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**IN THE UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

UNITED STATES OF AMERICA )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
GLEN STOLL, individually and d/b/a )  
NONPROFIT COMMERCIAL )  
ENTERPRISES; MICHAEL STEVENS; )  
DIRECTOR OF THE FIRM FOUNDATION; )  
DIRECTOR OF ECCLESIASTICAL )  
ENTERPRISES; DIRECTOR OF THE )  
FAMILY DEFENSE LEAGUE and )  
DIRECTOR AND GENERAL COUNSEL )  
FOR REMEDIES AT LAW )  
 )  
Defendants. )

Civil No.

**COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF**

**Nature of Action**

1. This is a civil action brought by the United States of America pursuant to §§ 7402 and 7408 of the Internal Revenue Code (26 U.S.C.) (I.R.C.) to enjoin the defendants, Glen Stoll, individually and d/b/a Nonprofit Commercial Enterprises; Michael Stevens; Director of the Firm Foundation; Director of Ecclesiastical Enterprises; Director of the Family Defense League, as well as Director and General Counsel for Remedies at Law, and all those in active concert or participation with them from:

COMPLAINT  
(Civ. No. )

- a. Organizing, promoting, marketing, or selling any trust, tax shelter, plan or arrangement, including any type of so-called asset-protection device, or similar arrangement that advises, encourages, or assists taxpayers to attempt to violate the internal revenue laws or unlawfully evade the assessment of their federal tax liabilities;
- b. Causing other persons and entities to understate their federal tax liabilities and avoid paying federal taxes;
- c. Making false statements about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by reason of participating in any trust, tax shelter, plan or arrangement, including any type of so-called asset-protection device, or other arrangement;
- d. Encouraging, instructing, advising or assisting others to violate the federal tax laws, including to evade the payment of taxes;
- e. Engaging in any other conduct subject to penalty under I.R.C. § 6700; i.e., by making or furnishing, in connection with the organization or sale of a trust, tax shelter, plan or arrangement, including any type of so-called asset-protection device, or similar arrangement, a statement the defendants know or have reason to know to be false or fraudulent as to any material matter under the federal tax laws;
- f. Engaging in any conduct subject to penalty under I.R.C. § 6701, i.e., aiding, assisting, or advising with respect to the preparation or presentation of any portion of a return or other document knowing that such document will result in the understatement of another person's income tax liability;
- g. Instructing or advising customers to not file federal-income-tax returns;
- h. Promoting the false and frivolous position that federal-income taxes can be legally reduced or eliminated by using "Corporations Sole" and "Ministerial Trusts" to shelter income;
- i. Advising customers to impede, hinder, or obstruct IRS tax examinations of their liabilities; and
- j. Further engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws.

**Jurisdiction**

2. This action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General of the United States, pursuant to the provisions of I.R.C. §§ 7402 and 7408.

COMPLAINT  
(Civ. No. )

- 1 3. Jurisdiction exists under 28 U.S.C. §§ 1340 and 1345 and I.R.C. §§ 7402(a) and 7408.  
2 4. Venue is proper in the United States District Court for the Western District of  
3 Washington under 28 U.S.C. § 1391.

