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24 UNITED STATES DISTRICT COURT
25 CENTRAL DISTRICT OF CALIFORNIA
26 WESTERN DIVISION

27 United States of America,

28 Plaintiff,

vs.

Gwenn Wycoff and Frank Ozak,

Defendants.

} Case No. **2:10-cv-05856-JHN -PLA**
} ***AMENDED***
} **STIPUULATED ORDER**
} **OF PERMANENT INJUNCTION**

1 The United States has filed a complaint for permanent injunction under 26
2 U.S.C. (“I.R.C.”) §§ 7402(a) and 7408 against Gwenn Wycoff and Frank Ozak
3 (hereinafter “Defendants”). The parties have agreed to the terms of this Stipulated
4 Order of Permanent Injunction, and the Defendants consent to be bound by its
5 terms and to its entry without further notice. The Defendants waive the entry of
6 findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules
7 of Civil Procedure. The parties understand that this Order constitutes the final
8 judgment in this matter, waive the right to appeal from this judgment, and agree to
9 bear their respective costs, including any attorneys’ fees or other expenses of this
10 litigation. Nothing in this Order shall constitute an admission of liability by the
11 Defendants of any of the matters alleged in the Complaint (including but not
12 limited to the issue of whether *The Art of Passing the Buck* is owned or controlled
13 by the individual Defendants).

14 The parties understand and agree that entry of this Stipulated Order of
15 Permanent Injunction neither precludes the Internal Revenue Service (the “IRS”)
16 from assessing penalties against the Defendants for violations of the Internal
17 Revenue Code, nor precludes the Defendants from contesting any such penalties.

18 The parties further understand and agree that the Court has jurisdiction over
19 this matter for the purposes of implementing and enforcing this Order, and
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1 understand that if they violate its terms, they may be subject to civil and criminal
2 sanctions for contempt of court.

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4 **ORDER**

5 1. IT IS HEREBY ORDERED that pursuant to 26 U.S.C. §§ 7402 and
6 7408, the Defendants and their representatives, associates, agents, servants, and
7 employees are enjoined from directly or indirectly:
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9 (A) Organizing or selling tax shelters, plans, or any other
10 arrangements that advise or assist taxpayers to attempt to evade the
11 assessment or collection of such taxpayers' correct federal tax;
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13 (B) Engaging in any other activity subject to penalty under 26
14 U.S.C. § 6700, *i.e.* organizing or selling a plan or arrangement and
15 making a statement regarding the excludability of income or securing
16 of any other tax benefit, by participating in the plan that they know or
17 have reason to know is false or fraudulent as to any material matter,
18 including but not limited to any false statements about the tax benefits
19 or effects of trusts;
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21 (C) Engaging in any activity subject to penalty under 26 U.S.C. §
22 6701, *i.e.* aiding or assisting in, procuring, or advising with respect to
23 the preparation or presentation of a federal tax return, refund claim, or
24 other document, knowing or having a reason to believe that it will be
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1 used in connection with any material matter arising under the internal
2 revenue laws, and knowing that if so used it would result in an
3 understatement of another person's tax liability; and
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5 (D) Directly or indirectly organizing, promoting, marketing, or
6 selling any plan or arrangement that advises or encourages taxpayers
7 to attempt to violate internal revenue laws or unlawfully evade the
8 assessment or collection of their federal tax liabilities.
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11 2. Pursuant to 26 U.S.C. §§ 7402 and 7408, and subject to Paragraph 3
12 below, the Defendants are enjoined from:

