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CENTRAL DIST. OF CALIF.
LOS ANGELES

BY: ________

IN THE UNITED STATES DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

THE UNITED STATES OF AMERICA Plaintiff, v. LAMAR ELLIS Defendant.	CV11-05402 JAK (VBKx) Civil No.

COMPLAINT FOR PERMANENT INJUNCTION

Plaintiff, the United States of America, for its complaint against defendant Lamar Ellis, states as follows:

Nature of the Action

1. Lamar Ellis promotes multiple tax fraud schemes in which he purports to give away, sell, or otherwise transfer billions of dollars of non-existent general business credits that he neither possesses nor can transfer. His tax

fraud schemes include issuing documents to purported beneficiaries of a trust that he claims entitles them to $1 million each of general business tax credits. He has also purported to transfer $24 billion dollars of general business credits to a community development entity, the Southwest Louisiana Business Development Center, in an effort to jointly sell these bogus tax credits to corporations and other entities.

2. The United States is bringing this complaint under 26 U.S.C. §§ 7402(a) and 7408 of the Internal Revenue Code (I.R.C.) to enjoin Ellis and anyone acting in concert with Ellis from directly or indirectly:

   a. Organizing, promoting, marketing, or selling any tax shelter, plan or arrangement, including those described in this complaint, that advises or encourages customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;

   b. Making false or fraudulent statements about securing a tax benefit by reason of participating in any plan or arrangement, including statements that Ellis possesses and can sell or otherwise transfer general business tax credits that can be used by participants to reduce their tax liabilities;

   c. Engaging in conduct subject to penalty under 26 U.S.C. § 6700, *i.e.*, by making or furnishing, in connection with the organization or sale of a shelter, plan, or arrangement, including those described in this complaint, a statement the defendant knows or has reason to know to be false or fraudulent as to any material matter under the federal tax laws;

   d. Engaging in conduct subject to penalty under 26 U.S.C. § 6701, *i.e*, preparing or assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which the defendant knows will (if so used) result in the understatement of tax liability, including tax forms or other documents that purport to entitle taxpayers to claim tax credits supposedly acquired by Ellis;

e. Engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws, including attempting to sell, loan, or give away tax credits;

f. Engaging in any conduct subject to penalty under any other section of the Internal Revenue Code.

Jurisdiction and Venue

3. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345, and by 26 U.S.C. §§ 7402(a) and 7408.

4. This action for injunctive relief is brought at the request of 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 of the United States, pursuant to 26 U.S.C. §§ 7402 and 7408.

5. Venue is proper in this Court under 28 U.S.C. § 1391 because a substantial part of the events giving rise to this suit took place in this district.

6. Ellis resides in Brea, California, within this judicial district.

Ellis's Background

7. Ellis claims to be a retired medical doctor, researcher, and inventor. He graduated from a medical school in Mexico, but, on information and belief, has never had a license to practice medicine in the United States.

8. Ellis claims to have founded a non-profit corporation, Energetic Pulmonary Institute, later renamed the Energetic Psychoanalytic Institute and Training School ("Energetic"). He further claims to have conducted research through Energetic that resulted in the development of patents, pharmaceuticals, and trade secrets.

9. Ellis claims that his research while with Energetic caused the United States to give him billions of dollars in research-and-development tax credits. These claims are false and/or fraudulent. The United States does not grant research credits as compensation for work. Instead, the credits are determined based on qualified expenditures. Moreover, if the research was conducted by Energetic using Energetic's funding, Energetic would receive the credits rather than Ellis personally. Because Energetic was a non-profit organization, however, it would have no income to deduct with these credits.

10. The I.R.S. audited Energetic for the 2000 tax year. Energetic claimed $1.8 billion in tax credits as its only asset. The credits could not be substantiated during the audit and were disallowed. In 2005, the IRS revoked Energetic's tax exempt status.

11. Aside from his work with Energetic, in the late 1990s, Ellis was Chairman of the Board and CEO of Lamelli Inc. Lamelli claimed that, after 15 years of research by Ellis, it had created a method of detoxifying individuals of alcohol or other drugs in as little as 15 minutes.

12. In 1998, the Securities and Exchange Commission sued Ellis and Lamelli for their involvement in a fraudulent investment scheme. Ellis and his co-defendants, according to the SEC, offered to sell unregistered stock in Lamelli and other companies. The SEC alleged, and the court ultimately found, that the defendants fraudulently represented to investors that

Lamelli's detoxification system was approved by the National Institute of Health and Lamelli had received a grant from the Food and Drug Administration. On March 16, 1998, Ellis agreed to be permanently enjoined from violating provisions of the Securities Act of 1933 and Securities Exchange Act of 1934. He was also ordered to disgorge the profits from his involvement in the fraud and to pay a penalty.

13. Ellis has advertised his supposed ownership of billions of dollars of general business tax credits arising from his supposed medical research in numerous ways. For example, in 2006, he wrote to Forbes magazine asking to be placed on its Forbes 400 list of the wealthiest individuals. According to Forbes, he claimed "$16 billion of tax credits primarily from what he said were drug research efforts he conducted in the 1980s." He withdrew his application upon further questioning from Forbes. See http://www.forbes.com/forbes/2006/1016/032.html.

