

FILED

2011 JUL 21 PM 3:37
CLERK, U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

BY _____

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15 UNITED STATES DISTRICT COURT
16 CENTRAL DISTRICT OF CALIFORNIA

16 UNITED STATES OF AMERICA,

17 Plaintiff,

18 v.

19 BENJAMIN APARICIO, individually and
20 d/b/a BA INCOME SERVICES,

21 Defendant.

Civil No.

CV 11-6042-REG (PLA)
Complaint For Permanent Injunction
And Other Relief

22 The United States of America, for its Complaint against defendant Benjamin Aparicio,
23 individually and doing business as BA Income Services (collectively, "Aparicio"), states as
24 follows:
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Nature Of The Action

1. The United States brings this Complaint pursuant to 26 U.S.C. ("I.R.C.") §§ 7402, 7407 and 7408 to enjoin Aparicio and anyone in active concert or participation with him from preparing or assisting in the preparation of federal tax returns for others, directly or indirectly engaging in conduct subject to penalty under I.R.C. §§ 6694, 6700, and 6701, and from engaging in conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

Jurisdiction And Venue

2. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345, and I.R.C. §§ 7401, 7402(a), 7407, and 7408. Venue is proper in this Court pursuant to 28 U.S.C. § 1391 and I.R.C. §§ 7407(a), 7408(a) because the defendant resides in this judicial district.

Authorization

3. This action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General, pursuant to I.R.C. §§ 7402, 7407 and 7408.

Defendant Aparicio And Overview Of Aparicio's Activities

4. Aparicio resides in Fillmore, California and does business in Santa Paula, California through BA Income Services. According to his customers and former employees, Aparicio has been a tax preparer for over 30 years. Aparicio's customers are typically unsophisticated in tax matters and rely on his advice.

5. Aparicio engaged in a pattern of claiming false and inflated deductions on behalf of his customers. Aparicio also advised his customers to form limited liability companies ("LLCs") that have no business purpose. Aparicio has assisted his customers in forming sham LLCs, and then using the LLC as a vehicle to deduct his customers' personal expenses.

IRS Investigation And Criminal Prosecution Of Aparicio

6. The IRS conducted an electronic review of 423 returns Aparicio prepared for tax years 2001 through 2003. That investigation revealed fabricated Schedule A charitable contributions

1 and employee business expenses. The IRS conducted correspondence audits of all 423 tax
2 returns – and 152 of those audits resulted in civil tax adjustments that were agreed to by the
3 taxpayers.

4 7. On April 1, 2010, Aparicio was indicted on 13 counts of aiding and assisting in the
5 preparation and presentation of false income tax returns, in violation of I.R.C. § 7206, two counts
6 of failure to file income tax returns for a partnership Aparicio operated for the years 2003 and
7 2004, in violation of I.R.C. § 7203, and two counts of wire fraud, in violation of 18 U.S.C. §§
8 1343 & 1342.

9 8. On October 25, 2010, Aparicio entered a guilty plea as to counts 10, 13, and 16 of the
10 indictment. Pursuant to the plea agreement, which was filed on October 15, 2010, Aparicio has
11 agreed to enter into “a binding civil injunction” “barring him for life from aiding or assisting in
12 the preparation of federal income tax returns, and barring him from representing persons before
13 the Internal Revenue Service.” (*US v. Aparicio*, 2:10-cr-00326 (C.D. Cal.), Dkt. # 34, ¶2(h).)
14 Aparicio further agreed to “publish the contents of the civil injunction to all his current clients.”
15 (*Id.*)

16 9. On April 18, 2011, Aparicio was sentenced to 18 months incarceration, 3 years
17 supervised release, and restitution of \$357,100. At the sentencing hearing, Aparicio agreed to
18 stipulate to an injunction banning him from preparing tax returns for life.

19 10. Given Aparicio’s background and involvement in tax-fraud schemes that gave rise to
20 criminal liability, the misconduct described in this Complaint or other similar misconduct is
21 likely to recur. Accordingly, permanent injunctive relief barring him from the preparation of tax
22 returns and the promotion of tax schemes in the future is warranted. Indeed, as noted above,
23 Aparicio has already agreed to be bound by a permanent injunction.

