

IN THE UNITED STATES DISTRICT COURT FOR THE  
MIDDLE DISTRICT OF FLORIDA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil No. 8:04-CV-339-T-17TGW
	)	
DAVID MARVIN SWANSON,	)	
d/b/a DYNAMIC MONETARY STRATEGIES,	)	
a purported trust,	)	
	)	
Defendant.	)	

**JUDGMENT AND PERMANENT INJUNCTION AGAINST DEFENDANT DAVID  
MARVIN SWANSON, d/b/a DYNAMIC MONETARY STRATEGIES**

The Court makes the following findings of fact and conclusions of law and enters judgment of permanent injunction against defendant David Marvin Swanson:

**Findings of Fact**

Because of Defendant David Marvin Swanson’s default, the Court finds as follows:

1. Defendant David Marvin Swanson, d/b/a Dynamic Monetary Strategies, promotes abusive tax schemes and makes false and fraudulent representations regarding tax law. He promotes his schemes through a self-published manual and a website, and he charges customers for products and services related to his abusive tax schemes.
2. Swanson falsely advises customers, individually and through seminars and written materials, to cease filing federal income tax returns (IRS Forms 1040) and paying federal income tax.
3. Swanson sells sham trusts, called Unincorporated Business Trust Organizations (UBTOs), and falsely advises his customers that by placing the customers’ assets and income into these trusts the customers can avoid federal income tax.
4. Swanson sets up limited liability companies (LLCs) structured to obscure his customers’ identities and improperly assist in avoiding taxes.
5. Swanson creates LLCs, registered in Nevada, for customers and obtains from the IRS Employer Identification Numbers (EINs) for the LLCs. Swanson suggests using UBTOs or other business entities as the LLC’s “managers” or “members,” thereby concealing the ownership of the assets and income. Swanson instructs customers to

transfer their assets and income to their newly-created "anonymous" LLCs. Because neither the instruments creating the LLCs nor the applications for EINs contain the customers' names, the true ownership of the LLCs' assets and income is concealed.

6. Swanson made false statements in advising customers to cease filing federal income tax returns (IRS Forms 1040) and paying federal income tax.
7. If he is not enjoined, Swanson is likely to continue to organize and sell his abusive tax schemes and to prepare returns understating his customers' tax liability.

#### **Conclusions of Law**

1. This Court has jurisdiction over this action pursuant to 28 U.S.C. §§ 1340 and 1345 and Internal Revenue Code (I.R.C., 26 U.S.C.) §§ 7402(a), 7407, and 7408.

2. Venue is proper in this Court, pursuant to 28 U.S.C. § 1391(b)(2), because a substantial part of the events giving rise to this claim occurred within this judicial district.

3. Under I.R.C. § 7408, an abusive-tax-shelter promoter may be enjoined if a court finds that the person has engaged in any conduct subject to penalty under section 6700 (relating to penalties for promoting abusive tax shelters) and that injunctive relief is appropriate to prevent recurrence of such conduct.

4. I.R.C. § 6700 penalizes any person who organizes or sells a plan or arrangement and makes, in connection with organizing or selling the plan or arrangement, a statement regarding the excludibility of income that the person knows or has reason to know is false or fraudulent as to any material matter.

5. Swanson organized and sold abusive tax schemes. In organizing and selling his abusive tax schemes, Swanson made false or fraudulent statements regarding the excludibility of income. Swanson knew or had reason to know that his programs and program materials contain false or fraudulent statements within the meaning of I.R.C. § 6700.

6. Swanson promoted abusive tax schemes and made false and fraudulent representations regarding tax law.

7. I.R.C. § 7402 authorizes a court to issue orders of injunction as may be necessary or appropriate for the enforcement of the internal revenue laws.

8. Swanson, through the actions described above, has engaged in conduct that interferes substantially with the administration and enforcement of the internal revenue laws.

#### **Permanent Injunction**

Based on the foregoing factual findings and for good cause shown, the Court ORDERS that defendant David Marvin Swanson, d/b/a Dynamic Monetary Strategies, and his agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order are enjoined from:

- 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;
- b. Selling or organizing any type of trust, limited liability company, or similar arrangement, as part of which Swanson advocates for the noncompliance of the income tax laws or tax evasion, misrepresents the tax savings realized by using the arrangement, or conceals the receipt of income; and
- c. Engaging in any other activity subject to penalty under I.R.C. § 6700.

Further, the Court ORDERS that defendant David Marvin Swanson, d/b/a Dynamic Monetary Strategies, and his agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order are enjoined from 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 they know or have

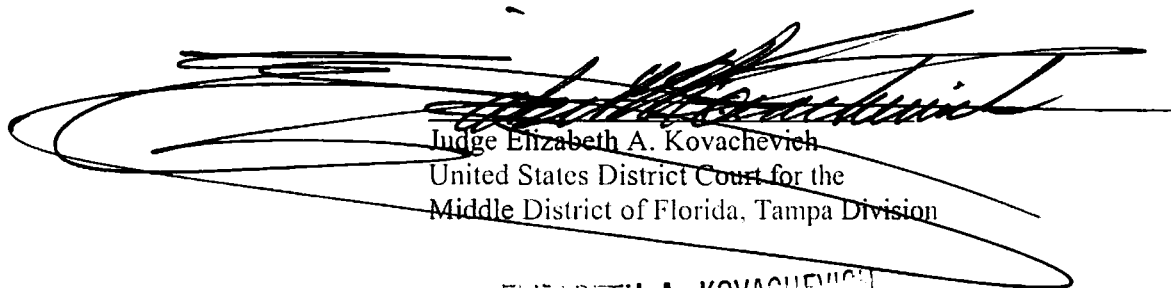
reason to know is false or fraudulent as to any material matter.

Further, the Court ORDERS Swanson to provide his complete customer list from January 1, 1999 through the present, including names, addresses, phone numbers, e-mail addresses, and social security numbers or employer identification numbers, to the United States within ten days of the date of this Order. Swanson must file a sworn certificate of compliance, swearing that he has complied with this portion of the Order, within ten days of the date of this Order.

Finally, the Court ORDERS that Swanson provide a copy of this permanent injunction to all of his customers, by First Class Mail within ten days of the date of this Order. Swanson will bear the costs of providing the copy of the permanent injunction to his customers. Swanson must file a certificate of compliance, swearing that he has complied with this portion of the Order, within ten days of the date of this Order.

The United States may conduct discovery to monitor compliance with this Order.

SO ORDERED this 15<sup>th</sup> day of NOVEMBER, 2006.



Judge Elizabeth A. Kovachevich  
United States District Court for the  
Middle District of Florida, Tampa Division

Prepared by:

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United States Attorney

ELIZABETH A. KOVACHEVICH  
UNITED STATES DISTRICT JUDGE

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