14. Ellis is also listed on "Cambridge Who's Who." Based on information and belief, Ellis wrote the listing posted on the Cambridge Who's Who website. In his listing, he states that he "discovered a method for rapid sobriety after consuming too much alcohol and other drugs" and fraudulently or falsely adds that he "has been awarded over 18 billion dollars of R&D [sic] tax credits for the research he has done."

15. Ellis has also at times falsely and/or fraudulently advertised his purported possession of and ability to transfer tax credits on websites he either created or caused to be created. From May of 2005 through May of 2008, he operated a website at www.drellistaxcreditclearinghouse.info. On this site, he advertised that, by virtue of two patents, "[t]he U.S. government granted a number of credits to [Ellis] for...scientific breakthroughs." The site

contained a number of other false or fraudulent statements, including that individuals and corporations could become beneficiaries of a trust that would entitle them to claim a portion of Ellis's purported tax credits. The site stated: "I am dissolving my Trust. I invite you to become a beneficiary of this registered U.S. Trust through (DrEllisTaxCreditClearinghouse.com) which will entitle you to utilize some of its large volume of assets in a manner which will allow you to seek from the federal government past refunds, reduction of your entitled alternative minimum tax to near zero plus, many other taxable benefits." At that time, Ellis claimed on his site that the Dr. Ellis Tax Credit Clearinghouse was "[a] $15,261,000,000.00 (Billion) tax credit clearinghouse and holding company legacy escrow."

16. Ellis no longer operates www.drellistaxcreditclearinghouse.info. From May of 2005 to May of 2011, he operated a similar website, www.drellistaxcreditclearinghouse.com, which he password-protected from at least July of 2009 to May of 2011.

17. Because the website was password protected, the IRS summoned the contents of the web-page from the host. The summoned material shows that Ellis continued to make fraudulent claims via the internet. For example, he posted on the website a letter dated April 24, 2009 to an IRS attorney, stating "the government is very much aware that under the research program that the claimant Lamar Ellis participated in I.E. Rare Disease/Orphan Drug Research Program, that credits earned via this program was not done through an issued certificate from the government...[and] was granted the right to leverage these assets into a certain kind of security, certificates, tax shelter bonds or 144-A securities." He also posted completed tax forms falsely purporting to show that the Lamar Ellis Trust held over $18.5 billion

dollars of "low-income credit." Moreover, he fraudulently suggested that he could sell these credits to investors. He wrote on one form posted on the site that "This tax shelter encompasses a federal R&D IRC SEC 42 tax credit...This credit can reduce the cumulative cash liability of the investor."

18. Ellis's password-protected site became inactive in May of 2011, after Ellis learned that the host had produced the contents of the site to the IRS in response to a summons.

Ellis's Fraudulent Claims to Tax Credits

19. Section 38 of the Internal Revenue Code provides for general business tax credits. The general business credit is actually comprised of over thirty different component tax credits. The credits comprising the general business credit include those that assist employers with expenses incurred while operating businesses, and expenses incurred while conducting research and development to expand businesses.

20. Generally, the credits can be carried back one year and carried forward twenty years. The total general business credit allowed for a given tax year equals the sum of the component credits for the current year, plus any carryforwards from other tax years, plus any carrybacks from other tax years. I.R.C. § 39.

21. In addition to the limitations on the amount of each of the credits that comprise the current year business credit, the aggregate general business credit itself is limited: it may not exceed the excess (if any) of a taxpayer's net income tax over the greater of: (1) the tentative minimum tax for the taxable year; or (2) 25% of the taxpayer's net regular tax liability in excess of $25,000. Thus, the credit is non-refundable and cannot always reduce a taxpayer's tax to zero. I.R.C. § 38(c).

22. Ellis has fraudulently or falsely claimed to possess billions of dollars worth of the following general business tax credits: the research credit under I.R.C. § 41, the orphan drug credit under I.R.C. § 45C, and the low income housing credit under I.R.C. § 42. In reality, Ellis does not possess any of these credits.

Research Credit

23. The regular research credit (or qualified research credit) is available for research that the taxpayer performs itself or contracts out to other persons. Qualified research is that undertaken for the purpose of discovering information which is technological in nature and the application of which is intended to be useful in the development of a new or improved business component of the taxpayer, and substantially all of the activities of which constitute elements of a process of experimentation.

24. The amount of the credit depends on the amount of expenditures the taxpayer makes on qualified research. Specifically, it is 20% of the amount by which the taxpayer's qualified research expenses for the tax year exceed its base amount for that year. Under the regular credit, the base amount is generally determined with reference to the gross receipts of the taxpayer for the four prior taxable years preceding the taxable year in which credit is being determined (credit year) and the qualified research expenses and gross receipts over the five-year base period from 1984–1988. The base amount cannot be less than 50% of the taxpayer's qualified research expenses for the credit year.