24 **Aparicio’s Fraudulent Tax Preparation And Promotional Practices**

25 11. The IRS conducted an electronic review of 423 returns prepared by Aparicio for tax years
26 2001 through 2003, revealing that the returns at issue contained fabricated Schedule A charitable
27

1 contributions and employee business expenses. In many instances, the customer professed no
2 knowledge as to the nature and/or amounts of these deductions.

3 12. Aparicio has pled guilty to fabricating and overstating Schedule A expenses on his
4 customers' returns. On October 25, 2010, Aparicio entered a guilty plea as to count 13 of the
5 indictment filed against him on April 1, 2010. Count 13 accused Aparicio of preparing a false
6 and fraudulent Form 1040, in that the tax return represented that the taxpayer was entitled to
7 claim certain Schedule A deductions and Aparicio knew that the taxpayer was either not entitled
8 to claim such deductions, or, if entitled to some deduction, was entitled to claim only a
9 substantially smaller amount than that claimed on the return. (*US v. Aparicio*, 2:10-cr-00326
10 (C.D. Cal.), Dkt. # 1, p. 4.)

11 13. Aparicio also engaged in a pattern of claiming false and inflated deductions on behalf of
12 his customers through the use of LLCs. Aparicio advised his clients to form LLCs that served no
13 business purpose. For a fee, Aparicio assisted his clients in the process of forming the sham
14 LLC. After the LLC was formed, the LLC would deduct personal expenses, such as interest on
15 auto loans, personal travel expenses, residential utilities, medical expenses, and other personal
16 expenses that are not otherwise deductible – and were frequently not verified.

17 14. Aparicio advised his customers that their newly-formed LLC functioned as a
18 “management service,” *i.e.*, the taxpayer could manage his or her personal finances via the LLC.
19 Aparicio's customers were mostly Form W-2 employees and did not offer any service or product.

20 15. Aparicio has pled guilty to claiming false and inflated deductions on behalf of his
21 customers through the use of LLCs. On October 25, 2010, Aparicio entered a guilty plea as to
22 count 10 of the indictment filed against him on April 1, 2010. Count 10 accused Aparicio of
23 preparing a false and fraudulent Form 1065, in that the tax return “falsely claimed total income
24 on line 8 and total deductions on line 21 for an alleged Limited Liability Corporation” where
25 Aparicio “knew and believed” that “the alleged LLCs for which the tax returns were prepared
26 were not entitled to claim such items in the amounts stated on the tax returns.” (*US v. Aparicio*,
27 2:10-cr-00326 (C.D. Cal.), Dkt. # 1, p. 3.)

Harm To The United States Caused By Aparicio's Misconduct

16. Aparicio's fraudulent tax preparation practices resulted in significant lost tax revenues to the United States. The IRS estimates that, between 2001 and 2003, Aparicio prepared 423 returns with an average understated tax liability of \$1,821 per examined return. As noted above, 152 of these returns resulted in "agreed to" civil tax adjustments. These "agreed to" civil tax adjustments totaled approximately \$276,792 in understated tax liabilities.

17. Aparicio's fraudulent tax practices with respect to LLCs result in significant lost tax revenues to the United States. Aparicio regularly prepares Forms 1065 for his customers. Form 1065 is an information return used to report the income, gains, losses, deductions, and credits from the operation of a partnership. Entities formed as LLCs that are classified as partnerships for federal income tax purposes must file Form 1065. LLCs that are classified as partnerships do not pay tax on their income but "pass through" any profits or losses to the LLC's partners. Partners must then include partnership profit or loss on their individual income tax returns, or Forms 1040. Based on an electronic review, the IRS determined that, for the tax years 2002 through 2005, Aparicio prepared a total of 299 Forms 1065. The IRS audited 53 of those 299 Forms 1065, resulting in approximately \$7,894 in increased tax liability at the Form 1040 level for each Form 1065 the IRS audited. Thus, the total civil tax adjustment based on this sample of returns prepared by Aparicio amounts to \$418,382.

Count I: Injunction Under I.R.C. § 7407

18. The United States incorporates by reference the allegations contained in paragraphs 1 through 17.

19. Among other things, I.R.C. § 7407 authorizes a court to enjoin a person from engaging in conduct subject to penalty under I.R.C. § 6694, which penalizes a return preparer who prepares or submits a return or claim that contains a frivolous or unrealistic position, or who willfully

1 attempts to understate a customer's tax liability on a return or claim, or who makes an
2 understatement on a return due to reckless or intentional disregard of rules or regulations.¹

3 20. If a return preparer's misconduct is continual or repeated and the court finds that a
4 narrower injunction (*i.e.*, prohibiting specific enumerated conduct) would not be sufficient to
5 prevent the preparer's interference with the proper administration of federal tax laws, the court
6 may enjoin the person from further acting as a return preparer.

