

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA,)
Plaintiff,)
)
v.)
)
ARTHUR PINER GRIDER, III, ASGARD)
AVIONICS CORP. OF FLORIDA, ASGARD)
AVIONICS CORP. OF NEW YORK, ASGARD)
RESOURCES, LLC, ASGARD RESOURCES)
OF TEXAS, LLC, ASGARD TECHNOLOGIES,)
LLC, ASGARD INTERNATIONAL, INC. a/k/a)
ASGARD RESOURCES, INC.,)
FLAGSHIP PROMOTIONAL SERVICES,)
LLC, PHOENIX OFFSHORE SERVICES, LLC,)
PHOENIX SERVICES, INC., PSG SERVICES,)
INC., RESOURCE MANAGEMENT)
INTERNATIONAL, INC., RMI PENDRAGON,)
INC., TALENT FORCE TECHNICAL, LLC,)
TALENT FORCE SERVICES, LLC, NAG)
FINANCIAL, LLC, KARMEN ROUHANA)
GRIDER, also known as KARMEN ROUHANA,)
and LEONARD INVESTMENTS, INC.,)
Defendants.)

CIVIL NO. 3:10-CV-0582-D

UNITED STATES' SECOND AMENDED COMPLAINT

The United States of America files its Second Amended Complaint against Arthur Piner Grider, III, Asgard Avionics Corp. of Florida, Asgard Avionics Corp. of New York, Asgard Resources, LLC, Asgard Resources of Texas, LLC, Asgard Technologies, LLC, Asgard International, Inc. also known as Asgard Resources, Inc., Flagship Promotional Services, LLC, Phoenix Offshore Services, LLC, Phoenix Services, Inc., PSG Services, Inc., Resource Management International, Inc., RMI Pendragon, Inc., Talent Force Technical, LLC, Talent Force Services, LLC, NAG Financial, LLC, Karmen Rouhana Grider, also known as Karmen Rouhana, and Leonard Investments, Inc., which has been authorized and requested by a duly authorized delegate of the Secretary of the Treasury of the United

States of America and directed on behalf of the Attorney General of the United States of America pursuant to 26 U.S.C. § 7401, the United States of America, alleges and avers as follows:

NATURE OF ACTION

1. This is a civil action brought by the United States of America pursuant to Section 7401 and 7402 of the Internal Revenue Code of 1986, as amended (26 U.S.C.) (“the Code”), requesting a judgment against Arthur Piner Grider, III, Asgard Avionics Corp. of Florida, Asgard Avionics Corp. of New York, Asgard Resources, LLC, Asgard Resources of Texas, LLC, Asgard Technologies, LLC, Asgard Resources, Inc., Flagship Promotional Services, LLC, Phoenix Offshore Services, LLC, Phoenix Services, Inc., PSG Services, Inc., Resource Management International, Inc., RMI Pendragon, Inc., Talent Force Technical, LLC, Talent Force Services, LLC, and NAG Financial, LLC, for the unpaid balance of certain federal taxes, plus statutory additions, and injunctive relief. The United States also joins as parties defendant Karmen Rouhana Grider, also known as Karmen Rouhana, the wife of Defendant Arthur Piner Grider, III, and Leonard Investments, Inc., per 26 U.S.C. § 7403(b), because they have or may claim an interest in real property that is the subject of this lawsuit, and because Leonard Investments is an alter ego of Grider and is concealing assets for him.

JURISDICTION AND VENUE

2. This Court has jurisdiction of this action pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. §§ 7402 and 7403. Venue is proper in this Court under 28 U.S.C. §§ 1391(b) and 1396.

THE PARTIES

3. Plaintiff is the United States of America.
4. Defendant Arthur Piner Grider, III is one of the taxpayers who owes federal tax that is the subject of this lawsuit. In addition, the United States seeks injunctive relief against Grider and the other defendants, to prevent them from pyramiding future employment taxes. Also, the United States seeks to foreclose a nominee lien against the personal residence of Grider that he shares with his wife, Karmen Rouhana Grider, and for a judicial sale of that residence, to apply the net sales proceeds to Arthur Grider's tax debts.
5. Defendant Asgard Avionics Corp. of Florida is a Florida corporation doing business in Dallas, Texas, and is one of the taxpayers who owes federal tax that is the subject of this lawsuit.
6. Defendant Asgard Avionics Corp. of New York is a Connecticut corporation doing business in Texas, and it is one of the taxpayers that owes tax that is the subject of this lawsuit.
7. Defendant Asgard Resources, LLC is a foreign limited liability company doing business in Texas, and it is one of the taxpayers that owes tax that is the subject of this lawsuit.
8. Defendant Asgard Resources of Texas, LLC is a Texas limited liability company, and it is one of the taxpayers that owes tax that is the subject of this lawsuit.
9. Defendant Asgard Technologies, LLC is foreign limited liability company doing business in Texas, and it is one of the taxpayers that owes tax that is the subject of this lawsuit.
10. Defendant Asgard International, Inc. (also known as Asgard Resources, Inc.) is, on information and belief, a Texas corporation of which Arthur Grider is president. It is, on information and belief, the single member of Asgard Resources, LLC and Asgard Resources of Texas, LLC.
11. Defendant Flagship Promotional Services, LLC is a Texas limited liability company, and it is one of the taxpayers that owes tax that is the subject of this lawsuit.

12. Defendant Phoenix Offshore Services, LLC is a limited liability company of which Arthur Grider is the president and chief executive officer. It is one of the taxpayers that owes tax that is the subject of this lawsuit.

13. Defendant Phoenix Services, Inc. is a Delaware corporation doing business in Texas, and it is one of the taxpayers that owes tax that is the subject of this lawsuit.

14. Defendant PSG Services, Inc. is or was an Illinois corporation operated by Arthur Grider, and it conducted business as Pendragon Technical Services, Inc. and P-S Aeoropro, and Arthur Grider was its president. It is one of the taxpayers that owes tax that is the subject of this lawsuit.

15. Defendant Resource Management International, Inc. is a corporation of which Grider was the chief executive officer. It is one of the taxpayers that owes tax that is the subject of this lawsuit.

16. Defendant RMI Pendragon, Inc. is a Delaware corporation that conducted business in Texas, of which Arthur Grider is the president and chief executive officer. It is one of the taxpayers that owes tax that is the subject of this lawsuit.

17. Talent Force Technical, LLC (“Talent Technical”) is a Texas limited liability company, of which Talent Force, Inc. is the sole managing member, and is one of the taxpayers that owes tax that is the subject of this lawsuit.

18. Talent Force Services, LLC (“Talent Services”) is a Texas limited liability company, and it is one of the defendants that owes tax that is the subject of this lawsuit.

