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IN THE UNITED STATES DISTRICT COURT FOR THE  
LAS VEGAS, NV DISTRICT OF NEVADA

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UNITED STATES OF AMERICA,

Plaintiff,

v.

NATIONAL AUDIT DEFENSE NETWORK,  
et al.,

Defendants.

Civil No. CV-S-04-0455-LDG (LRL)

STIPULATED FINAL JUDGMENT OF  
PERMANENT INJUNCTION

**STIPULATED FINAL JUDGMENT OF PERMANENT INJUNCTION AGAINST  
DEFENDANT CHRISTINE REID**

Plaintiff United States of America has filed a Complaint for Permanent Injunction against, among others, defendant Christine Reid. Reid neither admits nor denies the allegations of the Complaint, except she admits that the Court has jurisdiction over her and over the subject matter of this action.

Reid waives the entry of findings of fact and conclusions of law and consents to the entry of this permanent injunction without admitting or denying that grounds exist for imposition of an injunction.

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

1. The Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and 1345, and 26 U.S.C. §§ 7402(a) and 7408.
2. The Court finds that Reid has neither admitted nor denied the United States' allegations that she has engaged in conduct that is subject to penalty under 26 U.S.C. §§ 6700 and 6701 and that interferes with the enforcement of the internal revenue laws.

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3. The Court finds that Reid has consented to the entry of a permanent injunction pursuant to 26 U.S.C. §§ 7408 and 7402(a) to prohibit her from: (1) preparing false IRS Forms 1099; (2) 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; (3) engaging in conduct subject to penalty under 26 U.S.C. §§ 6700 or 6701; (4) engaging in conduct that substantially interferes with the enforcement of the internal revenue laws; and (5) promoting any false or fraudulent tax scheme.

4. It is further ORDERED, ADJUDGED AND DECREED that Reid, individually and doing business under any other name or using any other entity, and her representatives, agents, servants, employees, and any persons in active concert or participation with her, are permanently enjoined from, directly or indirectly, by the use of any means or instrumentalities:

- a. Organizing, promoting, or selling the Mallforall, Shopn2000, or TaxBreak2000 website program or any arrangements that facilitate or advocate noncompliance with the income tax laws or tax evasion or misrepresent the tax savings realized by using the arrangements;
- b. Engaging in activity subject to penalty under 26 U.S.C. § 6700, *i.e.*, organizing, promoting, or selling a plan or arrangement and making statements regarding the excludibility of income and the IRS's filing requirements or the securing of any other tax benefit that she knows or has reason to know are false or fraudulent as to any material matter;
- c. Engaging in activity subject to penalty under 26 U.S.C. § 6701, *i.e.*, preparing and/or assisting in the preparation of a document related to a matter material to the internal revenue laws that includes a position that she knows will, if used, result in an understatement of tax liability; and
- d. Engaging in other similar conduct that interferes with the administration or enforcement of the internal revenue laws, including preparing false IRS Forms 1099.

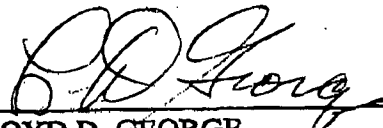
5. It is furthered ORDERED, ADJUDGED, AND DECREED that within 15 days of the date of this order she shall provide to the United States a list of the names, telephone numbers, addresses, e-mail addresses, and social security or employer identification numbers of all individuals and entities for whom she has prepared or assisted in the preparation of federal tax returns or IRS Forms 1099. Reid shall also provide or give to the United States unrestricted access to all documents identifying these individuals and entities. If Reid cannot provide these documents, Reid shall file with this Court a statement under penalty of perjury that she has no such documents or access to such documents.

6. It is furthered ORDERED, ADJUDGED AND DECREED that the Court shall retain jurisdiction over this action to implement and enforce this Final Judgment of Permanent Injunction and all other decrees and orders necessary or appropriate to the public interest.

7. The United States shall be entitled to conduct post-judgment discovery permitted under the Federal Rules of Civil Procedure to monitor Reid's compliance with the terms of this Final Judgment of Permanent Injunction, including conducting discovery relating to customer lists. Nothing in this Order shall be construed to prevent the United States from conducting discovery of Reid otherwise permitted under the Federal Rules of Civil Procedure.

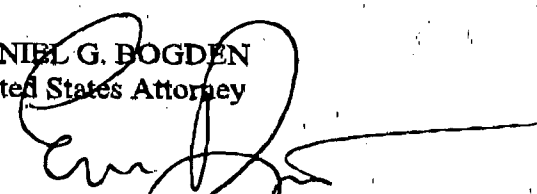
8. Each party to this stipulation shall bear its own costs.

IT IS SO ORDERED this 3 day of Nov, 2004.

  
LLOYD D. GEORGE  
United States District Judge


Stipulation approved as to form and content:

DANIEL G. BOGDEN  
United States Attorney



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