7 21. Aparicio has continually and repeatedly prepared federal tax returns with inflated,
8 exaggerated, and fictitious deductions. He has also continually and repeatedly submitted returns
9 that willfully understate his customers' tax liability. Aparicio has continually and repeatedly
10 prepared returns that include fraudulent refund claims. Accordingly, he has engaged in conduct
11 subject to penalty under I.R.C. § 6694.

12 22. Injunctive relief is appropriate to prevent this misconduct because, absent an injunction,
13 Aparicio is likely to continue to prepare fraudulent federal income tax returns and engage in
14 other misconduct of the type described in this Complaint.

15 23. Aparicio should be permanently enjoined under I.R.C. § 7407 from acting as a federal tax
16 return preparer because a more limited injunction would be insufficient to stop him from
17 interfering with the proper administration of the tax laws.

18 **Count II: Injunction Under I.R.C. § 7408 For Violation Of I.R.C. §§ 6700 And 6701**

19 24. The United States incorporates by reference the allegations contained in paragraphs 1
20 through 23.

21
22
23 ¹ Section 6694 was amended by the Small Business and Work Opportunity Tax Act of
24 2007, P.L. 110-28, § 8246, effective for returns prepared after May 25, 2007. Section 6694(a),
25 as amended, subjects a tax return preparer to penalty for understatements of taxpayer liability due
26 to an "unreasonable position," defined as a position where "the tax return preparer knew (or
27 reasonably should have known) of the position," there was no "reasonable belief that the position
28 would more likely than not be sustained on its merits," and "the position was not disclosed as
provided in section 6662(d)(2)(B)(ii)" or "there was no reasonable basis for the position."
Because this suit focuses on returns that Aparicio prepared before May 25, 2007, the United
States relies on the penalty standards in effect for returns prepared on or before that date. For
returns prepared after May 25, 2007, the United States notes that Aparicio's conduct is also
subject to penalty under the amended § 6694(a) standards.

1 25. I.R.C. § 7408 authorizes a district court to enjoin any person from, *inter alia*, engaging in
2 conduct subject to penalty under I.R.C. §§ 6700 or 6701 if injunctive relief is appropriate to
3 prevent recurrence of that conduct.

4 26. I.R.C. § 6700 imposes a penalty on any person who organizes or participates in the sale of
5 a plan or arrangement and in so doing makes a statement with respect to the allowability of any
6 deduction or credit, the excludability of any income, or the securing of any tax benefit by
7 participating in the plan or arrangement which that person knows or has reason to know is false
8 or fraudulent as to any material matter.

9 27. Aparicio organized and participated in the sale of a plan or arrangement and in doing so
10 made false and fraudulent statements with respect to the tax benefits of participating in the plan
11 or arrangement which Aparicio knew or had reason to know were false.

12 28. Aparicio advised his clients to form LLCs that served no business purpose. For a fee,
13 Aparicio assisted his clients in the process of forming the sham LLC. After the LLC was formed,
14 Aparicio would deduct from the LLC's partnership returns the client's personal expenses, such as
15 interest on auto loans, personal travel, residential utilities, and medical expenses, which Aparicio
16 knew or had reason to know was impermissible under the internal revenue laws and regulations.

17 29. As a result, Aparicio engaged in conduct subject to penalty under I.R.C. § 6700.

18 30. I.R.C. § 6701 imposes a penalty on any person who aids or assists in, procures, or advises
19 with respect to, the preparation of any portion of a return, affidavit, claim, or other document,
20 who knows (or has reason to believe) that such portion will be used in connection with any
21 material matter arising under the internal revenue laws, and who knows that such portion (if so
22 used) would result in an understatement of the liability for tax of another person.

23 31. Aparicio prepared tax returns containing false statements of exaggerated expenses, for
24 which he lacked corroborative support or any other reasoned basis to include in the tax returns he
25 prepared. This resulted in the filing of many false tax returns and the understatement of hundreds
26 of thousands of dollars in taxes.