19. NAG Financial, LLC is a Texas limited liability company, and Arthur Grider is its president, chief executive officer, chief financial officer, secretary, and director. NAG is an alter ego of Grider, and holds funds belonging to Grider and some of the entity-defendants.

20. Karmen Rouhana Grider, also known as Karmen Rouhana, is an individual resident of the State of Texas, is the wife of Arthur Grider. She may be served with this amended complaint at 5 Burkhart Court in Houston, Texas 77055, the residence she shares with Mr. Grider. Mrs. Grider is joined as a party to this lawsuit per 26 U.S.C. § 7403(b), because she has or may claim an interest in the Griders' residence, made the subject of this lawsuit.

21. Leonard Investments, Inc. is a Nevada corporation established by Arthur Grider on or about August 12, 2008, and it is an alter ego of Grider. Leonard Investments is being joined as a defendant per 26 U.S.C. § 7403(b), because it has or may claim an interest in the Griders' residence made the subject of this lawsuit, due to a bogus mortgage it holds, described below. Leonard Investments is also being joined as a defendant in this lawsuit because it is concealing assets for Grider, including, but not limited to, his 50% interest in Pacific Aerospace Resources & Technologies LLC, a global aviation company operating in Victorville, California, that specializes in heavy commercial narrow and wide body maintenance, technology, and consulting. Leonard Investments may be served either through its president, Arthur Grider, or its registered agent for service of process, GG International, at 7260 W. Azure Drive, Suite 140-212, Las Vegas, Nevada 89130.

THE TAX LIABILITY

22. A delegate of the Secretary of the Treasury assessed against, and gave notice and demand to, Defendants Arthur Grider, Asgard Avionics Corp. of Florida, Asgard Avionics Corp. of New York, Asgard Resources, LLC, Asgard Resources of Texas, LLC, Asgard Technologies, LLC, Flagship Promotional Services, LLC, Phoenix Offshore Services, LLC, Phoenix Services, Inc., PSG Services, Inc., Resource Management International, Inc., RMI Pendragon, Inc., Talent Force Technical, LLC, and Talent Force Services, LLC, for the outstanding employment taxes, unemployment taxes,

miscellaneous penalty, and trust fund recovery penalty (TFRP-6672) for the following periods and amounts:

Taxpayer	Period(s)	Type of Tax	<u>Balance Through</u> 02/07/2011
Arthur Grider	1994; 2001- 2009	Trust fund recovery penalty	\$26,252,044.37
Asgard Avionics Corp. of Florida	2003; 06-09	Employment	\$20,023,461.72
	2007, 2008	Unemployment	\$3,090,161.84
	2007	Misc. Penalty	\$14,735.17
Asgard Avionics Corp of NY	2005; 07-10	Employment	\$2,180,034.01
	2003-05; 07-08	Unemployment	\$1,015,568.58
	2007	Misc. Penalty	\$3,078.42
Asgard Resources, LLC	2004-2010	Employment	\$15,571,922.15
	2004-05; 07-08	Unemployment	\$2,767,841.85
	2007	Misc. Penalty	\$20,285.62
Asgard Resources of Texas, LLC	2005; 08-10	Employment	\$5,584,817.72
	2005; 07-08	Unemployment	\$1,113,226.40
	2007	Misc. Penalty	\$5,331.88
Asgard Technologies, LLC	2007- 2009	Employment	\$9,755,853.43
	2007, 2008	Unemployment	\$119,570.76
	2007	Misc. Penalty	\$11,252.77
Flagship Promotional Services, LLC	2007	Misc. Penalty	\$1,368.53
Phoenix Offshore Services, LLC	2007-2010	Employment	\$805,087.36
	2007-2009	Unemployment	\$119,399.05
Phoenix Services, Inc.	2007-2010	Employment	\$1,780,226.74
	2007-2009	Unemployment	\$767,352.95
	2006, 2007	Misc. Penalty	\$8,694.98
PSG Services, Inc.	2001, 2002	Employment	\$1,348,749.01
	2001, 2002	Unemployment	\$8,162.48
	2001	Misc. Penalty	\$337,588.16
Resource Management International, Inc.	2003, 2004	Employment	\$13,334,358.15
	2003	Unemployment	\$223,580.63
RMI Pendragon, Inc.	2003, 2004	Employment	\$12,679,654.40
	2003, 2004	Unemployment	\$848,530.56
Talent Force Technical, LLC	2009, 2010	Employment	\$1,051,720.39
Talent Force Services, LLC	2010	Employment	\$2,610,817.77
	2009	Unemployment	\$704.01

23. Proper notice of and demand for payment of the assessments referred to above was mailed to the Defendants on or about the date of the above tax assessments.

24. Arthur Piner Grider, III, is the owner, either directly or indirectly, of a number of businesses (including the entity-defendants) that lease employees in several fields, including aerospace, energy and petroleum, engineering, technology, and information technology. A description of these companies, many with the word "Asgard" included in their names, could once be found at www.asgardcompanies.com, but this website appears to be shut down. Although the website indicated that the Asgard companies have locations in Houston, Dallas, Phoenix, New York, Orlando and Southern California, these businesses are run by Grider from the office located at 7026 Old Katy Road, Houston, Texas 77024. Grider has failed to pay the employer's share of the employment taxes owed by his companies to the IRS. Many of the Grider entities have also failed to timely file tax returns, and have failed to pay employment and unemployment taxes. The Internal Revenue Service has made assessments against Grider for the trust fund recovery penalty for the outstanding trust fund portion of the employment tax liabilities referred to above. In his March 1, 2011 deposition in this case, Grider stipulated that he owes the \$26 million in trust fund recovery penalty referred to above, and he also stipulated that the above entities owe the taxes assessed against them, subject to any credits allowed them by the IRS as a result of their recent filing of amended tax returns.¹

¹On March 9, 2011, Judge Sim Lake entered an Agreed Final Judgment against Grider in United States v. Dunn-Grider, Arthur Grider, et al; No. 4:10-cv-02827, U.S. District Court, Southern District of Texas; wherein the Court found that he owes \$12,475,734.10 of the \$26 million trust fund recovery penalty (6672) tax debt also made the subject of this lawsuit, for tax periods in 1994 and 2001-2004. Therefore, the United States will only seek a judgment against Grider for \$13,776,310.27 in trust fund (6672) tax, for tax periods from 2005-2009, in this lawsuit. At his March 1, 2011 deposition in this case, Grider stipulated that he owes the additional \$13 million in trust fund (6672) tax sued for in this lawsuit. Also in the Houston case, the United States recovered a judgment against Rebecca Dunn-Grider, Grider's ex-wife, to force a sale of a \$1.5 million residence on Claywood Street that Grider purchased and concealed in the name of Dunn-Grider, after he was assessed the Metro Staff trust fund tax debt, that now exceeds \$1.2 million. In the Houston agreed judgment, Grider and Dunn-Grider have agreed to a sale of the residence titled to Dunn-Grider, and that the United States will receive one-half of the net sales

HISTORY OF PYRAMIDING

25. The above table shows the outstanding employment tax, unemployment tax, and miscellaneous penalty owed by the Grider entities and the trust fund recovery penalty (6672) liability owed by Grider, and shows the magnitude of the amounts owed; \$96 million for the entity-defendants, and \$26 million for Grider.