4 **Defendants**

- 5 5. Glen Stoll has engaged in conduct in this district and elsewhere subject to penalty under  
6 I.R.C. §§ 6700 and 6701, and has engaged in conduct that interferes with the enforcement  
7 of the internal revenue laws. Stoll conducts business through the unregistered business  
8 entity, Nonprofit Commercial Enterprises. Stoll resides at 9115 236<sup>th</sup> SW #B, Edmonds,  
9 Washington.
- 10 6. Michael Stevens has engaged in conduct in this district and elsewhere subject to penalty  
11 under I.R.C. §§ 6700 and 6701, and has engaged in conduct that interferes with the  
12 enforcement of the internal revenue laws. Stevens resides at 3824 119<sup>th</sup> Place SE,  
13 Everett, Washington.
- 14 7. Director of the Firm Foundation (“Firm Foundation”) has engaged in conduct in this  
15 district and elsewhere subject to penalty under I.R.C. §§ 6700 and 6701, and has engaged  
16 in conduct that interferes with the enforcement of the internal revenue laws. Firm  
17 Foundation was incorporated in the state of Washington as a Washington Acknowledged  
18 Corporation Sole of the Church in 2002. Stevens serves as its registered agent. The  
19 address for Firm Foundation is 9115 236<sup>th</sup> SW #B, Edmonds, Washington, which is also  
20 Stoll’s residential address.
- 21 8. Director of Ecclesiastical Enterprises (“Ecclesiastical Enterprises”) has engaged in  
22 conduct in this district and elsewhere subject to penalty under I.R.C. §§ 6700 and 6701,  
23 and has engaged in conduct that interferes with the enforcement of the internal revenue  
24 laws. Ecclesiastical Enterprises was incorporated in the state of Washington as a  
25 Washington Acknowledged Corporation Sole of the Church in 2002. Stevens serves as  
26

1 its registered agent. The address for Ecclesiastical Enterprises is 9115 236<sup>th</sup> SW #B,  
2 Edmonds, Washington, which is also Stoll's residential address.

3 9. Director of the Family Defense League ("Family Defense League") has engaged in  
4 conduct in this district and elsewhere subject to penalty under I.R.C. §§ 6700 and 6701,  
5 and has engaged in conduct that interferes with the enforcement of the internal revenue  
6 laws. Family Defense League was incorporated in the state of Washington as a  
7 Washington Acknowledged Corporation Sole of the Church in 2001. Stevens serves as  
8 its registered agent. The address for Firm Foundation is 9115 236<sup>th</sup> SW #B, Edmonds,  
9 Washington, which is also Stoll's residential address.

10 10. Director and General Counsel for Remedies at Law ("Remedies at Law") has engaged in  
11 conduct in this district and elsewhere subject to penalty under I.R.C. §§ 6700 and 6701,  
12 and has engaged in conduct that interferes with the enforcement of the internal revenue  
13 laws. Remedies at Law was incorporated in the state of Oklahoma as a corporation sole  
14 in 1994. Stoll serves as its registered agent. The address for Remedies at Law is 9115  
15 236<sup>th</sup> SW #B, Edmonds, Washington, which is also Stoll's residential address. Remedies  
16 at Law maintains a website at [www.remediesatlaw.com](http://www.remediesatlaw.com). According to the website, Stoll  
17 has served as the Director and General Counsel for Remedies at Law since its inception  
18 in 1993.

19 11. Nonprofit Commercial Enterprises is an unregistered business through which defendants  
20 promote their abusive tax scheme.

21 12. Defendants are affiliated with Embassy of Heaven, an organization located in Stayton,  
22 Oregon, that describes itself as "God's Government on Earth," and issues Embassy of  
23 Heaven "identification cards," "drivers licenses" and "business licenses" for defendants'  
24 customers for a fee. Its websites are [www.embassyofheaven.org](http://www.embassyofheaven.org), and  
25 [www.embassyofheaven.com](http://www.embassyofheaven.com).

1 13. Defendants are former associates of John and Candace Sinclair. The Sinclairs are  
2 defendants in a related case, *United States v. John Sinclair et al.*, Docket No. 05-cv-45, in  
3 this Court. That action also seeks injunctions under I.R.C. §§ 7402 and 7408 to bar those  
4 defendants from promoting two abusive trust schemes, one of which involves  
5 corporations sole and ministerial trusts.

6 **Defendants’ Fraudulent Scheme—Corporations Sole and Ministerial Trusts to Evade  
7 Taxes.**

8 14. Defendants organize, promote, and market a fraudulent tax scheme using corporations  
9 sole and ministerial trusts in an attempt to fraudulently evade income and employment  
10 tax, and to thwart the IRS’s ability to assess and collect their customers’ unpaid federal  
11 tax liabilities.