1 32. Aparicio engaged in the above-described conduct with awareness of the falsity of such
2 statements.

3 33. Aparicio prepared tax returns, and/or assisted in the preparation of such returns, that were
4 intended to be used, and were used, in connection with material matters arising under the federal
5 tax laws.

6 34. As a result, Aparicio has engaged in conduct subject to penalty under I.R.C. § 6701.

7 35. Unless enjoined by this Court, Aparicio is likely to continue to prepare tax returns
8 containing false and fraudulent information and deductions, resulting in further understatements
9 of his customers' tax liability. Injunctive relief is thus appropriate to prevent recurrence of
10 Aparicio's misconduct.

11 **Count III: Injunction Under I.R.C. § 7402**

12 36. The United States incorporates by reference the allegations contained in paragraphs 1
13 through 35.

14 37. I.R.C. § 7402(a) authorizes a district court to issue injunctions as may be necessary or
15 appropriate for the enforcement of the internal revenue laws, even if the United States has other
16 remedies available for enforcing those laws.

17 38. Aparicio, through the actions described above, has engaged in conduct that interferes
18 substantially with the administration and enforcement of the internal revenue laws. Aparicio
19 substantially interferes with the enforcement of the internal revenue laws by promoting his LLC
20 tax-fraud scheme and by filing frivolous federal tax returns on behalf of his customers.

21 39. As a result of Aparicio's misconduct, his customers fail to file proper tax returns and
22 erroneous refunds for hundreds of thousands of dollars have been issued to his customers.

23 40. Aparicio's conduct results in irreparable harm to the United States and to the public for
24 which there is no adequate remedy at law.

25 41. Aparicio's conduct interferes with the proper administration of the Internal Revenue Code
26 because it results in frivolous filings with the IRS that hinder the IRS's ability to determine the
27 correct tax liabilities of Aparicio's customers.

42. Unless enjoined by this Court, Aparicio will continue to promote and administer his tax-fraud scheme.

43. The United States is entitled to injunctive relief under I.R.C. § 7402(a) to prevent the recurrence of this misconduct.

WHEREFORE, Plaintiff, the United States of America, prays for the following relief:

A. That the Court find that Aparicio has continually and repeatedly engaged in conduct subject to penalty under I.R.C. §§ 6694, 6700, and 6701 and that injunctive relief is appropriate under I.R.C. §§ 7402, 7407, and 7408 to bar Aparicio from acting as a tax return preparer and from engaging in conduct subject to penalty under I.R.C. §§ 6700 and 6701;

B. That the Court find that Aparicio has engaged in conduct that substantially interferes with the enforcement and administration of the internal revenue laws, and that injunctive relief against him is appropriate to prevent the recurrence of that misconduct pursuant to I.R.C. §§ 7407 and 7402(a);

C. That the Court, under I.R.C. §§ 7402 and 7407, enter a permanent injunction forever barring Aparicio from acting as a federal tax return preparer and from preparing or filing federal tax returns or forms for others, from representing others before the IRS, and from advising anyone concerning federal tax matters;

D. That the Court, under I.R.C. §§ 7402 and 7407, enter a permanent injunction prohibiting Aparicio and his representatives, agents, servants, employees, attorneys, independent contractors, and/or anyone in active concert or participation with them, from directly or indirectly:

(1) Preparing or filing, or assisting in, or directing the preparation or filing of any federal tax return or amended return or other related documents or forms for any other person or entity;

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

(3) Engaging in other conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws;

E. That this Court, under I.R.C. §§ 7402 and 7408, enter a permanent injunction prohibiting Aparicio and his representatives, agents, servants, employees, and/or anyone in active concert or participation with him, from directly or indirectly:

(1) Organizing or selling tax shelters, plans or arrangements that advise or assist taxpayers to attempt to evade the assessment or collection of such taxpayers' correct federal tax;

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

(3) Engaging in any activity subject to penalty under I.R.C. § 6701; and

(4) Directly or indirectly organizing, promoting, marketing, or selling any plan or arrangement that advises or encourages taxpayers to attempt to violate internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including promoting, selling, or advocating the use of LLCs to deduct taxpayers' personal expenses.