26. The entity liability is based on filed tax returns or on substitutes for returns (I.R.C. [26 U.S.C.] § 6020(b) returns) filed by the IRS. Trust fund recovery penalties were assessed against Arthur Grider for the unpaid employment taxes of Metro Staff, Inc., PSG, RMI Pendragon, Resource Management International, Asgard Texas, Asgard Avionics of Florida, Asgard Avionics of New York, Asgard Technologies, and Phoenix Offshore Services. The entity with the earliest unpaid employment tax liability is PSG, which began pyramiding in the fourth quarter of 2001.²

27. On information and belief, the pyramiding has continued by Grider and various Grider entities through February of 2011. After this lawsuit was filed, Grider, through his accountant, filed a number of federal employment and unemployment tax returns in an attempt to reduce Grider's entities' tax liabilities. Some of the tax returns Grider recently filed for some of his entities were filed years late. For example, on or about February 28, 2011, NAG for the first time filed its 2003-2009 partnership income tax returns with the IRS. On the same date, Grider's accountant sent a letter to the

proceeds to apply to Grider's tax debts.

² There is one other Grider entity not shown above, Metro Staff, Inc, that has an outstanding employment (941) tax balance for the quarter ending December 31, 1994, for which Grider was assessed the trust fund recovery (6672) penalty. In 1996, Grider placed Metro Staff in bankruptcy in Houston, and the IRS filed a \$2 million proof of claim for employment tax in that case, wherein no pre-petition creditors were paid. A Court-appointed examiner found that Metro Staff funds were used to maintain Grider's extravagant lifestyle, while he ignored such obligations as the remittance of trust fund taxes withheld from the checks of its employees. A copy of the examiner's report was filed in this case on October 20, 2010 as Exhibit 4 to the United States' Reply to the Defendants' Joint Response to the United States' Motion for Preliminary Injunction (Doc. #89).

IRS notifying it that five of the entity-defendants (Talent Force Technical, LLC, Talent Force Services, LLC, Asgard Resources of Texas, LLC, Phoenix Offshore Services, LLC, and Phoenix Services, Inc.) had accrued over \$313,000 in unemployment and employment tax, in violation of the Court's November 2, 2010 preliminary injunction.

GRIDER'S POSITION WITHIN THE ENTITIES

28. Arthur Grider's official control of the Grider entities, except for Talent Technical, Talent Services, and Leonard Investments, is shown in the following chart, which lists the entities and, regarding each, Grider's position or the entity through which Grider exercises control. Except where otherwise indicated, the chart is based on information found in public databases:

Asgard Avionics Corp. of New York	Secretary, CFO, Director, Treasurer
Asgard Resources, LLC	Managing member is Asgard International, Inc. Grider is president of Asgard International, and signed the Application for Certificate of Authority filed with the Texas Secretary of State.
Asgard Resources of Texas, LLC	Managing member is Asgard International, Inc.
Asgard Technologies, LLC	Managing member is Asgard Avionics of NY
Flagship Promotional Services, LLC	Managing member is Asgard International, Inc.
Phoenix Offshore Services, LLC	Managing member is Asgard International, Inc.
Phoenix Services, Inc.	Director, President, Secretary, Treasurer
PSG Services, Inc.	President (per TFRP penalty assessment, IRS Form 4183)
Resource Management International, Inc., dba The RMI Group, Inc.	CEO
RMI Pendragon, Inc. (formerly PSG Services, Inc.)	Director, President, Secretary, Treasurer
Asgard Avionics Corp. of Florida	Secretary, CFO, President

29. Although Grider is not identified as an officer of Talent Technical and Talent Services, on information and belief, he exercises control over and owns these entities. The interpleader complaint filed by Vought Aircraft Industries, Inc. in this case indicates that Talent Services

purportedly assumed the services contract under which Vought leased employees from Asgard Florida.

³ The agreement was to be effective on January 2, 2010. Moreover, according to Brookhaven National Laboratory, which leases employees from a Grider entity, a similar agreement had been sent to it, effective January 1, 2010, showing an assignment and assumption by Talent Services.

30. Significantly, the January 1, 2010 and January 2, 2010 dates of the assumption agreements immediately follow the Internal Revenue Service's intensified and coordinated efforts to collect many outstanding Grider entities' tax liabilities. The timing of the assumption agreements indicates that they are nothing more than another means by which Grider sought to avoid the Service's collection efforts.

31. Talent Technical and Talent Services were created by May in 2008 and 2009. ⁴ The address for both entities is 7026 Old Katy Rd., Suite 252, Houston, Texas 77024, the address previously used by the Asgard entities. The building at this address previously bore a sign with the "Asgard" name on it, but it now reads "Talent Force." Grider maintains offices at this address. ⁵

32. Talent Technical and Talent Services are continuing the Grider entity pattern of pyramiding their employment tax liabilities. Grider is hiding income and assets from the IRS by

³ The assumption agreement erroneously referred to the original contract as having been with Asgard Resources, rather than with Asgard Florida.

⁴ Both entities are managed by Talent Force, Inc. Talent Technical was originally formed on July 4, 2008 under another name, "Mangrove Services, LLC." On July 9, 2008, Grider's attorney filed a certificate of amendment to change the name to "Mangrove Technical, LLC," and on December 12, 2008, a certificate of amendment was filed to change the name to "Talent Force Technical, LLC." Talent Services was formed on January 5, 2009.

⁵ In February 2010, to identify clients that leased employees from either of the Asgard Avionics corporations, an IRS revenue officer contacted employees of the Asgard Avionics corporations and asked who they worked for. One employee indicated his employer was formerly "Asgard," but was now named Talent Force. The Asgard web site job postings now refer to "Talent Force/Asgard."

transferring funds between entities, by using his entities to pay his personal expenses, and by under-reporting personal income on his own income tax returns.