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14 (A) selling, creating for sale, or participating in the creation or sale of
15 any type of trust for a third party, including acting as a trustee or
16 protector for a third party's trust. The Defendants may create or use
17 trusts for themselves so long as the trust does not have the effect of or
18 is employed to violate the law in any means or fashion set forth in
19 Paragraph 1 above; and
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22 (B) selling or distributing any promotional materials, or making any
23 statements, regarding trusts containing (i) false commercial speech
24 regarding the internal revenue laws, or (ii) speech likely to aid or abet
25 others to violate the internal revenue laws; and
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1 3. Pursuant to 26 U.S.C. §§ 7402 and 7408, and except as otherwise set
2 forth below, the Defendants are enjoined from acting in any advisory or
3 participatory capacity in any way for any trusts created by or for any of their
4 customers, themselves, or any other parties in the past ten years and in which they
5 have assisted in the creation or management in any way during that time. The
6 Defendants may provide advice and assistance to the trusts identified on Schedule
7 A attached hereto up until November 30, 2011, so long as (a) that advice has
8 nothing to do with federal income taxation or any federal income tax return filing,
9 and (b) the purpose of that advice is solely to assist the identified trusts in winding
10 down their affairs; and
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15 4. Pursuant to 26 U.S.C. §§ 7402 and 7408, the Defendants are enjoined
16 from filing, providing forms for, assisting in the preparation of, or otherwise aiding
17 and abetting the filing of Forms 1040 or 1041 for themselves or others relating in
18 any way to any trusts, including the notarization or signing of certificates of
19 service or similar documents in connection with such tax returns; and
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22 5. Within ten days of the entry of this Order, the Defendants shall cause
23 to be posted on the “www.passingbucks.com” website a copy of this Order, and
24 shall certify to this Court in writing that they have done so within 30 days of the
25 date of this Order. This requirement shall also apply to any websites the
26 Defendants shall obtain, initiate, or begin the operation of while this Order remains
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1 in effect. The Order shall remain posted on the website(s) for one year from the
2 date of its entry; and
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4 6. Pursuant to 26 U.S.C. § 7402, the Defendants are hereby required to
5 contact by mail or e-mail all persons (a) who have purchased from them any
6 products, services, advice, or publications associated with the tax scheme described
7 in the underlying complaint, and (b) all individuals who have purchased a copy of
8 either Volume of *The Art of Passing the Buck* in the past five years (where the
9 Defendants can reasonably ascertain the mailing or e-mail addresses of such
10 purchasers) and provide such individuals with a copy of this Order. The
11 Defendants shall also provide a copy of this Order in whatever fashion is most
12 expeditious to all of their employees, affiliates, or associates (including but not
13 limited to existing Trustees relating to any trusts associated with the Defendants in
14 any way, such as the Trustees of the Charles Arthur Enterprises Trust). The
15 Defendants shall certify to this Court in writing that they have done so within 30
16 days of the date of this Order; and
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18 7. Pursuant to 26 U.S.C. § 7402, the Defendants shall with respect to the
19 two-volume publication *The Art of Passing the Buck* (a) cause to be removed from
20 all existing unsold copies or copies to be published in the future the end-pages of
21 each separate volume (as reproduced in Schedule B appended to this Order)
22 advertising their services and/or the services of “Charles Arthur Enterprises,” (b)
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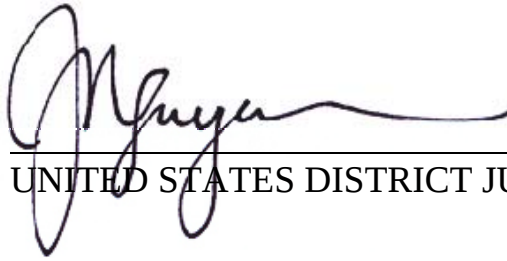
1 cause to be mailed or e-mailed to all purchasers of either volume of *The Art of*
2 *Passing the Buck* since its publication (where the Defendants can reasonably
3 ascertain the mailing or e-mail addresses of such purchasers) a notification (in the
4 form appended to this Order as Schedule C) indicating that the purchaser should
5 not rely on either volume of the work in determining the purchaser's federal
6 income tax liability, but should instead seek appropriate professional assistance, (c)
7 cause a copy of the notification described in Paragraph 7(b) and appended as
8 Schedule C to this Order to be inserted or included with all copies of *The Art of*
9 *Passing the Buck* sold after the date of this Order, and (d) certify to this Court in
10 writing that they have performed the obligations of Paragraph 7(a) - (b) within 30
11 days of the date of this Order; and

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16 8. Pursuant to 26 U.S.C. § 7402, the Defendants shall cause to be
17 cancelled or taken out of service the e-mail address
18 ["trustservices@passingbucks.com,"](mailto:trustservices@passingbucks.com) and shall certify to this Court in writing that
19 they have done so within 30 days of the date of this Order; and
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22 9. IT IS HEREBY ORDERED that the Court retains jurisdiction to
23 enforce this Order, and that for the purposes of monitoring compliance with its
24 terms, the parties may conduct discovery using the formal procedures described in
25 Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45, or as otherwise provided in the Federal
26 Rules of Civil Procedure, or permitted by this Court.
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2 IT IS SO ORDERED.

3 DATED: September 08, 2011

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5 
UNITED STATES DISTRICT JUDGE

6 Presented by:

7
8 ANDRÉ BIROTTE JR.