25. Ellis has fraudulently or falsely claimed to have varying amounts of research credits. For example:

a. He has claimed on www.drellistaxcreditclearinghouse.info, a website he operated from May 2005 to May 2008, that he had $15.2 billion in tax credits related to two patents he had developed.

b. On the "Cambridge Who's Who" website, he claims that he was "awarded" over $18 billion in research and development tax credits for research he conducted.

c. In a document Ellis provided to Charles Achane, the president of a community development entity in Jennings, Louisiana with which he wanted to partner to sell the purported tax credits, Ellis claimed that he was issued $1.347 billion in tax credits in 1993 based on qualified research expenses of $270,000,000. The document he presented to Achane is a fabricated document entitled "IRS Tax Credit Opinion Certificate Debt Instrument." Ellis falsely represents that the document was prepared and issued by the I.R.S. The I.R.S. does not issue such "IRS Tax Credit Opinion Certificate[s]."

26. Ellis has not made the necessary expenditures to accumulate the research tax credits he claims to have. Because the research credit is for 20% of the amount by which the expenditures exceed a base level of expenditures, and the base level can never be less than 50%, it would require an expenditure of at least $10 billion to obtain a $1 billion credit. Ellis has not made the expenditures necessary to generate research credits even approximating any of the amounts he has claimed he holds.

Orphan Drug Credit

27. The orphan drug credit is available for 50% of the qualified clinical testing expenses paid or incurred in the development of pharmaceuticals used to

treat rare diseases or conditions. A rare disease or condition is one that (A) affects fewer than 200,000 persons in the United States, or (B) affects more than 200,000 persons in the United States but for which there is no reasonable expectation that the cost of developing and making available in the United States a drug for such disease or condition will be recovered from sales in the United States of such drug. Any qualified clinical testing expenses for a tax year taken for purposes of the orphan drug credit may not be taken into account for purposes of determining the research credit for that tax year.

28. Ellis has falsely or fraudulently claimed that some portion of his purported billions in general business credits are comprised of orphan drug credits. For example, pursuant to a contract he entered with the Mt. Calvary Baptist Church to jointly try to "monetize" $200 million of the supposed credits, he issued a declaration on May 1, 2005, to try to substantiate the credits. In the declaration, he states "In 1986, Dr. Lamar Ellis, was commissioned by the U.S. Government to research, and create medicanals, I.E., phamaceuticals, under the Rare Disease and Orphan Drug Act."

29. Similarly, in negotiating a contract to jointly sell $24 billion of purported tax credits with the Southwest Louisiana Business Development Center in January of 2008, Ellis presented the center's president with a letter ostensibly from "Wells & Associates, Certified Public Accountants." The letter stated that "[w]e believe after the evaluation of the certificates issued by the state of California and the IRS, as well as the tax returns for 1992 and 1993, that these credits were earned...for research and development of rare diseases (R & D Corporated Tax Credits) and the orphan drug (Business Tax Credit)." Notably, the CPA who supposedly prepared the letter has not

been a licenced CPA since 1997 and the Mississippi State Board of Public Accountancy has twice denied his application for reinstatement based on "offenses [he committed] while an active licensee."

30. Ellis has also falsely or fraudulently informed "beneficiaries" of the Lamar Ellis Trust, a trust through which he claims he can give away $1 million in tax credits to each beneficiary, that some of the credits are orphan drug credits. For example, after issuing Mary Ellis, his ex-wife and a supposed beneficiary of the Trust, an IRS form K-1 for the 2003 and 2004 tax years, he provided her with a "Chronology of Events" to substantiate the credits. He wrote, in pertinent part:

1987-1992	Dr. Ellis is granted permission by the Federal Drug Credit Act (ODA), which is administered by the Department of Justice. His purpose is to start the acquisition of Research and Development Credits and certain other kinds of credits.
August 31-1987-	Dr. Ellis establishes the basic requirement and demonstrates to the U.S. Government via the required methodology of proof that dollars have been expensed and/or paid out of the incurred debt amount thus generating the need for Research and Development Corporate Tax Credits and Business Tax Credits (Orphan Drug Credits).
March 1992	Dr. Ellis is issued ______________ in Orphan Drug Tax Credits by __________________.

31. Ellis does not possess the orphan drug credits he claims for numerous reasons. First, he has not made any expenditures for the development of

pharmaceuticals used to treat rare diseases or conditions. Instead, he claims to have researched and developed a method for "detoxifying" a person who has consumed alcohol or drugs. The consumption of alcohol or drugs is not a "rare disease or condition." Second, even if his research did relate to the development of pharmaceuticals to treat a rare disease or condition, he could not have expended the amount of money needed to acquire the billions of credits he claims. To receive a $1 billion credit would require spending $2 billion on qualified clinical research in a given year. Finally, the credits belong to the individual or entity that spends the money. If Ellis's research was performed through Energetic, the credits would belong to Energetic, not Ellis personally.

