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IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEVADA

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 REINHOLD V. SOMMERSTEDT; DANIEL J.)
 YOUNG; STEPHEN R. NESTOR; and)
 LYNN A. LAKERS,)
)
 Defendants.)

Case No. 2:06-CV-00273-BES-GWF
**STIPULATED ORDER OF
 PERMANENT INJUNCTION
 AS TO DEFENDANT STEPHEN R.
 NESTOR**

Plaintiff United States has filed a complaint for permanent injunction against the defendants Reinhold V. Sommerstedt, Daniel J. Young, Stephen R. Nestor and Lynn A. Lakers. Defendant Stephen R. Nestor, without admitting any of the allegations in the complaint except as to jurisdiction, waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and consents to the entry of this permanent injunction under Rule 65 of the Federal Rules of Civil Procedure and 26 U.S.C. §§ 7402 and 7408. Defendant Nestor further waives any right that he may have to appeal from this permanent injunction. The plaintiff and defendant Nestor agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against defendant Nestor for asserted violations of the Internal Revenue Code nor precludes defendant Nestor from contesting any such penalties.

1 NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED
2 that:

3 1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and
4 under 26 U.S.C. §§ 7402 and 7408.

5 2. The Court finds that the defendant Nestor has neither admitted nor denied the United
6 States' allegations that he has engaged in conduct subject to penalty under §§ 6700 and/or 6701
7 of the Internal Revenue Code.

8 3. Defendant Nestor and his agents, servants, employees, attorneys, and all persons in
9 active concert or participation with them who receive actual notice of this Order are permanently
10 enjoined under 26 U.S.C. §§ 7402 and 7408 from:


- 11 a) Organizing or selling or otherwise promoting the foreign trust conduit scheme
12 described in the complaint, or any substantially similar scheme;
- 13 b) Engaging in any other activity subject to penalty under IRC § 6700, including
14 organizing or selling any plan or arrangement and making in connection
15 therewith a statement regarding the allowance of a tax deduction, the
16 excludability of income, or the securing of any other tax benefit that defendant
17 Nestor knows or has reason to know is false or fraudulent as to any material
18 matter;
- 19 c) Engaging in activity subject to penalty under IRC § 6701, including preparing or
20 assisting in the preparation of a document relating to a matter material under the
21 internal revenue laws that includes a position that defendant Nestor knows will,
22 if used, result in understatement of another person's federal tax liability;
- 23 d) Engaging in any other activity subject to penalty under any other penalty
24 provision in the Internal Revenue Code;
- 25 e) Engaging in any other conduct interfering with the administration and
26 enforcement of the internal revenue laws.
- 27 f) misrepresenting any of the terms of this Order.

1 4. Defendant Nestor shall contact by mail all individuals and entities who have
2 purchased his trust schemes, plans, arrangements or programs, and enclose a copy of this
3 permanent injunction, and shall file with the Court, within 30 days of the date this permanent
4 injunction is entered, a certification signed under penalty of perjury confirming that he has done
5 so;

6 5. Defendant Nestor shall produce to counsel for the United States, within 30 days of the
7 date this permanent injunction is entered, a list identifying by name, Social Security number,
8 address, e-mail address, and telephone number all individuals or entities that have purchased any
9 of defendants' tax schemes, plans, arrangements, or programs, and defendant Nestor shall file
10 with the Court, within 30 days of the date this permanent injunction is entered, a certification
11 signed under penalty of perjury confirming that he has done so.

12 6. The United States may engage in post-judgment discovery to ensure compliance with
13 this permanent injunction.

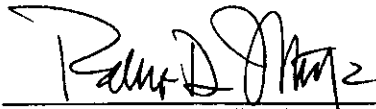
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15 IT IS SO ORDERED this 3rd day of May, 2006.

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19 BRIAN E. SANDOVAL
20 UNITED STATES DISTRICT JUDGE
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1 Prepared and submitted by:

2 DANIEL G. BOGDEN
3 United States Attorney

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5 Date: May 2, 2006

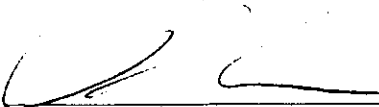
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7 ROBERT D. METCALFE
8 Trial Attorney, Tax Division
9 U.S. Department of Justice
10 P.O. Box 7238
11 Ben Franklin Station
12 Washington, D.C. 20044
13 Telephone: (202) 307-6525
14 Facsimile: (202) 514-6770

15 Attorneys for the Plaintiff,
16 United States of America

17 Seen and agreed to by:

18 Date: 4-7-06

19 

20 REBECCA C. HYDE
21 Skordas, Caston & Hyde
22 9 Exchange Place
23 Suite 1104
24 Salt Lake City, Utah 84111
25 Telephone: (801) 531-7444
26 Facsimile: (801) 531-8885

27 Attorney for the Defendant,
28 Stephen R. Nestor