12 15. Defendants assist customers in creating “Ministerial Trusts” which they falsely claim are  
13 exempt from all requirements under the internal revenue laws. Defendants advise  
14 customers using their ministerial trust scheme to stop paying income and employment  
15 taxes and stop filing federal tax returns.

16 16. Defendants’ scheme results in their customers illegally concealing a substantial portion,  
17 if not all, of their income and business profits, which otherwise would have been paid to  
18 the customers as wages, subject to income and employment tax.

19 17. Corporations sole are entities established by law in some states for churches to hold title  
20 to property used in association with religious activities. Ministerial trusts are auxiliary  
21 entities organized in conjunction with a particular corporation sole. Ministerial trusts  
22 claim the same legal and tax attributes as the corporation sole under which they were  
23 organized.

24 18. Defendants’ corporation sole scheme involves neither churches nor any religious  
25 activity. Instead, defendants formed corporations sole, including Firm Foundation,  
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1 Ecclesiastical Enterprises, Family Defense League, and Remedies at Law, under which  
2 they created numerous ministerial trusts to market to customers.

3 19. Defendants falsely claim that as corporations sole, Firm Foundation, Ecclesiastical  
4 Enterprises, Family Defense League, and Remedies at Law, are exempt from all filing  
5 requirements with the IRS, and are not subject to tax.

6 20. Defendants' promotional materials, available at [www.remediesatlaw.com](http://www.remediesatlaw.com), claim that  
7 Remedies at Law, as a corporation sole, maintains its nontaxable status as a "mandatory  
8 exception" to otherwise applicable tax laws by application of I.R.C. § 508(c)(1)(A). The  
9 articles of incorporation for Firm Foundation, Ecclesiastical Enterprises, and Family  
10 Defense League claim that these corporations sole also maintain nontaxable status as  
11 "mandatory exceptions" to otherwise applicable tax laws by application of I.R.C. §  
12 508(c)(1)(A). According to Stoll, church ministries are not required to notify the IRS of  
13 even their existence, much less their exemption from taxation and return-filing  
14 requirements.

15 21. Defendants assist customers in creating "ministerial trusts" as "auxiliary" organizations  
16 to Firm Foundation, Ecclesiastical Enterprises, Family Defense League, and Remedies at  
17 Law. Defendants claim that as auxiliary organizations to Firm Foundation, Ecclesiastical  
18 Enterprises, Family Defense League, and Remedies at Law, the ministerial trusts they  
19 market are entitled to the same tax-exempt status purportedly available to their  
20 corporations sole.

21 22. Defendants advise potential customers who inquire about setting up ministerial trusts to  
22 consult the Remedies at Law website, or call its business office, for Establishment  
23 Workshop times and locations, or for how to listen or participate in a telephone  
24 workshop. Defendants conduct "Establishment Workshops" at which they assist  
25 customers in setting up their personal ministries and ministerial trusts.

