700,  
2 including making, in connection with the organization or sale of any plan or  
3 arrangement, any statement about the securing of any tax benefit that the defendant  
4 knows or has reason to know is false as to any material matter;

5 (e) Engaging in conduct subject to penalty under any provision of the  
6 Internal Revenue Code, or engaging in any other conduct that interferes with the  
7 administration and enforcement of the internal revenue laws; and

8 (f) Misrepresenting the terms of this injunction.

9 5. It is further ORDERED that this Court shall retain jurisdiction over this  
10 action for the purpose of implementing and enforcing this Final Judgment of  
11 Permanent Injunction with respect to defendant Trepas.

12 DATED this 16<sup>th</sup> day of October, 2007.

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Earl H. Carroll  
16 United States District Judge  
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