NATURE OF BUSINESS ACTIVITIES

33. Grider and the entity-defendants are involved in employee leasing, either directly or as owners of other entities that lease employees. The clients who lease employees pay an amount set by contract between the client and the entity. The employees' wages are paid by the entity. At times, the entity-defendants have filed employment tax returns reporting the wages paid; at other times, they have failed to do so. Over the past 20 years, he had used many shell companies, changed the names of his companies, used similar names of companies that conduct the same business, and shifted assets and income between companies and bank accounts he controls, to avoid paying his federal tax debts. He has also placed his personal assets in the name of shell companies, and used his companies' bank accounts to pay his personal expenses. He has also commingled funds in his different company bank accounts, and used the names of companies to hide assets from the IRS that had no business and no business purpose. He has also filed frivolous lawsuits and administrative proceedings to avoid paying his taxes.

EFFORTS TO COLLECT OUTSTANDING LIABILITIES

34. There is an overwhelming pattern of tax payment noncompliance by Grider and the entity-defendants, broken only by sporadic payments to the IRS made to avert imminent collection action. Until recently, many past employment tax returns remained unfiled and many federal tax deposits remained unpaid, despite the Service's substantial efforts to summons information from Grider and his entities to resolve these matters. Grider steadfastly refused to cooperate with the IRS summons process, and appears to have embarked on a path of deliberate obfuscation by filing IRS Collection Due Process administrative requests with unsupported allegations of misapplied payments. Additionally,

the Service's levies and filed liens have not motivated Grider to improve compliance, but rather have apparently motivated him to shift his business receipts to other entities in an attempt to defeat the levies.

35. In early 2007, IRS Revenue Officer James Ashton was assigned to collect the outstanding liabilities of Asgard Florida and Asgard Resources. During his first field call to the Asgard location on February 2, 2007, he discovered the names of numerous other entities. By August 2007, at least five of the Grider entities were assigned to Ashton. Before that time, though some collection activities had taken place, the Service had not undertaken a coordinated effort to collect from all of the Grider entities, because there were so many and Grider would shut down some of them as soon as they accrued substantial federal tax liability, and then establish new entities that would continue the pattern of non-compliance with federal tax laws.

36. In early 2007, the IRS revenue officer summoned Grider, who had refused to be informally interviewed earlier, to appear on February 6, 2007. Grider appeared with two attorneys on that date, and provided some, but not all, of the summonsed information. No information was provided for either Asgard Florida or Asgard Resources. The attorneys agreed to supplement the information provided, and sent additional information on March 7, 2007, but again failed to provide any information regarding Asgard Florida or Asgard Resources. They also failed to submit any of the requested delinquent employment tax returns at that time. The revenue officer sent a notice of intent to levy in 30 days, to Asgard Resources, on April 16, 2007. As of July 30, 2007, Grider still had not provided any information about the entities' assets, and had not filed the delinquent tax returns.

37. Thereafter, the IRS revenue officer served a summons on the Bank of America, and on August 20, 2007, he received records showing that over \$5 million per month was being deposited into an account belonging to NAG Financial, LLC. Grider's lavish personal expenses were being paid from

this account. During the time that the revenue officer was actively pursuing collection, small voluntary tax payments were made for several of the entities throughout 2007 and 2008, but not enough to fully pay the liabilities.

38. On September 28, 2007, the IRS revenue officer sent a notice of intent to levy in 30 days, regarding Asgard New York's employment tax liabilities for the first three periods of 2006. The entity requested an IRS Collection Due Process administrative hearing, and though the lien filing was sustained, the proposed levy was moot because the taxpayer paid the liabilities on February 14, 2008.

39. On October 31, 2007, the IRS revenue officer requested information about the various entities, and requested that Grider appear for a trust fund recovery penalty interview concerning the Phoenix entities. Up to that time, Grider had refused to provide information regarding accounts receivable for any of the entities. On November 13, 2007, the revenue officer sent notices of intent to levy for a number of outstanding periods for various Grider entities, and on November 14, 2007, he served summonses for information on Robert Ihle, the chief accountant and comptroller for the Grider entities. The revenue officer was later informed by a Grider entity attorney that the information would be provided only if compelled. On January 8, 2008, the revenue officer was informed by the same attorney that Ihle had resigned from "Asgard," and would not comply with the summonses. The request to appear for the trust fund recovery penalty interview referred only to "Phoenix," so Grider paid the Phoenix liabilities, and did not appear for his appointment on March 17, 2008.

40. On January 23, 2008, the IRS revenue officer received four checks drawn on Grider's attorney's IOLTA account, as payment for certain employment tax liabilities of Asgard Resources. Nevertheless, Asgard Resources continued to owe over \$500,000.00 in employment taxes for the fourth quarter of 2004, the first quarter of 2005, and the fourth quarter of 2006.

41. In or about April 2009, the IRS revenue officer issued collection summonses for each Grider entity and for Grider's trust fund recovery penalty liability. The revenue officer was promised by Grider's attorney that the information on the entities would be provided by June 2, 2009. This deadline was not met. Grider failed to appear on August 20, 2009, the new summons appearance date, and failed to provide any records. The IRS sent Grider a letter, giving him a "last chance" to appear on September 24, 2009. He failed to do so. On September 28, 2009, Grider's attorney provided the IRS with disks containing information about various Grider entities. On October 1, 2009, the revenue officer was informed by another Grider attorney that Grider was invoking his Fifth Amendment privilege against self-incrimination and would not appear.

42. After reviewing the information contained on the disks, the IRS revenue officer determined that two bank accounts were used for almost all the transactions involving Grider and the Grider entities. The first is a Bank of America account, ending in the numbers 4464, and styled "NAG Financial LLC." The majority of the records obtained from this account were cancelled business and payroll checks. Although the account was opened under name NAG Financial LLC, checks captioned in the names of various Grider entities were used to draw on that account. The revenue officer had previously obtained some of this information from a summons on Bank of America. The disks also contained information about a second bank account at Chase Bank, ending in 8814. Like the Bank of America account, Grider signed checks for his various entities on this account. The information also included customer lists for some entities, but not others. Additionally, the information showed that there was no consistent manner in which the Grider entities paid expenses, reported payrolls, or conducted business. For example, wages paid in Texas, purportedly for Asgard Texas, were paid under contracts signed on behalf of Asgard Florida. It appears from these records that the Grider entities blurred organizational lines, and simply operated as one big "Asgard" business.

43. On October 15, 2009, the IRS revenue officer sent notices of intent to levy in 30 days to collect liabilities owed by Asgard New York, Asgard Technologies, Asgard Texas, Asgard Resources, and Asgard Florida for multiple periods. He also requested that multiple tax liens be filed for these entities. On November 23, 2009⁶, the revenue officer received requests for IRS Collection Due Process administrative hearings, IRS Forms 12153, for these entities, all submitted by Grider's attorney. Each Form 12153 contained this statement:

Taxpayer believes that payments have been made that have not been properly accounted or misapplied. Further taxpayer would like to explore the possibility of entering into an installment agreement when final amounts are determined. Levy, at this point, would be premature.