Low Income Housing Credits

32. A taxpayer may receive low income housing credit for qualifying expenditures incurred in connection with the acquisition and/or rehabilitation of low-income housing. The credit is a function of the amount of qualifying expenditures incurred with respect to the building in question and the level of low-income occupancy. The low-income housing credit amount is based on the qualified basis of housing units serving low-income tenants. To qualify for the low-income housing credit, the property must comply continually with all requirements of the credit under I.R.C. § 42 throughout a 15-year compliance period. Structures qualified for the credit must be approved for the credit by a state agency in the state in which the structure is located.

33. Ellis has not acquired, rehabilitated, or made any expenditures related to any building that qualifies for the low-income housing credit. Nevertheless, he

has falsely claimed to have billions of dollars in low-income housing credits that he can transfer to others.

34. For example, on his website www.drellistaxcreditclearinghouse.info, he stated that he was running a "clearing house" for $15,261,000,000 of tax credits. Though Ellis represented on the website that "the U.S. government granted a number of credits to [him] for...scientific breakthroughs," he also insinuated that the credits were low-income housing credits. On the website, Ellis informed those desiring credits that they could sign up to become beneficiaries of a trust he created, and thereby obtain credits. He also posted a "sample letter" that beneficiaries desiring low-income housing credits should complete. The template letter stated, in pertinent part:

> In accordance with the terms of the Carry Allocation Letter dated, ***Insert date*** and executed by the Ellis Tax Credit Agency Housing Division, a division of the Ellis Tax Credit Clearinghouse business and Industry ("Division") and ***sponsor name*** ("Sponsor"), the division agreed to allocate to ***Insert project name*** ("Project") 2000_ Low-Income Housing Tax credits in the amount of ***insert written amount ($)***.

Ellis's Distribution and Sale of Purported Tax Credits

35. Though Ellis does not personally have the right to claim, as he has, the right to billions of dollars of general business tax credits, he has created a trust through which he purports to distribute these non-existent credits to beneficiaries and has also sold or attempted to sell these tax credits over the internet and in conjunction with partnerships he has created with non-profit entities.

36. In 1998, Ellis created the Lamar Ellis Revocable Trust. On the 2006 federal income tax return prepared and signed by Ellis for the Lamar Ellis Revocable Trust, he claimed that the Trust held $18,569,547,418 in general business credits.

37. In 2008, the I.R.S. audited the trust for tax year 2007 and disallowed all of the credits claimed on the Trust's 2007 federal income tax return because the credits did not exist, and even if they did exist, a revocable trust is not a separately taxed entity. Rather, a revocable trust is taxed to the grantor–*i.e.* Ellis.

38. Ellis falsely or fraudulently tells individuals and other entities that, if they become beneficiaries of this trust, he can distribute to them general business tax credits.

39. On his website, www.drellistaxcreditclearinghouse.info, he falsely or fraudulently advertised that "I am dissolving my Trust. I invite you to become a beneficiary of this registered U.S. Trust...which will entitle you to utilize some of its large volume of assets in a manner which will allow you to seek from the federal government past refunds, reduction of your entitled alternative minimum tax to zero plus, many other taxable benefits."

40. Ellis outlined on the website a five-step process for becoming a beneficiary of the trust and thereby, according to Ellis, obtaining tax credits:

Step 1: You or your Accountant will determine the amount of tax credits you or your company needs.

Step 2: Your information i.e.; TIN, EIN, or SSN, Name and Address will be obtained.

Step 3: An Agreement between you or your Company and the Trust, will be drawn up outlining the Terms and Conditions of the purchase and transfer of tax credits to your account.

Step 4: You or your Company will sign-off on federal Form 2848 Power of Attorney and Declaration of Representative allowing the Trust to approach the Government on your behalf.

Step 5: You will receive a K-1 Form stamped by the IRS reflecting you as a Beneficiary of the Trust.

41. In addition to stating that one could become a beneficiary and receive tax credits under the five-step process above, Ellis falsely or fraudulently stated on the website that taxpayers could "purchase gift certificates of tax credits/tax shelters in blocks of 30,000 units at a cost of $10,000 online....These credits can be used as an enhancement on your 1040 form itemized deductions to reduce your tax liability."

42. Though Ellis knows or should know that he does not possess the credits, he is unabashed in stating that the purpose of the Lamar Ellis Revocable Trust is to sell or otherwise distribute these credits to others. On December 15, 2006, in response to a government subpoena related to the website, Ellis explained in writing that the "Lamar Ellis Revocable Trust...was designed to hold and distribute...to beneficiaries certain credits derived by Dr. Lamar Ellis from Federal Government and State of California. These credits were issued mainly under the so called Research and Development (R&D) credits. There are several tributaries under this credit, including the so-called low income housing credit."

