

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

|                                  |   |             |
|----------------------------------|---|-------------|
| UNITED STATES OF AMERICA,        | ) |             |
|                                  | ) |             |
| Plaintiff,                       | ) |             |
|                                  | ) |             |
| v.                               | ) | 1:04CV00274 |
|                                  | ) |             |
| NANCY E. LLOYD, individually and | ) |             |
| d/b/a WINGS OF FREEDOM,          | ) |             |
|                                  | ) |             |
| Defendant.                       | ) |             |
| _____                            | ) |             |

JUDGMENT AND PERMANENT INJUNCTION ORDER

TILLEY, Chief Judge

For the reasons set forth in an accompanying Memorandum Opinion, plaintiff United States of America’s Motion for Summary Judgment [Doc. # 13] is GRANTED. Defendant Nancy E. Lloyd’s Motion to Dismiss [Doc. # 16] is DENIED and the Defendant’s Motion for the Court to Take Judicial Notice [Doc. # 20] is also dismissed as MOOT.

It is hereby ORDERED that Plaintiff Nancy E. Lloyd, individually and doing business as Wings of Freedom, or as any other entity, and her representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with her, including her distributors, is permanently enjoined from directly or indirectly:

- (1) Organizing, promoting, marketing, or selling any abusive tax shelter, plan or arrangement that advises or encourages taxpayers to attempt to violate

the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including the corporation sole and claim of right programs;

(2) Making false statements about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by participating in such tax shelters, plans or arrangements;

(3) Encouraging, instructing, advising or assisting others to violate the tax laws, including to evade the payment of taxes;

(4) Engaging in conduct subject to penalty under I.R.C. § 6700, i.e., by making or furnishing, in connection with the organization or sale of an abusive shelter, plan, or arrangement, a statement the defendant knows or has reason to know to be false or fraudulent as to any material matter;

(5) Engaging in conduct subject to penalty under I.R.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;

(6) Engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws by the Internal Revenue Service;  
and

(7) Representing any persons or entities before the Internal Revenue Service

in any manner, directly or indirectly.

Further, it is hereby ORDERED that Ms. Lloyd, at her own expense, contact by mail (or by e-mail, if an address is unknown) all individuals who have previously purchased from or through her any tax shelters, plans, arrangements or programs, including the corporation sole program and the claim of right program, and inform those individuals of the Court's findings concerning the falsity of the defendant's prior representations and provide a copy of this Judgment and Permanent Injunction Order to those persons, and to file with the Court, by December 22, 2005 a certification that she has done so;

Further, it is hereby ORDERED that the United States is permitted to engage in post-judgment discovery to ensure compliance with the permanent injunction; and

Further, it is hereby ORDERED that this Court shall retain jurisdiction in this action for the purpose of implementing and enforcing this Final Judgment.

This the day of December 5, 2005

/s/ N. Carlton Tilley, Jr.  
United States District Judge