At that time, very few federal tax deposits had been made for at least the past two years for these five entities, or for two other entities, Phoenix Services and Phoenix Offshore. On December 2, 2009, the IRS revenue officer received similar Forms 12153 regarding the lien filings, with the same statement about misapplied payments, prepared by Grider's attorney.

44. On December 4, 2009, IRS Revenue Officer Ashton spoke with Grider's attorney and asked about the alleged misapplied payments, and he was unable to provide any specific information about these payments. The revenue officer informed Grider's attorney that the entities had failed to file various employment (941) tax returns over the past two years. The revenue officer also informed Grider's attorney that the entities had not made regular federal tax deposits for the past two years, but he was unable to address the entities' failure to make these deposits or to file tax returns. During this telephone call, the revenue officer also asked to interview Grider for the trust fund recovery penalty examination for a number of these entities, but his attorney refused to make Grider available for

⁶As discussed below, one week later, on November 30, 2009, Grider purchased a brand-new \$1.2 million residence and titled it to Defendant Karmen Rouhana, his then-fiancee.

interview. The revenue officer forwarded the cases with the requests for IRS Collection Due Process administrative hearings to IRS Appeals.

45. In late January and early February 2010⁷, IRS Revenue Officer Ashton served levies to collect the assessments for the periods for which Asgard New York and Asgard Florida had previously received due process rights.⁸ He issued multiple levies to clients of these two entities. On February 22, 2010, he received a telephone call from the Brookhaven National Laboratory about one of the Asgard levies. From this call, the Service learned that the Brookhaven National Laboratory had received an agreement, effective January 1, 2010, transferring all its contracts with an Asgard entity to Talent Services, an entity having the same address as Asgard.

46. The interpleader suit filed by Vought Aircraft Industries, Inc., which began this lawsuit, was brought in response to one of the Service's levies. It is clear that Grider is not going to timely file tax returns or pay the employment taxes for the entities he owns and controls. Since a coordinated effort began to collect the outstanding liabilities, his pattern has been the same. Overdue or final tax returns remain unfiled, federal tax deposits are in arrears, and essential information about the entities' assets is being withheld. At times, when the IRS revenue officer took actions that may have forced collection or required Grider or an agent to give information about the entities, an account balance of the quarters in issue was paid. At other times, the noncompliance was more blatant. Ihle, the chief accountant and comptroller, resigned rather than comply with the IRS summonses issued to him. All the while, millions of dollars have been deposited into the bank accounts used by the Grider entities,

⁷As described below, on February 11, 2010, Grider (through his attorney) recorded a \$900,000 bogus deed of trust pertaining to his new \$1.2 million residence, in favor of his shell company/alter ego, Defendant Leonard Investments, Inc., to make it appear to the IRS that the property had no equity to apply to his back taxes. Shortly thereafter, this lawsuit was filed.

⁸Ashton also determined that levy actions could not be taken against Asgard Resources or Asgard Texas, as these are sole member LLCs treated as disregarded entities. The sole member is Asgard International, Inc., which has no assets.

and Grider has withdrawn much of this money to support his extravagant lifestyle. When it became obvious that the revenue officer was going to reach the entities' accounts receivable by levying, the Asgard entities metamorphosed into the "Talent Force" entities, and the clients received agreements showing that a Talent Force entity had assumed their employment leasing contracts.

PURCHASE OF THE GRIDER RESIDENCE

47. On or about November 30, 2009, while he was being pursued by the IRS for collection of his multi-million dollar federal tax debt, Arthur Grider purchased, by special warranty deed, in the name of Karmen Rouhana, his then-fiancee, a new \$1.2 million residence located at 5 Burkhart Forest Court in Houston, Texas 77055, from Array Custom Homes, Inc., P.O. Box 940847, Houston, Texas 77094.⁹ On information and belief, Grider paid for the residence with cash or cash equivalents, since there was no deed of trust filed contemporaneously with the deed, that was filed on December 1, 2009 in Harris County, Texas. The legal description of this property is as follows:

Lot Five (5), Burkhart Forest, a subdivision in Harris County, Houston, Texas, according to the map or plat thereof recorded under Film Code No. 617135 of the Map Records of Harris County, Texas (hereinafter referred to as "the Property").

Grider purchased the Property knowing that he and his companies owed millions of dollars in back taxes to the United States, and he fraudulently concealed the Property in the name of Rouhana, who was then living in a residence she owns with a county-tax assessed value of approximately \$133,000. In

⁹Since the 1990s, this is the third residence Grider has attempted to hide in the name of another while being pursued by IRS Collections for payment of his large tax debts. In the late 1990s, to avoid paying the Metro Staff employment taxes or his trust fund taxes, Grider fraudulently transferred his Walkwood Circle residence to a sham trust, the Grider Family Trust, and then recently sold it and allowed the net sales proceeds (about \$98,000) to be applied to his tax debts that are the subject of this case. As stated above, Grider recently agreed that his former residence on Claywood Street (titled in the name of his ex-wife) could be sold and that the United States would receive half of the net sales proceeds when it sells to apply to his tax debts.

or about December of 2009, Arthur Grider wed Karmen Rouhana in a civil ceremony in Houston, Texas.

48. On February 11, 2010, Grider, through his attorney, recorded a \$900,000 “deed of trust, security agreement and fixture filing” in favor of Leonard Investments, Inc., a shell company that Grider owns and controls, to make it appear that the Property has little equity, to avoid IRS seizure of this asset for payment of Grider’s enormous federal tax debts. Not only did Rouhana never have the income to pay a \$900,000 mortgage, but she is currently a full-time student with no income, and, on information and belief, she is unable to contribute to the maintenance or expenses associated with the Property. According to records of the IRS, Leonard Investments has the same employer identification number as Talent Force, Inc., also known as Talent Force Services, Inc., one of the other defendants herein, and an alter ego of Grider. The IRS has no record of any tax return ever being filed by Leonard Investments, another alter ego of Grider. Leonard Investments had a website wherein Arthur Grider was listed as the contact person, Rouhana was listed as his spouse, his residence address was listed as 5 Burkhart Forest Court, Houston, Texas 77055; the business address of Leonard Investments was listed as 7026 Old Katy Road, Suite 254, Houston, Texas 77024; and the accounting contact was listed as Cheri Gauthier at cgauthier@asgardcompanies.com. After being asked about this information in his March 1 deposition, Grider took the Fifth Amendment, and subsequently the Leonard Investments website was shut down.