43. In addition to falsely or fraudulently stating on his website that individuals could become beneficiaries of his trust and thereby receive a desired amount

of tax credits, Ellis has issued I.R.S. forms to supposed beneficiaries of the Lamar Ellis Revocable Trust that falsely or fraudulently purport to entitle these individuals to claim tax credits. Specifically, for the 2002 and 2003 tax years, Ellis distributed I.R.S Schedule K-1s to the "beneficiaries" of his trust. A fiduciary of a trust uses Schedule K-1 to report a beneficiary's distributive share of the trust's income, deduction, and credits for a given year. Through these K-1's, Ellis falsely purported to convey to each trust "beneficiary" a right to claim $1 million in general business credits.

44. The K-1s issued for 2002 state "FORM 4684 IDENTITY THEFT OF GENERAL BUSINESS CREDIT FROM ENERGETIC ANNUITY TRUST" and the K-1s for 2003 state "Trust Tax Credit allocation entitlement from U.S. Patents Copyrights & Trade Secrets." Each one claims to issue $1 million in tax credits to the recipient beneficiary.

45. Ellis's issuance of the K-1s was improper in multiple respects. First, neither he nor the Lamar Ellis Revocable Trust has any general business credits. Second, even if the trust did have general business credits, it could not distribute these credits to beneficiaries. All income and tax attributes of a revocable trust are reported by the settlor. No K-1s can be issued from a revocable trust to beneficiaries.

46. In addition to issuing the K-1s purporting to entitle his trust "beneficiaries" to claim $1 million in tax credits, Ellis falsely or fraudulently advised them orally and in writing that they were entitled to these credits. For example, in 2008, he sent letters to some of the "beneficiaries" stating that "[b]eneficiaries have been granted permission by Lamar Ellis Trust to use as needed some of its earned federal tax credits: approximately 33 million dollars worth of federal and approximately 61 million dollars worth of State

of California pooled Research and Development tax credits." In the letter, he goes on to say that "each beneficiary can participate by utilizing up to one million dollars of these tax credits for their personal needs such as off-setting against tax liability on earned income as allowed under the law." A true and correct copy of one of these letters is attached as Exhibit A.

47. For tax years 2002 through 2007, the I.R.S. learned of or audited tax returns for twenty five "beneficiaries" who claimed general business credits based on Schedule K-1s they received from the Lamar Ellis Revocable Trust. They claimed a total of $198,567 in tax credits. In every case in which the I.R.S. audited the "beneficiary," it disallowed the credits entirely.

48. The I.R.S. spent 856 hours conducting these audits. The harm to the government is exacerbated by the fact that general business credits can be carried forward to offset income for 20 years. Because Ellis purports to have distributed to these beneficiaries $1 million of general business credits each, they may try to claim deductions that substantially reduce their income for years to come.

49. During the audits, Ellis continued issuing statements through his website, www.drellistaxcreditclearinghouse.com, to encourage his "beneficiaries" to fight any denials of their claimed credits. For example, he posted on his website a letter dated April 24, 2009 stating that "Lamar Ellis dispute and appeal...that none of Dr. Lamar Ellis' Trust claimed beneficiaries have the entitlement to claim tax credits that evolved as far back as 1977...The government is well aware that all of the 190 beneficiaries are subjects of Dr. Lamar Ellis Irrevocable Trust, whom in the past ...has supplied affidavits to the government vying to the beneficiary's tax credit entitlement."

Ellis's Partnerships to Sell the Tax Credits

50. In addition to issuing Schedules K-1 to individual beneficiaries and promoting the sale of credits on the internet, Ellis, on behalf of the Lamar Ellis Revocable Trust, also issued a Schedule K-1 to a community development entity, the Southwest Louisiana Business Development Center (SLBDC), claiming to give SLBDC $24 billion in general business credits. He issued the K-1 in 2008 for the 2007 tax year. Ellis issued the K-1 as part of a contract he executed with SLBDC to jointly sell the tax credits.

51. On January 4, 2008, Ellis, on behalf the Lamar Ellis Revocable Trust, executed a contract with Charles Archane, the president of SLBDC. Under the contract, the trust purported to make SLBDC a "beneficiary" that could receive "certificates of tax credits owned by the Lamar Ellis Trust in the amount of twenty-four billion." The contract does not state the basis for the supposed $24 billion of tax credits.

52. Under the contract, Ellis gave SLBDC "24 Billion Minimum Term Note securities/credits" or "tax credits certificates." A true and correct copy of the certificates is attached as Exhibit B. Under the contract, SLBDC was entitled to sell, lease or rent the "tax credits certificates." Ellis and SLBDC were to split "the proceeds generated from the sales, leases, rentals or other dispositions of said certificates."

53. On information and belief, Ellis and SLBDC have attempted but not yet succeeded in selling, leasing, renting or otherwise disposing of the sham "tax credits certificates."

54. The transaction with SLBDC was not Ellis's only effort to transfer large and unsubstantiated amounts of general business credits to others to somehow profit from the bogus credits. On November 20, 2005, he signed a letter of

intent stating his intent to transfer $200,000,000 of supposed general business tax credits to the Greater Mt. Calvary Baptist Church in Jackson, Mississippi. He stated in the letter of intent that "the Lamar Ellis Trust...has agreed to assign Two Hundred Million...of its general business tax credits/tax shelters to the Greater Mt. Calvary Baptist Church...These tax credits/tax shelters are to be utilized as a 1041 K-1 distributing mechanism of tax credits/tax shelters to church memberships across the country."

