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12 Attorneys for Plaintiff, United States

13
14 IN THE UNITED STATES DISTRICT COURT FOR THE
15 CENTRAL DISTRICT OF CALIFORNIA
16 WESTERN DIVISION

17 UNITED STATES OF AMERICA,)

18 Plaintiff,)

19 v.)

20 SUSAN GUAN, individually, and)
21 SRN FINANCIAL SERVICES, INC.,)

22 Defendants.)
23 _____)

Civil No. 2:09-cv-07816

**Order of
Permanent Injunction
Against SRN Financial
Services, Inc.**

24 Plaintiff United States of America and defendant SRN Financial
25 Services, Inc. ("defendant"), stipulate as follows:

26 Defendant waives the entry of findings of fact and conclusions of law
27 under Rules 52 and 65 of the Federal Rules of Civil Procedure.

1 Defendant understands that this Stipulated Judgment of Permanent
2 Injunction constitutes the final judgment in this matter, and waives any and all
3 right to file an appeal from this judgment.

4 Defendant consents to the entry of this Stipulated Judgment of Permanent
5 Injunction without further notice and agrees to be bound by its terms.

6 Defendant further understands and agrees that the Court will retain jurisdiction
7 over this matter for the purpose of implementing and enforcing this injunction,
8 and understands that if it violates this injunction, it may be found to be in
9 contempt of court and may be sanctioned. The parties agree that entry of this
10 permanent injunction neither precludes the Internal Revenue Service from
11 assessing penalties against defendant for asserted violations of the Internal
12 Revenue Code ("IRC"), nor precludes defendant from contesting any such
13 penalties.

14 **ORDER**

15 **IT IS HEREBY ORDERED** pursuant to 26 U.S.C. §§ 7402, 7407, and
16 7408 that defendant SRN Financial Services, Inc., and its representatives,
17 agents, servants, employees, attorneys, independent contractors, anyone in
18 active concert or participation with him, are **PERMANENTLY ENJOINED**
19 from directly or indirectly;

- 20 (1) Preparing or filing, or assisting in, or directing the
21 preparation or filing of any federal income tax return,
22 amended return, IRS Form 1099, 1099-OID, 1096, Schedule
23 B, or any other tax-related documents or forms for any other
24 person or entity;
- 25 (2) Engaging in any other activity subject to penalty under the
26 Internal Revenue Code; and
- 27 (3) Engaging in other conduct that substantially interferes with
28 the proper administration and enforcement of the internal

1 revenue laws;

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

5 (5) Engaging in any other activity subject to penalty under 26
6 U.S.C. § 6700, including organizing or selling a plan or
7 arrangement and making a statement regarding the
8 excludability of income or securing of any other tax benefit
9 by participating in the plan that defendant knows or has
10 reason to know is false or fraudulent as to any material
11 matter;

12 (6) Engaging in any other activity subject to penalty under 26
13 U.S.C. § 6701;

14 (7) Directly or indirectly organizing, promoting, marketing, or
15 selling any plan or arrangement that advises or encourages
16 taxpayers to attempt to violate internal revenue laws or
17 unlawfully evade the assessment or collection of their
18 federal tax liabilities, including promoting, selling, or
19 advocating the use of the "commercial redemption" theory
20 and false Forms 1099-OID based on the false claims that:
21 i. Taxpayers can draw on the Treasury of the United
22 States to pay their tax debt or other debt using IRS
23 Forms 1099, 1099-OID, Schedule B, tax returns, or
24 other false IRS documents;
25 ii. Taxpayers can issue false Forms 1099-OID on behalf
26 of a creditor and report the amount on the false Form
27 1099 as federal income taxes withheld on their behalf;
28 and

1 iii. Taxpayers have an account with the Treasury
2 Department from which they can draw funds through
3 a process that is often called “redemption” or
4 “commercial redemption”;

5 (8) Preparing its own federal income tax returns or amended
6 returns claiming false income tax withholding and refunds,
7 whether or not they are based on amounts shown in false
8 Forms 1099-OID issued to creditors, false Forms Schedule
9 B, or other IRS forms or documents;

10 (9) Otherwise aiding and abetting the filing of frivolous Forms
11 1040, 1040X, 1099, 1099-OID, and Schedules B for itself or
12 others; and,

13 (10) Representing anyone before the IRS.

14 **IT IS FURTHER ORDERED** that defendant within 10 days contact by
15 mail (and also by e-mail, if an address is known) all persons who have
16 purchased any products, services or advice associated with the false or
17 fraudulent tax scheme described in this order, enclosing a copy of the injunction
18 against defendant, and file a certificate with the Court within 14 days stating
19 under penalty of perjury that it has done so.

20 **IT IS FURTHER ORDERED** that defendant provide to counsel for the
21 United States within 10 days a list of all persons for whom it has prepared
22 federal income tax returns, amended returns, or other tax-related documents,
23 and all persons who have purchased any products, services or advice from
24 defendant, since January 1, 2006.

25 SO ORDERED this 18 day of November, 2009.

26 

27 VALERIE B. FAIRBANK