49. May, McCreight & Associates, the law firm that recorded the Leonard Investments deed of trust for Grider, has represented Grider for approximately twenty years, and Attorney Harold May is a name partner there, and, until this lawsuit was filed, Mr. May was Grider’s attorney in personal and business matters involving some of the same tax liability at issue in this lawsuit, as well as being Grider’s tax attorney in his 2006 divorce involving the Claywood residence and Grider’s large federal

tax liability. Mr. May drafted the trust agreement for Grider's bogus trust that held title to Grider's former residence on Walkwood Circle, and he assisted Grider in transferring title to that residence to the trust after the IRS proposed to assess Grider with a \$743,000 trust fund recovery penalty in connection with Metro Staff, Grider's company. In this lawsuit, Grider stipulated that he owes the Metro Staff trust fund recovery penalty, that now has a balance in excess of \$1.2 million. Mr. May also represented Grider before the IRS administratively and filed frivolous lawsuits against the United States on behalf of Grider, wherein Grider attempted to defeat some of the same undisputed tax liability that is the subject of this lawsuit. Mr. May and his law firm also represented Grider and Metro Staff in the Metro Staff bankruptcy filed by Grider in 1996, wherein the IRS was a creditor for over \$2 million in employment tax, and wherein the Court-appointed examiner found fraudulent conduct by Grider in connection with his failure to pay payroll tax to the IRS and use of Metro Staff's funds to fuel Grider's lavish lifestyle. When the Government attempted to obtain documents pertaining to this lawsuit from Mr. May, he informed the Government (through Grider's current attorney) that those documents had been destroyed, and then refused to speak to the Government about this lawsuit and hired his own personal attorney. Mr. May also signed federal tax returns and checks for some of Grider's entities that are defendants in this lawsuit. Shortly before Grider married Rouhana, May drafted a prenuptial agreement for them, in an effort to prevent the IRS from seizing Grider's residence, and to support Rouhana's anticipated claim that the residence is her separate property.

50. Grider is the true owner of the Property. On or about March 1, 2011, the United States filed a nominee federal tax lien against Karmen Rouhana, as nominee of Arthur P. Grider, III, that now encumbers the Property. When the United States attempted to question Grider about the purchase of the Property at his March 1, 2011 deposition in this case, he invoked his Fifth Amendment right against self-incrimination to nearly every question. The deed of trust lien held by Leonard Investments is

bogus and should be declared fraudulent, void, and of no legal effect, or equitably subordinated to the rights of the United States in the Property.

COUNT I
(JUDGMENT FOR UNPAID TAX ASSESSMENTS)

51. A delegate of the United States Secretary of the Treasury assessed against, and gave notice and demand to, the Defendants for their unpaid trust fund recovery penalty, employment tax, unemployment tax, and miscellaneous penalty, in the amounts stated above.

52. Despite timely notice and demand for payment, the Defendants have neglected, failed and refused to pay the employment, unemployment, miscellaneous penalty, and trust fund recovery penalty tax assessments referred to above, for which the United States seeks a judgment against them, and for interest, penalties, and statutory additions on those amounts until paid.

53. In addition, with respect to the pre-January 1, 2009 liabilities owed by Asgard Resources and Asgard Texas, Asgard International, Inc. is the sole member of both of these LLCs. The United States seeks collection of the Asgard taxes from the LLCs, and since these are sole member LLCs that did not elect corporate treatment, they are disregarded entities, and the member (Asgard International, Inc.) becomes liable for all employment taxes incurred before January 1, 2009, for which the United States sues Asgard International. For the periods ending after January 1, 2009, the LLCs are liable for the employment taxes pursuant to Treas. Reg. § 301.7701-2(c)(2)(iv)(B), as amended, effective January 1, 2009, which provides that a disregarded entity is treated as a corporation with respect to employment taxes.

COUNT II
(ALTER EGO)

54. Besides seeking a judgment against Grider for the taxes assessed against him personally, the United States also seeks a judgment against him personally for any tax liability owed by any entity

sued herein that is or was his alter ego. Specifically, he should be held personally liable for the federal tax liability of Defendants Asgard Avionics Corp. of Florida, Asgard Avionics Corp. of New York, Asgard Resources, LLC, Asgard Resources of Texas, LLC, Asgard Technologies, LLC, Flagship Promotional Services, LLC, Phoenix Offshore Services, LLC, Phoenix Services, Inc., PSG Services, Inc., Resource Management International, Inc., RMI Pendragon, Inc., Talent Force Services, LLC, and Talent Force Technical, LLC, except for the trust fund tax portion of the employment tax previously assessed against Grider.

55. On information and belief, there was such a unity of interest and lack of respect given to the separate identity of the entity defendants by Arthur Grider, that the personalities and assets of the entities and Grider are indistinct, and adherence to the corporate/entity fiction would sanction a fraud, promote injustice, or lead to evasion of federal tax obligations.

56. Also, on information and belief, the entity defendants were not operated as separate entities; entity funds and other assets were commingled by Grider; the Grider entities failed to maintain adequate records; there was an absence of entity assets and undercapitalization of the Grider entities, the corporate/entity form of the entity defendants was used as a mere shell; there was a disregard of legal formalities and failure to maintain an arms-length relationship among related entity defendants; and funds or assets of the entity defendants were diverted to personal uses of Arthur Grider.

57. The United States propounded interrogatories and requests for admissions to Grider and the entity-defendants (except Leonard Investments) in this case, regarding, among other things, the United States' alter ego claim, and they all asserted their Fifth Amendment privilege against self-incrimination to every question. On March 1, 2011, Arthur Grider gave a deposition to the United States, individually and as the authorized representative of each of the entity-defendants, except Leonard Investments, and he invoked his Fifth Amendment privilege against self-incrimination in

response to nearly every question, including all questions regarding the alter ego claim. To schedule the March 1 deposition, which was also Court-ordered, the United States served a deposition notice duces tecum on Grider and the entity-defendants, seeking the production of “any documents responsive to the United States’ First Request for Production of Documents served on each defendant that support any defense they claim or may claim in this lawsuit”, but the defendants produced no documents at their March 1 depositions. Also during his March 1 deposition, when the United States asked Grider about Leonard Investments, he asserted his Fifth Amendment privilege against self-incrimination instead of answering the questions.

58. For these reasons, Arthur Grider should be held personally liable for the federal tax liabilities of the entity defendants, alter egos of Grider, for the tax liabilities referred to above, except for the trust fund tax portion of the employment tax previously assessed against Grider.