F. That this Court, under I.R.C. § 7402, enter a permanent injunction prohibiting Aparicio from preparing his own federal income tax returns claiming false income tax deductions and refunds;

G. That this Court, under I.R.C. § 7402, enter an injunction requiring Aparicio to contact by mail (and also by e-mail, if an e-mail address is known) those persons and entities who have, since January 1, 2006, previously paid or otherwise retained him to prepare their income tax returns and inform those persons of the falsity of the representations Aparicio made on his customers' tax returns, and attach a copy of the permanent injunction entered against Aparicio.

1 Aparicio must mail the copies within 30 days of the date the Court enters the permanent
2 injunction against him and must file with the Court a sworn certificate stating that he has
3 complied with this requirement. The mailings shall include a cover letter in a form either agreed
4 to by counsel for the United States or approved by the Court, and shall not include any other
5 documents or enclosures;

6 H. That this Court, under I.R.C. § 7402, enter an injunction prohibiting Aparicio from
7 owning, controlling, or managing any business involving tax return preparation and/or the
8 provision of tax advice, or maintaining a presence in any premises, whether an office, place of
9 business, dwelling, or other abode, where tax returns are being prepared for a fee or professional
10 tax services are being provided;

11 I. That this Court allow the United States full post-judgment discovery to monitor
12 Aparicio's compliance with the injunction; and

13 ///

14 ///

15 ///

1 J. That this Court grant the United States such other and further relief as the Court
2 deems just and appropriate.

3 Dated: July ____, 2011

Respectfully submitted,

4
5 ANDRÉ BIROTTE, JR.
United States Attorney

6 SANDRA R. BROWN
Assistant United States Attorney
7 Chief, Tax Division
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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge R. Gary Klausner and the assigned discovery Magistrate Judge is Paul Abrams.

The case number on all documents filed with the Court should read as follows:

CV11- 6042 RGK (PLAx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

COPY

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300 N. Los Angeles St., #7211
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

PLAINTIFF(S)

v.

BENJAMIN APARICIO, individually and d/b/a BA
INCOME SERVICES,

DEFENDANT(S).

CASE NUMBER

CV11-06042-RGK(PLA)

SUMMONS

TO: DEFENDANT(S): BENJAMIN APARICIO, individually and d/b/a BA INCOME SERVICES

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Valerie L. Makarewicz, whose address is 300 N. Los Angeles St., #7211, Los Angeles, CA 90012. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

Dated: JUL 21 2011

By: _____

ANDRES PEDRO

Deputy Clerk

(Seal of the Court)

1202

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

ORIGINAL

I (a) PLAINTIFFS (Check box if you are representing yourself ☐) UNITED STATES OF AMERICA	DEFENDANTS BENJAMIN APARICIO, individually and d/b/a BA INCOME SERVICES
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) United States Attorney Office, VALERIE L. MAKAREWICZ, AUSA 300 N. Los Angeles St., Room 7211, Los Angeles, CA 90012 Tel: (213) 894-2729 Fax: (213) 894-0115	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) ☒ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party) ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:40%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:30%;"></td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td>Citizen of This State</td> <td style="text-align: center;">☐ 1</td> <td style="text-align: center;">☐ 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td style="text-align: center;">☐ 4</td> <td style="text-align: center;">☐ 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;">☐ 2</td> <td style="text-align: center;">☐ 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td style="text-align: center;">☐ 5</td> <td style="text-align: center;">☐ 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;">☐ 3</td> <td style="text-align: center;">☐ 3</td> <td>Foreign Nation</td> <td style="text-align: center;">☐ 6</td> <td style="text-align: center;">☐ 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	☐ 1	☐ 1	Incorporated or Principal Place of Business in this State	☐ 4	☐ 4	Citizen of Another State	☐ 2	☐ 2	Incorporated and Principal Place of Business in Another State	☐ 5	☐ 5	Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6
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Citizen of This State	☐ 1	☐ 1	Incorporated or Principal Place of Business in this State	☐ 4	☐ 4																				
Citizen of Another State	☐ 2	☐ 2	Incorporated and Principal Place of Business in Another State	☐ 5	☐ 5																				
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6																				

IV. ORIGIN (Place an X in one box only.)

☒ 1 Original Proceeding
 ☐ 2 Removed from State Court
 ☐ 3 Remanded from Appellate Court
 ☐ 4 Reinstated or Reopened
 ☐ 5 Transferred from another district (specify):
 ☐ 6 Multi-District Litigation
 ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☐ Yes ☒ No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: ☐ Yes ☒ No **MONEY DEMANDED IN COMPLAINT:** \$ _____