- 1 23. Defendants instruct customers to complete a “Declaration of Status” form which they  
2 assert serves as a “political profession of faith.” Defendants falsely claim that customers,  
3 by completing this form, are forming their own personal ministry. After customers  
4 complete the Declaration of Status, Defendants assist customers in forming ministerial  
5 trusts through which the customers manage their “personal ministries.”
- 6 24. Defendants then advise and assist customers in completing a series of agreements and  
7 forms, which they claim are necessary to complete their Ministerial Trusts. Included in  
8 these are applications for “drivers licenses,” “business licenses,” and identification cards  
9 from the “Embassy of Heaven Church,” an organization located in rural Oregon that  
10 purports to help customers sever all ties with state and federal governments in order to  
11 become “citizens of Heaven.”
- 12 25. Defendants falsely advise customers that personal church ministries do not have to notify  
13 the IRS of their non-taxable status, or even their existence. Defendants falsely advise  
14 customers that their ministerial trusts are not authorized to “collect or pay any secular  
15 government taxes” because they fall within the “Mandatory Exception” of I.R.C. §  
16 508(c)(1)(A). They also falsely advise customers that all donations to personal church  
17 ministries are tax deductible.
- 18 26. Defendants advise customers that each type of “missionary activity or business venture”  
19 should have its own separate trust and that each trust should conduct only one type of  
20 activity. Defendants advise customers that the customers’ ministerial trusts are to be  
21 administered by their corporations sole.
- 22 27. Defendants advise customers to serve as managers of their ministerial trusts. They  
23 falsely advise customers that by placing their assets into these entities, they protect them  
24 from the IRS and other creditors. They advise customers that they will still have control  
25 over their assets, even though their names do not appear on contracts and titles.

1 28. Defendants advise customers to transfer their assets to a “ministerial asset trust.” They  
2 advise customers that the asset trust is for holding assets and issuing “grants and other  
3 disbursements.” Customers purportedly transfer their personal property such as furniture  
4 and other household items, business property such as equipment and other business  
5 assets, and real property including their personal residence, and bank accounts to their  
6 ministerial asset trusts. After purportedly transferring these assets to their ministerial  
7 asset trusts, the customers continue to enjoy the same benefits and use of the assets as  
8 they did before. The major difference is that none of these assets are held in their names.  
9 Defendants falsely advise customers that by holding their assets in a ministerial asset  
10 trust, they can protect those assets from creditors.

11 29. The ministerial asset trusts purportedly lease certain assets to other trusts. Defendants  
12 falsely advise customers that their ministerial asset trusts need not report that rental  
13 income on tax returns. Defendants falsely advise customers that their ministerial asset  
14 trusts are not required to file any federal tax returns or pay any federal taxes.

15 30. Defendants advise and assist customers in forming and using “ministerial liability  
16 trusts.” Defendants tell customers that ministerial liability trusts should be used for  
17 “fund-raising activity,” such as real-estate ventures or operating small businesses.  
18 Separate trusts are established for each type of business activity that customers conduct.  
19 Defendants advise customers to transfer their business name, business vehicles, and  
20 business contracts into their liability trusts. Defendants advise customers to operate their  
21 businesses in the same manner as before. Defendants falsely advise customers that by  
22 holding their business assets in a ministerial liability trust, they can protect those assets  
23 from creditors

24 31. The ministerial liability trusts are used to hold and operate customers’ businesses.  
25 Defendants advise customers that their ministerial liability trusts need not report any  
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1 business income on federal tax returns. Defendants advise customers that their  
2 ministerial liability trusts are not required to file any federal tax returns or pay any  
3 federal taxes.

4 32. Defendants falsely advise customers with businesses to reclassify and treat themselves  
5 and their employees as independent contractors instead of employees of the business.  
6 Defendants falsely advise customers that they are not required to issue IRS Forms W-2 or  
7 1099s, both of which report compensation paid to individuals and entities. Defendants  
8 also falsely advise customers that they are not required to withhold any income or  
9 employment tax on the compensation they pay themselves and their employees, and if  
10 they are employed by a third party, no income or employment tax need be withheld on  
11 their wages. Defendants advise customers to instruct their business customers to make  
12 payments to their ministerial trusts, instead of to the individual customers. This  
13 arrangement is designed to help defendants' customers hide their income from the IRS  
14 yet receive all of the income they received before using the program. This is because  
15 information-reporting requirements under the Internal Revenue Code generally apply  
16 only to payments made to individuals, and not to trusts and corporations. Also,  
17 defendants advise their customers to not report this income to the IRS, and not pay tax on  
18 it.