59. Funds of Grider and the entity-defendants were deposited in NAG Financial bank accounts to conceal them from the IRS. The United States also seek a judgment against NAG Financial, LLC, as the nominee or alter ego of Grider and the entity-defendants (except Leonard Investments), to collect the federal taxes set forth above from any assets held by NAG.

60. As stated above, Grider, through Leonard Investments, owns a 50% interest in Pacific Aerospace Resources & Technologies LLC, a California aviation company. In or about July of 2009, Grider, through Leonard Investments, paid \$2 million for his interest in Pacific Aerospace. Leonard Investments is an alter ego of Grider; it merely conceals assets for him, and it is the holder of the bogus mortgage recorded against his residence. The Court should determine that Leonard Investments is Grider’s alter ego, enter a judgment against Leonard Investments as the nominee or alter ego of Grider, and order a sale of the assets of Leonard Investments, including, but not limited to, its 50% interest in Pacific Aerospace, to apply to Grider’s tax debts.

COUNT III
REQUEST FOR INJUNCTIVE RELIEF

61. For the reasons stated above, the United States seeks an injunction requiring Grider and the entity-defendants do the following for all employment taxes falling due after the injunction date:

- a. To timely make federal tax deposits, according to federal deposit regulations, of FUTA, FICA, and withholding tax liabilities;
- b. To timely file all federal employment and unemployment tax returns (Forms 940 and 941);
- c. To timely pay all tax liabilities due on each return;
- d. To be prohibited from paying other creditors or transferring funds to Grider directly or to any third party at his request before paying federal employment tax liabilities;
- e. To be prohibited from transferring any money or property to any entity or person for the purpose of having that entity or person pay the salaries or wages of Grider's employees or those of the enjoined business entities; and
- f. To be required to file monthly reports with the Service attesting that all tax deposits have been made.

I.R.C. § 7402(a) provides broad authority for the United States to seek and obtain civil injunctions, so long as injunctive relief is generally necessary or appropriate for the enforcement of the internal revenue laws. U.S. v. Ernst & Whinney, 735 F.2d 1296, 1301 (11th Cir. 1984). Before issuing an injunction, district courts have traditionally required the party seeking an injunction to establish the following four factors: the party is substantially likely to prevail; the party faces a substantial threat of irreparable harm if the injunction is denied; the party faces a harm that outweighs any potential harm posed by the injunction to the defendant, and the injunction will not jeopardize the public interest. See United States v. Buttorff, 761 F.2d 1056, 1059 (5th Cir. 1985). However, where a statute explicitly authorizes an injunction, as does I.R.C. § 7402(a), the Fifth Circuit has modified the traditional factors, treating irreparable injury as presumed from the fact that the statute has been violated. See Buttorff, 761

F.2d at 1059 and 1063 (statutory injunction case involving section 7408). The existence of a remedy at law for the government through criminal prosecution does not prohibit the Court from issuing an injunction. See Buttorff, 761 F.2d at 1063.

62. The United States may appropriately seek injunctions under I.R.C. § 7402(a) to prohibit employers from future pyramiding of federal employment taxes when the employers and their responsible persons have demonstrated a history of pyramiding federal trust fund taxes and have proven impervious to the Service's administrative collection remedies.

63. I.R.C. §§ 3102(a) and 3402(a) require employers to withhold federal income and Federal Insurance Contributions Act ("FICA") taxes from their employees' wages. Employers hold these withheld taxes in trust for the United States and are generally required to deposit them on a regular basis, either monthly or semi-weekly. See I.R.C. §§ 6302 and 7501. Employers are also required to pay their own share of FICA taxes. See I.R.C. § 3111. Grider and the entities he controls have held themselves out as employers who lease employees to various client businesses. They have received payments from their clients for the purpose of making the payroll and paying the necessary taxes, and they have failed to pay over much of the taxes owed. For these reasons, the Government has a substantial likelihood of success on the merits, as found by the Court in the Memorandum Opinion entered in this case on November 2, 2010.

64. The Service has undertaken many years of extensive administrative collection efforts, and yet Grider refuses to substantially cooperate. Tax returns remain unfiled or are filed late, and some tax deposits are unpaid. The trust fund recovery penalty has proven an

ineffective deterrent.¹ While some payments have been made, they appear at times to be motivated by a desire to avoid either enforced collection or to avoid providing information that would aid collection. Certainly, there has been no genuine effort to pay the liabilities outstanding, as the above chart illustrates. Moreover, the recent maneuver of assigning the employee leasing contracts of Asgard entities to the Talent Force entities appears to be designed to thwart collection, specifically the levies. The Service's administrative remedies are inadequate to bring Grider and his entities into compliance, and he continues to form new entities to avoid federal tax compliance and to hide assets.

65. The only "harm" posed by an injunction to Grider and his entities is that they must file tax returns and pay the taxes when due. Thus, Grider and his entities will merely be required to follow the same federal tax laws every other employer must follow, not a harm for which he can justly complain. It is in the public's interest to order Grider and the Grider entities to follow these laws because it is fundamentally unfair to other taxpayers that the Grider entities conduct business without doing so. Moreover, the public has a fundamental interest in stopping the drain on the Treasury caused by Grider's pyramiding activities.

66. Therefore, the United States seeks an injunction to stop Grider's and his entities' continued employment tax pyramiding activity. While an injunction is an extraordinary remedy, it is appropriate to prevent further pyramiding, as Grider and his business entities have shown no intention of stopping.

67. The United States requests that the preliminary injunction entered by the Court on November 2, 2010 be made permanent. As stated above, shortly before the injunction was

¹After this lawsuit was filed, in the fall of 2010, Grider failed to pay or ensure payment of \$2.5 million in additional employment (941) taxes owed by Talent Force Services. Earlier in 2011, when IRS Revenue Officer James Ashton attempted to conduct a responsible officer interview of Grider in connection with this recently accrued employment tax, Grider refused to be interviewed.

entered, Grider, through Talent Force Services, LLC, accrued an additional \$2.5 million in employment tax, and then Grider refused to be interviewed by the IRS about this tax to determine if he should be assessed the trust fund recovery penalty pertaining to this tax.

68. On November 2, 2010, the Court entered a preliminary injunction against Grider and all of the entity defendants, to require them to timely make tax deposits, timely file federal tax returns, and otherwise comply with the Internal Revenue laws. On March 1, 2011, at the depositions of Grider and all the entity defendants except Leonard Investments, Grider disclosed that in February 2011, he had accrued an additional \$313,000 in unpaid employment and unemployment tax, in violation of the preliminary injunction. On March 2, 2011, the United States sent Grider and the defendants a default letter, as required by the injunction, and gave them ten days to cure the default. Grider stipulated that if he does not pay the \$313,000 in employment and unemployment tax to the United States within ten days, that he will voluntarily shut down all of his businesses, that should also be ordered by this Court in any event.