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

26 U.S.C. SECTIONS 7401 & 7403

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES ☐ 400 State Reapportionment ☐ 410 Antitrust ☐ 430 Banks and Banking ☐ 450 Commerce/ICC Rates/etc. ☐ 460 Deportation ☐ 470 Racketeer Influenced and Corrupt Organizations ☐ 480 Consumer Credit ☐ 490 Cable/Sat TV ☐ 810 Selective Service ☐ 850 Securities/Commodities/Exchange ☐ 875 Customer Challenge 12 USC 3410 ☐ 890 Other Statutory Actions ☐ 891 Agricultural Act ☐ 892 Economic Stabilization Act ☐ 893 Environmental Matters ☐ 894 Energy Allocation Act ☐ 895 Freedom of Info. Act ☐ 900 Appeal of Fee Determination Under Equal Access to Justice ☐ 950 Constitutionality of State Statutes	CONTRACT ☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loan (Excl. Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits ☐ 160 Stockholders' Suits ☐ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise REAL PROPERTY ☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property	TORTS PERSONAL INJURY ☐ 310 Airplane ☐ 315 Airplane Product Liability ☐ 320 Assault, Libel & Slander ☐ 330 Fed. Employers' Liability ☐ 340 Marine ☐ 345 Marine Product Liability ☐ 350 Motor Vehicle ☐ 355 Motor Vehicle Product Liability ☐ 360 Other Personal Injury ☐ 362 Personal Injury-Med Malpractice ☐ 365 Personal Injury-Product Liability ☐ 368 Asbestos Personal Injury Product Liability IMMIGRATION ☐ 462 Naturalization Application ☐ 463 Habeas Corpus-Alien Detainee ☐ 465 Other Immigration Actions	TORTS PERSONAL PROPERTY ☐ 370 Other Fraud ☐ 371 Truth in Lending ☐ 380 Other Personal Property Damage ☐ 385 Property Damage Product Liability BANKRUPTCY ☐ 422 Appeal 28 USC 158 ☐ 423 Withdrawal 28 USC 157 CIVIL RIGHTS ☐ 441 Voting ☐ 442 Employment ☐ 443 Housing/Accommodations ☐ 444 Welfare ☐ 445 American with Disabilities - Employment ☐ 446 American with Disabilities - Other ☐ 440 Other Civil Rights	PRISONER PETITIONS ☐ 510 Motions to Vacate Sentence ☐ 530 General Habeas Corpus ☐ 535 Death Penalty ☐ 540 Mandamus/Other ☐ 550 Civil Rights ☐ 555 Prison Condition FORFEITURE/PENALTY ☐ 610 Agriculture ☐ 620 Other Food & Drug ☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 630 Liquor Laws ☐ 640 R.R. & Truck ☐ 650 Airline Regs ☐ 660 Occupational Safety /Health ☐ 690 Other	LABOR ☐ 710 Fair Labor Standards Act ☐ 720 Labor/Mgmt. Relations ☐ 730 Labor/Mgmt. Reporting & Disclosure Act ☐ 740 Railway Labor Act ☐ 790 Other Labor Litigation ☐ 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS ☐ 820 Copyrights ☐ 830 Patent ☐ 840 Trademark SOCIAL SECURITY ☐ 861 HIA (1395ff) ☐ 862 Black Lung (923) ☐ 863 DIWC/DIWW (405(g)) ☐ 864 SSID Title XVI ☐ 865 RSI (405(g)) FEDERAL TAX SUITS ☒ 870 Taxes (U.S. Plaintiff or Defendant) ☐ 871 IRS-Third Party 26 USC 7609
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FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

CN11-6042-AGK (PLAx)

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☐ No ☒ Yes
If yes, list case number(s): 2:10-CR-00326

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☒ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

- (a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.
☒ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Ventura County	

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

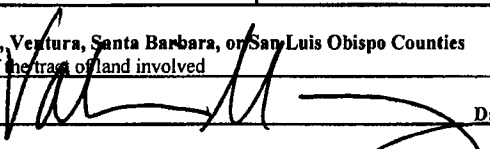
County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Ventura County	

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Ventura County	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  **Date** 7/21/2011

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))