19 33. Defendants also advise customers who receive income or payments from third parties to  
20 advise those third parties to not withhold any federal income or employment tax on that  
21 income or payments as a result of the customers' claimed tax-exempt status. Defendants  
22 provide customers sample IRS Forms W-8BEN (Certificate of Foreign Status of  
23 Beneficial Owner for United States Tax Withholding) or W-8ECI (Certificate of Foreign  
24 Person's Claim for Exemption From Withholding on Income Effectively Connected With  
25 the Conduct of a Trade or Business in the United States), including instructions for  
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1 completing the forms. Defendants advise customers to provide these forms to third-party  
2 payors in order to receive income or payments not subject to income or employment tax  
3 withholding. In fact, these forms may only be used by non U.S. persons.

4 34. Defendants advise and assist customers in forming and using “additional trusts.”  
5 Defendants tell customers that additional trusts should be used for investment activities,  
6 other business activities, subcontracting, and other functions. Defendants falsely advise  
7 customers that these trusts as well are not obligated to file federal tax returns.  
8 Defendants advise customers to not report to the IRS any income generated by the assets  
9 placed in these additional trusts. Defendants also falsely advise customers that they are  
10 not obligated to pay federal tax on any income to these trusts. Defendants’ customers  
11 enjoy the same benefits and use of the assets transferred to these additional trusts as  
12 before the transfer.

13 35. Defendants falsely advise customers that if their residence or real estate is titled in the  
14 name of the ministerial trust, then the participant can use and maintain it as a tax-exempt  
15 parsonage or management housing.

16 36. Defendants advise customers to withdraw from the federal tax system once they have set  
17 up their ministerial trusts. Defendants advise customers that before they withdraw from  
18 the federal tax system, they should satisfy any outstanding obligations to the IRS. Stoll  
19 tells customers that he will not deal with the IRS for fear of a bad outcome.

20 37. Defendants falsely instruct customers that they do not “qualify” for filing a tax return  
21 with the IRS unless the filing is for the purpose of claiming a full refund of withheld  
22 taxes from the previous three years.

23 38. Once customers have set up their ministerial trusts, Defendants advise them to attend  
24 workshops taught by Stoll, Stevens, and others, concerning procedures to follow related  
25

1 to banking, selling and purchasing assets, leasing property, and operating the ministerial  
2 business.

3 39. Defendants advise and assist customers in transferring their pre-tax income to offshore  
4 bank accounts located at Liberty International Bank & Trust, Caribbean Processing  
5 Center. The funds transferred offshore are not reported as income on any federal income  
6 tax return. Defendants provide customers with VISA cards connected to their offshore  
7 accounts. These VISA cards purportedly allow the customers to enjoy the benefit of this  
8 income without paying income tax on it.

9 40. Defendants also advise customers concerning how to circumvent U.S. banking laws.  
10 Defendants falsely advise customers that a church ministry is a “non-U.S. person based  
11 on its foreign Federal political status,” and as such, is exempt from banking regulations.  
12 Defendants also advise customers to contact them before engaging in a financial  
13 transaction over \$10,000. Federal law requires that cash transactions over \$10,000 be  
14 reported to the IRS on IRS Form 8300.

15 41. Defendants charge customers \$4,000 or \$4,500 for creating one ministerial trust, and  
16 \$2,000 for each additional trust. Defendants also charge customers \$120 or more for  
17 workshops that Defendants claim are necessary to properly use their scheme, and charge  
18 \$120 per hour for additional advice.

19 42. Defendants are not promoting their ministerial trust packages for a religious or charitable  
20 function. Instead, defendants falsely advise customers that by using ministerial trusts,  
21 they can virtually eliminate their federal tax liabilities, they no longer have any  
22 obligation to file federal income tax returns, and they can protect their assets from IRS  
23 seizure.

24 43. The ministerial trusts that defendants create for their customers are secular entities.  
25 Customers operate their secular businesses through these ministerial trusts. Examples of  
26

1 some of the customers' businesses are pest control, carpet cleaning, computer  
2 technology, and multi-level marketing. The ministerial trusts that defendants create for  
3 their customers are not used to conduct religious activities as defendants' promotional  
4 materials claim.