55. That same day, he executed a contract with the church that detailed a joint effort to "monetize" the $200,000,000 in purported tax credits that Ellis purported to transfer to the church. Under the agreement, the "Lamar Ellis Trust and the Greater Mt. Calvary Baptist Church will share equally in the net dollar amount of each sale" of the credits.

56. Ellis knows or has reason to know that he cannot transfer business credits to other entities or individuals through The Lamar Ellis Revocable Trust or any other trust.

57. Ellis has admitted that the Lamar Ellis Revocable Trust cannot transfer general business credits. In sworn testimony to the IRS during its audit of the Lamar Ellis Revocable Trust, Ellis admitted that "you can't transfer a tax credit into whether it's a –in my opinion a charitable remainder trust or into a [community development entity] or any other entity." Nevertheless, he has fraudulently or falsely represented to purported trust beneficiaries that he can transfer credits to them through the Lamar Ellis Revocable Trust.

58. Moreover, before posting information about his scheme on his website, issuing K-1s to trust beneficiaries, and contracting with SLBDC to sell the tax credits, Ellis received advice directly from the I.R.S. that, in the event one of his companies had research credits, he could not sell them. In

January 2002, Ellis had an associate of his inquire through the I.R.S. website's wage and investment helpline about the ability to transfer research credits. The IRS responded in an e-mail, which was forwarded on to Ellis in February of 2002. The e-mail stated, in part:

> Your Question Was:
>
> Is it possible for a company that had previously reported a research and development tax credit to transfer or sell the R&D credit?
>
> The Answer to Your Question is:
>
> Under Code Section 41 of the Internal revenue Code it des [sic] not appear that the R&D credit can be transferred or sold to another company.

59. In promoting his schemes to transfer billions of dollars of non-existent tax credits to beneficiaries of his trust, Ellis has made a number of false or fraudulent statements, including:

    a. That he has billions of dollars in general business tax credits;

    b. That the billions of dollars in tax credits he possesses were given or "awarded" to him by the United States government;

    c. That beneficiaries of his trust are entitled to $1 million of tax credits that they can use to claim deductions on their taxes;

    d. That the I.R.S. has confirmed Ellis's rights to claim billions in general business tax credits;

    e. That Ellis can use $24 billion in tax credits to back tradable notes or securities that can be sold to taxpayers.

60. An injunction is warranted based on Ellis's continued promotion of these fraudulent tax plans or arrangements through which he purports to transfer

non-existent tax credits to others. Without an injunction, the IRS will have to devote scarce resources to pursue and investigate those who participate in Ellis's scheme and thereby claim erroneous deductions on their income tax returns and fail to pay the correct amount of federal income taxes. Ellis's conduct also harms individual taxpayers. For example, each of the "beneficiaries" who has been audited and claimed to have received some form of credit from Ellis has been assessed penalties under I.R.C. § 6662.

Count I

Injunction under Code § 7408 for violations of Code §§ 6700 and 6701

61. The United States incorporates by reference the allegations contained in paragraphs 1 through 60.

62. I.R.C. § 7408 authorizes a court to enjoin persons who have engaged in conduct subject to penalty under Code § 6700 or § 6701 from engaging further in such conduct or any other conduct subject to penalty under the Code.

63. I.R.C. § 6701 imposes a penalty on any person who aids in or advises with respect to the preparation of any portion of a tax return or other document that the person knows or has reason to believe will be used in connection with a material matter under the internal revenue laws, and that the person knows would, if used, result in understatement of another person's tax liability.

64. Ellis has issued IRS Schedules K-1s to individuals advising them that they are entitled to $1 million in bogus general business tax credits. Ellis knows or has reason to believe that the documents will be used in connection with the beneficiaries' income tax returns, and he knows that if they are so used

they will result in the understatement of their tax liabilities. Ellis has also issued a Schedule K-1 purporting to grant to SLBDC $24 billion in purported general business tax credits. He also prepared, or aided and assisted in the preparation of tradable "tax credit certificates" that he knew, if used, would result in the user's understatement of tax liability. Thus, Ellis has engaged in conduct subject to penalty under I.R.C. § 6701.

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

66. Ellis has contracted with at least two entities, SLBDC and Mt. Calvary Baptist Church, to sell non-existent general business credits to others. Under each contract, Ellis was to receive a portion of the proceeds from any successful sale. Ellis also organized the Lamar Ellis Trust and falsely or fraudulently told its "beneficiaries" that they were entitled to claim unwarranted tax deductions. In each case, Ellis made or furnished false statements that he possessed these credits, that he could transfer them, and that they could be sold to others who could use them to reduce their income tax liability. Ellis has also advised others through the internet and other means that, if they became beneficiaries of his trust, he could give them tax credits that they could use to reduce or eliminate their federal income taxes. Ellis knew or had reason to know that these statements were false or fraudulent as to a material matter. Thus, Ellis has engaged in conduct subject to penalty under I.R.C. § 6701.