COUNT IV
(TEN PERCENT SURCHARGE FOR COSTS OF COLLECTION)

69. 28 U.S.C. § 3011 authorizes the United States to recover a surcharge of 10% of the amount of the debt in the event that the United States avails itself of the pre-judgment or post-judgment relief as set forth in Subchapter B or C of the Federal Debt Collection Procedure Act, 28 U.S.C. §§ 3001 *et. seq.*, in order to cover the cost of processing and handling the litigation and enforcement under this chapter of the claim for such debt. The United States requests that the Court impose the 10% surcharge against Grider, for costs of collection of his massive federal tax debts.

COUNT V

**FORECLOSE NOMINEE TAX LIEN AGAINST GRIDER'S RESIDENCE/
SET ASIDE FRAUDULENT TRANSFER**

70. Karmen Rouhana is the record owner of residential real property that is the subject of this action, located in Houston, Harris County, Texas, and more particularly described above.

71. Arthur Grider purchased this residence in the name of Karmen Rouhana, after most of the trust fund recovery penalty assessments were made against him that now exceed \$26 million, that he has stipulated in this lawsuit he owes to the United States.

72. On or about August 21, 2003, February 21, 2006, July 3, 2006, and April 21, 2009, the IRS filed notices of federal tax lien against Arthur Grider in the property records of Harris County, Texas, for the trust fund taxes that are the subject of this lawsuit. On March 1, 2011, the IRS filed a nominee lien against Karmen Rouhana, as nominee of Arthur Grider, in the Harris County property records. These liens encumber Grider's residence. Also, pursuant to 26 U.S.C. §§ 6321 and 6322, statutory federal tax liens arose in favor of the United States of America, against all property and rights to property, whether real or personal, belonging to Arthur Grider, as of the date of the tax assessments described above, or acquired thereafter, regardless of record title.

73. The United States seeks a judgment foreclosing these liens and ordering Arthur Grider's residence sold to pay his federal tax liabilities. The United States also seeks a deficiency judgment against Grider, for any unpaid tax, interest, and statutory additions, after application of the net sales proceeds obtained from the sale of his residence.

74. The United States also seeks a judgment foreclosing the nominee lien against Karmen Rouhana and ordering the Grider residence sold to pay the federal tax liabilities of

Arthur Grider, and asks the Court to determine the interest, if any, of Rouhana and Leonard Investments in the residence.

75. The transfers by Grider of funds for the purchase of the Property were intended to hinder, delay, or defraud the United States of taxes due. Pursuant to § 24.005 of the Texas Uniform Fraudulent Transfer Act (“TUFTA”), Chapter 24 of the Texas Business and Commerce Code, the transfers were fraudulent, and were of no effect as to the United States, who was a creditor of Grider when the transfers were made. After the transfers to Rouhana and/or Array Custom Homes, and the purchase of the Property, Grider resided in the Property and thereby continued to control the funds he invested into the Property.

76. The transfers of funds to Rouhana or Array Custom Homes for investment in the Property were made without receiving reasonably equivalent value in exchange for the transfers. Therefore, pursuant to § 24.005 of the TUFTA, the transfers were fraudulent and of no effect as to the United States, and should be set aside by the Court. In addition, to the extent that Rouhana claims she took the funds that were invested in the Property for an antecedent debt, then the transfers are fraudulent because she is an insider, according to § 24.006(b) of TUFTA.

77. The United States seeks to set aside as fraudulent Grider’s transfers of funds invested in the Property, seeks a judgment extinguishing the interest of Rouhana and Leonard Investments in the Property and ordering it sold in partial satisfaction of the trust fund recovery penalty debt of Grider. Alternatively, the Court should equitably subordinate Leonard Investments’ lien on the Property.

78. The United States also seeks an order of sale of the Property, and that the proceeds be applied to the federal trust fund recovery penalty debt of Grider. Therefore, the Court should

find that the United States has an interest in the Property in the amount of Grider's investment in and expenditures for any improvements to the Property, to which the federal tax liens attach.

79. Alternatively, the Court should impose a constructive trust on the Property, determine the interest of Grider, Rouhana, and Leonard Investments in the Property, and order the Property sold to pay Grider's federal tax debts.

80. The Court should also determine any other property being held in the name of Rouhana for the benefit of Grider, and order this property sold or turned over to the United States to pay Grider's tax debts.

For these reasons, the United States requests as follows:

- A. That the Court reduce to judgment the federal tax liabilities of the Defendants stated above and in favor of the United States, and for interest, penalties, and statutory additions on those amounts until paid, less any payments received;
- B. Judgment be entered against Arthur Grider, for the taxes of the entity-defendants, as the entity defendants are the alter egos of Grider, for the taxes they owe to the United States as requested above, against NAG Financial for the taxes of the entity-defendants as the alter ego of Grider, and against Grider, to allow the United States to pursue recovery of any assets he has titled to NAG or any other entity for payment of his tax debts;
- C. Judgment be entered against Asgard International for the tax liabilities of Asgard Resources and Asgard Texas;
- D. Judgment foreclosing the federal tax liens and nominee lien against Arthur Grider's residence and Karmen Rouhana, and an order of sale of the residence to pay a portion of Grider's taxes;

- E. Determine the interest, if any, of Karmen Rouhana and Leonard Investments in the residence; and extinguish their interest in the residence;
- F. Alternatively, find that Arthur Grider fraudulently transferred the residence or funds to purchase the residence to Rouhana or Array Custom Homes, and order the transfer set aside and declare it void as to the United States;
- G. Alternatively, equitably subordinate or find fraudulent the deed of trust lien held by Leonard Investments, and extinguish it;
- H. Determine that Leonard Investments is an alter ego of Grider, and order the sale of its assets, including, but not limited to, its 50% interest in Pacific Aerospace Resources & Technologies, LLC, and that the net sales proceeds be applied to Grider's federal tax debts;
- I. Determine any other assets being held in the name of Rouhana, or any other person or entity, for the benefit of Grider, and order that property sold or turned over to the United States for payment of Grider's tax debts;
- J. Order that the United States is entitled to the 10% litigation surcharge set forth in 28 U.S.C. § 3011, to be paid by Arthur Grider, for collection of his tax debts;
- L. Enter a permanent injunction, preventing the defendants from further pyramiding employment taxes and violating the Internal Revenue laws, and ordering Grider to shut down all his businesses, if he will not comply with the preliminary injunction and federal tax laws; and
- M. Order that the United States have such further relief as this Court may deem just and proper, including its costs herein.

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by the ECF-system on March 14, 2011 to:

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