5 44. The effect of defendants' corporation sole and ministerial trust promotion is that their  
6 customers live in the same residence, operate the same business activity, drive the same  
7 vehicles, and maintain the same lifestyle as they did before joining the program. The  
8 customers' living expenses are met in the same manner as they were before their  
9 participation in the scheme, be it from employment income, self-employment income,  
10 rental income or the like. The customer receives the full benefit of, and has full control  
11 over, all ministerial trust funds and assets. The only change in the customers' regular  
12 business and lifestyle activities is the purported benefit of no taxation.

13 45. The "trusts" that defendants create for their customers are shams, devoid of economic  
14 substance. Alternatively, the "trusts" are grantor trusts that may be disregarded for  
15 federal-income-tax purposes.

16 **Promoting the Scheme: False Statements about the Internal Revenue Laws**

17 46. Defendants market this scheme through word of mouth, through weekly telephone  
18 conferences, through workshops, through their promotional materials, and on the internet  
19 at [www.remediesatlaw.com](http://www.remediesatlaw.com).

20 47. In promoting the scheme, defendants falsely tell customers that the following benefits are  
21 available to participants:

- 22 a. Absolute tax exempt status under I.R.C. § 508(c)(1) for individuals and their  
23 income-producing activities;
- 24 b. No federal tax return filing requirements when using a personal ministry and  
25 ministerial trust;
- 26 c. Contributions to customers' "ministries" are tax deductible to donors; and

1 d. Customers may retain control and enjoyment of the assets and other property they  
2 “contribute” to their ministries.

3 48. In marketing the scheme, defendants have made numerous false statements about the  
4 internal revenue laws:

5 a. By using defendants’ ministerial trusts, customers can legally stop filing federal  
6 income tax returns, and legally stop paying federal taxes;

7 b. Ministerial trusts are not obligated to file federal tax returns; and

8 c. Ministerial trusts are permitted to receive charitable contributions, and are  
9 permitted to issue receipts for these contributions.

10 49. The defendants’ false and fraudulent statements have induced at least 30 customers to  
11 participate in their illegal schemes.

12 50. Since the initiation of the investigation leading to the present suit, and despite knowledge  
13 of numerous customer examinations conducted by the IRS, defendants have continued to  
14 actively market their abusive scheme. According to defendants’ website,  
15 [www.remediesatlaw.com](http://www.remediesatlaw.com), “Introductory Conferences” and “Establishment Workshops”  
16 are available every Tuesday and Thursday of February 2005.

17 51. Defendants have created at least 89 corporations sole and at least 47 ministerial trusts.  
18 The 89 corporations sole are registered with the Washington Secretary of State. Because  
19 defendants market at least three ministerial trusts to each customer, it is highly likely that  
20 defendants have formed well over 300 ministerial trusts. Defendants have refused to  
21 provide to the government their customer lists or any other information concerning the  
22 scope of their promotion.

23 52. Defendants Stoll and Stevens falsely hold themselves out to be “lawyers” and claim to  
24 have spent considerable time studying the tax laws. They are not members of nor  
25 licensed with any state or federal bar.

1 53. One of defendants' customers, after being contacted by the IRS for an audit, voluntarily  
2 submitted delinquent tax returns for 2002 and 2003 showing tax due of \$22,322 and  
3 \$19,248.

4 54. The tax loss as a result of this promotion is estimated to be substantial. Many of these  
5 deficiencies may never be recovered. Therefore, the harm to the government is material,  
6 and if defendants' promotional activity is not stopped, it will result in additional harm  
7 with each new customer added and with each new return filing season.

8 55. Despite IRS audits of many of defendants' customers, and notice of the IRS investigation  
9 of their scheme, defendants continue to promote this fraudulent scheme.