67. Unless enjoined by this Court, Ellis is likely to continue to engage in this conduct and continue to organize and sell his abusive tax schemes. Injunctive relief is appropriate under I.R.C. § 7408.

Count II

Injunction under Code § 7402

68. The United States incorporates by reference the allegations contained in paragraphs 1 through 67.

69. I.R.C. § 7402 authorizes courts to issue injunctions as may be necessary or appropriate for the enforcement of the internal revenue laws.

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

71. The IRS has already spent substantial time and resources locating and auditing participants in Ellis's schemes. If Ellis is not enjoined, the IRS will continue to have to commit limited resources to locating individuals and entities that claim to be entitled to general business tax credits by virtue of Ellis's schemes and to determine their correct tax liability.

Prayer for Relief

WHEREFORE, the United States respectfully prays for the following:

A. That the Court find that defendant has engaged in conduct subject to penalty under I.R.C. §§ 6700 and 6701, and that injunctive relief is appropriate under I.R.C. § 7408 to prevent the defendant, and any business or entity through which he operates, and anyone acting in concert with him, from engaging in further such conduct or any other conduct subject to penalty under the Code;

B. That the Court find that the defendant has engaged in conduct that interferes with the enforcement of the internal revenue laws, and that injunctive relief against the defendant, and any business or entity through which he operates, and anyone acting in concert with him, is appropriate to prevent the recurrence of that conduct pursuant to the Court's powers under I.R.C. § 7402(a);

C. That the Court, pursuant to I.R.C. §§ 7402 and 7408, enter a permanent injunction prohibiting the defendant, individually and doing business through any other entity, and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him, from directly or indirectly:

(1) Organizing, promoting, marketing, or selling any tax shelter, plan or arrangement that advises or encourages customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;

(2) Making false or fraudulent statements about securing a tax benefit by reason of participating in any plan or arrangement, including statements that Ellis possesses and can sell or otherwise transfer tax credits that can be used by participants to reduce their tax federal liabilities;

(3) Engaging in conduct subject to penalty under 26 U.S.C. § 6700, *i.e.*, by making or furnishing, in connection with the organization or sale of a shelter, plan, or arrangement, a statement the defendant knows or has reason to know to be false or fraudulent as to any material matter under the federal tax law, including:

(a) contracting with any entity to sell or otherwise transfer business tax credits to others;

(b) organizing, creating, or administering, any trust that purports to hold or distribute tax credits to others;

(c) representing to others that he can market, sell, give away or otherwise transfer tax credits to them.

(4) Engaging in conduct subject to penalty under 26 U.S.C. § 6701, *i.e*, preparing or assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which the defendant knows will (if so used) result in the understatement of tax liability; including preparing any forms or documents that purport to entitle himself or others to general business tax credits.

(5) Engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws, including attempting to sell, loan, or give away purported general business tax credits;

(6) Engaging in any conduct subject to penalty under any other section of the Internal Revenue Code.

D. That this Court, pursuant to I.R.C. § 7402, enter an injunction requiring defendant to produce to the United States a list of the names, addresses, e-mail addresses, telephone numbers, and social security or tax identification numbers of all persons to whom he has purported to distribute any tax credits and to file with the Court, within 20 days of the date the permanent injunction is entered, a certification that he has done so;

E. That this Court, pursuant to I.R.C. § 7402, enter an injunction requiring defendant to contact by mail all persons to whom he has purported to distribute any tax credits and furnishing them with a copy of the permanent injunction issued against him, and to file with the Court, within 20 days of the date the permanent injunction is entered, a certification that he has done so;

F. That this Court order that the United States is permitted to engage in post-judgment discovery to ensure compliance with the permanent injunction;

G. That this Court retain jurisdiction over this action for purposes of implementing and enforcing the final judgment and any additional orders necessary and appropriate to the public interest; and

H. For such other and further relief as this Court deems proper and necessary.

Dated: June 22, 2010

Respectfully submitted by:

ANDRÉ BIROTTE JR
United States Attorney
/s/ Sean M. Green
SEAN M. GREEN
D.C. Bar No. 978858
Trial Attorney, Tax Division
U.S. Department of Justice
Post Office Box 7238
Washington, D.C. 20044
Telephone: (202) 307-2554
Facsimile: (202) 514-6770
Email: sean.m.green@usdoj.gov

Attorneys for the United States

2008 STATEMENT FROM THE DESK OF LAMAR ELLIS TRUST 95-7059679 CONCERNING 1992 STATE OF CALIFORNIA AND UNITED STATES RESEARCH AND DEVELOPMENT TAX CREDITS.

NOTE

Beneficiaries have been granted permission by Lamar Ellis Trust to use as needed some of its earned federal tax credits: approximately 33 million dollars worth of federal and approximately 61 million dollars worth of State of California pooled Research and Development tax credits. This is because of beneficiaries' possible monetary and/or/other types of contributions, including contributions to creation of U. S. patents, trade secrets, Food and Drug Administration Durable Medical Equipment, and some pharmaceuticals. This does not however suggest that each beneficiary has a certain personal amount, but rather that each beneficiary can participate by utilizing up to one million dollars of these tax credits for their personal needs such as off-setting against tax liability on earned income as allowed under the law.