9 United States Attorney

SANDRA R. BROWN

10 Assistant United States Attorney

11 Chief, Tax Division

DARWIN THOMAS

12 Assistant United States Attorney

13
14 /s/ Brian H. Corcoran

15 BRIAN H. CORCORAN

16 Trial Attorney, Tax Division

17 Attorneys for United States of America

18 Seen and Agreed:

19
20 _____
21 Gwenn Wycoff

22 _____
23 Frank Ozak

IT IS SO ORDERED.

DATED: September __, 2011

UNITED STATES DISTRICT JUDGE

Presented by:

ANDRÉ BIROTTE JR.
United States Attorney
SANDRA R. BROWN
Assistant United States Attorney
Chief, Tax Division
DARWIN THOMAS
Assistant United States Attorney

/s/ Brian H. Corcoran
BRIAN H. CORCORAN
Trial Attorney, Tax Division
Attorneys for United States of America

Seen and Agreed:

Gwenn Wycoff

Frank Ozak

Schedule A

CV10-5856-JHN (PLAx)

Stipulated Order of Permanent Injunction

(redacted by party agreement)



SCHEDULE B

The Art of Passing the Buck - Volume I

The Art of Passing the Buck

Volume II

Trust Blueprints

Volume I covered what and why.

Volume II distills decades of Trust experience to tell you how to:

- Structure your Trust properly
- Transfer assets into your Trust
- Educate heirs and Beneficiaries in the proper use of your Trust
- Make your Trust successful
- Create effective Minutes
- Properly issue and exchange Trust Certificates—explained in detail
- Avoid legal problems—you don't want a scam Trust
- Deal effectively with governments and financial institutions

Includes Sample Formats and Forms

For more information visit:

www.passingbucks.com/vol2

Or contact:

Charles Arthur Enterprises

22845 Ventura Blvd., No. 10

Woodland Hills, CA 91367

818-574-6122

Need Help With Your Trust?

We offer:

- **Review of your existing Trust Indenture**
- **Trust Mentoring on how to:**
 - Organize your Trust
 - Choose a Protector
 - Handle difficult Beneficiaries
 - Deal with financial institutions
- **Consulting on:**
 - Structuring your Trust
 - Managing your Trust
 - Keeping your Trust up to date
 - Making your Trust successful
- **Lectures and Classes**
 - Legal Cases / Court Decisions Affecting Your Trust
 - Effective Trust Administration
 - Trust Woes and What To Do About Them

For more information, contact:

Charles Arthur Enterprises

22845 Ventura Blvd., No. 10

Woodland Hills, CA 91367

818-574-6122

trustservices@passingbucks.com

Need Help With Your Trust?

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- **Trust Mentoring on how to:**
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- **Legal Cases / Court Decisions Affecting Your Trust**
- **Effective Trust Administration**
- **Trust Woes and What To Do About Them**

For more information, contact:

Charles Arthur Enterprises

12228 Venice Blvd., No. 303

Los Angeles, CA 90066

818-574-6122

trustservices@passingbucks.com

Already Have a Trust?

Here is What We Can do for You:

Bimonthly update service.

★ *Policies and Procedures:*

- ☆ Three *Policies and Procedures* to keep your Trust updated.
- ☆ These *Policies and Procedures* will have your Trust name on them, ready for your Board of Trustees to approve and incorporate into your Trust.
- ☆ A generic version of *Policies and Procedures* is also available.

★ *Memos:*

- ☆ Three *Memos* include commentary about Trust history, newspaper articles, court cases and miscellaneous information about inheritance.
- ☆ Periodic Trust- related articles written by our staff.

★ *Current Events:*

- ☆ Legal and other related information sent via email from time to time.

For cost and more information on this valuable service, contact:

Charles Arthur Enterprises
12228 Venice Blvd., No. 303
Los Angeles, CA 90066
818-574-6122
trustservices@passingbucks.com

SCHEDULE C

TO ALL PURCHASERS OF EITHER VOLUME
OF *THE ART OF PASSING THE BUCK*:

Under no circumstances should you rely on the content of either volume of *The Art of Passing the Buck* in determining a trust's federal income tax liability, whether that trusts presently exists or is to be created in the future. For all such matters, you should instead seek appropriate professional assistance (*e.g.* from an attorney, certified public accountant, or otherwise properly licensed and reputable tax return preparer).