Lamar Ellis, Creator
[redacted]2349

Government
Exhibit
A

Southwest Louisiana
Business Development Center
#72-1287533
210 North Craig Street
Jennings, LA 70546
(337) 296-8580

DATE
DECEMBER 17, 2007

I.D. NUMBER
SW1581382

EACH UNIT AMOUNT $1,000,000
6000 UNITS TOTAL
DO NOT EXCEED $6,000,000,000

PAY:
6,000,000,000
SIX BILLION DOLLARS (USD) TAX CREDITS/TAX SHELTER
BEARER BOND IRS # 00056000007

"BANKABLE SECURITY"
U.S. PATENT(S) #4,965,989, #5,020,420
WITH TRADE SECRETS AND TECHNICAL KNOW-HOW
ARE THE GUARANTOR OF THIS CERTIFICATE

TO THE ORDER OF CHARLES C. ACHANE

CUSTODIAL ACCOUNT # 436-90-9180 AND SIGNATURE ______________

Government Exhibit B

ADMIN002999

STATE OF MISSISSIPPI
SECRETARY OF STATE

DICK MOLPUS
SECRETARY OF STATE

POST OFFICE BOX 136
JACKSON, MS 39205-0136
(601) 359-6371

SUSAN ALEXANDER SHANDS
ASSISTANT SECRETARY OF STATE
SECURITIES AND BUSINESS SERVICES

Dr. Lamar Ellis
1516 Everett Avenue
Jackson, MS 39204

COPY

Re: Energetic, Inc.

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1) The articles of incorporation filed by Energetic be amended to permit sale of "securities."
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This opinion is rendered solely to the addressee herein with the request for such opinion by the addressee and should not be relied upon by any other person for any other purpose without prior written consent.

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Sincerely,

Bruce C. Harris

Bruce C. Harris
Staff Attorney
Securities Division

BH:pc

cc: Tammy Harthcock
Senior Attorney

Connie Booker

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DATE
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SW1581384

EACH UNIT AMOUNT $1,000,000
6000 UNITS TOTAL
DO NOT EXCEED $6,000,000,000

PAY:
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Jennings, LA 70546
(337) 296-8580

DATE
DECEMBER 17, 2007

I.D. NUMBER
SW1581381

EACH UNIT AMOUNT $1,000,000
6000 UNITS TOTAL
DO NOT EXCEED $6,000,000,000

PAY:
6,000,000,000
SIX BILLION DOLLARS (USD) TAX CREDITS/TAX SHELTER
BEARER BOND IRS # 00056000007

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SECRETARY OF STATE

DICK MOLPUS
SECRETARY OF STATE

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(601) 359-6371

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Staff Attorney
Securities Division

BH:pc

cc: Tammy Harthcock
Senior Attorney

Connie Booker

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 John Kronstadt and the assigned discovery Magistrate Judge is Victor B. Kenton.

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

CV11- 5402 JAK (VBKx)

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:

[X] **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.

Darwin Thomas (SBN 80745), Assistant United
States Attorney
300 North Los Angeles Street, Room 7211
Los Angeles, CA 90012
Telephone: (213) 894-2740
Facsimile: (213) 894-0115

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA, PLAINTIFF(S) v. LAMAR ELLIS DEFENDANT(S).	CASE NUMBER CV11-05402 JAK (VBKx)
	SUMMONS

TO: THE ABOVE-NAMED DEFENDANT(S):

YOU ARE HEREBY SUMMONED and required to file with this court and serve upon plaintiff's attorney DARWIN THOMAS, whose address is:

300 North Los Angeles Street, Room 7211
Los Angeles, CA 90012

an answer to the ☒ complaint ☐ ___________ amended complaint ☐ counterclaim ☐ cross-claim which is herewith served upon you within 21 days after service of this Summons upon you, exclusive of the day of service. If you fail to do so, judgement by default will be taken against you for the relief demanded in the complaint.

Clerk, U.S. District Court

JUN 29 2011

JULIE PRADO SEAL

Dated: ______________

By: ______________
Deputy Clerk

(Seal of the Court)

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

I (a) PLAINTIFFS (Check box if you are representing yourself ☐) UNITED STATES OF AMERICA	**DEFENDANTS** LAMAR ELLIS
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) United States Attorney Office, DARWIN THOMAS, AUSA 300 N. Los Angeles St., Room 7211, Los Angeles, CA 90012 Tel: (213) 894-2740 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.)

	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

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 7402(a) AND 7408

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 Habeas Corpus
- ☐ 530 General
- ☐ 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

FOR OFFICE USE ONLY: Case Number: CV11-05402

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

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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): __________

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
Los Angeles 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
Los Angeles 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
Los Angeles 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): Wanda Thomas **Date** 6/28/2011

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))