10 56. The defendants have engaged in conduct that interferes substantially with the  
11 administration and enforcement of the internal revenue laws.

12 57. Defendants falsely advise customers that their purported ministerial trusts are IRS-proof,  
13 that their existence and income can be kept secret from the IRS, and that the trusts are not  
14 subject to IRS administrative summonses seeking financial records and other documents.

15 58. Defendants' advice led their customers to impede and obstruct civil tax examinations of  
16 their individual income tax liabilities.

17 59. On defendants' advice, their customers have refused to cooperate with legitimate IRS  
18 requests, and have repeatedly cancelled audit appointments.

19 60. Additionally, defendants advised customers to transfer their assets into ministerial trusts.  
20 This obstructs the IRS's ability to detect and locate assets from which to collect  
21 defendants' customers' unpaid tax liabilities.

22 **Count I: Injunction under I.R.C. § 7408 for violations of §§ 6700 and 6701**

23 61. The United States incorporates by reference the allegations contained in paragraphs 1  
24 through 60 above.

1 62. I.R.C. § 7408 authorizes this Court to enjoin persons who have engaged in conduct  
2 subject to penalty under I.R.C. §§ 6700 or 6701 from engaging in further such conduct if  
3 the Court finds that injunctive relief is appropriate to prevent recurrence of the conduct.

4 63. Section 6700 imposes a penalty on any person who organizes or participates in the sale of  
5 a plan or arrangement and in so doing makes a statement with respect to the allowability  
6 of any deduction or credit, the excludability of any income, or the securing of any tax  
7 benefit by participating in the plan or arrangement which that person knows or has reason  
8 to know is false or fraudulent as to any material matter.

9 64. Section 6701 penalizes a person who aids, assists, or advises with respect to the  
10 preparation or presentation of any portion of a return or other document, knowing or  
11 having reason to believe that such document will be used in connection with any material  
12 matter under the tax laws, and knowing that such portion, if used, would result in an  
13 understatement of another person's tax liability..

14 65. The defendants organize, promote, and market a fraudulent tax scheme involving the use  
15 of sham corporations sole and ministerial trusts in a fraudulent attempt to avoid income  
16 and employment tax, and to thwart the IRS's ability to collect their customers' federal tax  
17 liabilities.

18 66. In promoting their scheme, the defendants have made false and fraudulent statements  
19 regarding the tax benefits available to purchasers of their program. The defendants know  
20 or have reason to know that their statements are false or fraudulent.

21 **Count II: Injunction Under I.R.C. § 7402**

22 67. The United States incorporates by reference the allegations contained in paragraphs 1  
23 through 60 above.

24 68. Unless enjoined by this Court, the defendants are likely to continue to engage in such  
25 conduct. Their conduct results in irreparable harm to the United States for which the  
26

1 United States has no adequate remedy at law. The United States is entitled to injunctive  
2 relief under I.R.C. § 7402(a).

3  
4 WHEREFORE, the plaintiff United States prays for the following relief:

5 A. That pursuant to I.R.C. §§ 7402(a) and 7408, defendants Glen Stoll, individually and  
6 d/b/a Nonprofit Commercial Enterprises; Michael Stevens; Director of the Firm  
7 Foundation; Director of Ecclesiastical Enterprises; Director of the Family Defense  
8 League, as well as Director and General Counsel for Remedies at Law, and anyone acting  
9 in concert with them, be enjoined and restrained from, directly or indirectly, by use of  
10 any means or instrumentalities:

- 11 1. Organizing, promoting, marketing, or selling any trust, tax shelter, plan or  
12 arrangement (including any type of so-called asset-protection device, or  
13 similar arrangement) that advises, encourages, or assists taxpayers to  
14 attempt to violate the internal revenue laws or unlawfully evade the  
15 assessment of their federal tax liabilities;
- 16 2. Causing other persons and entities to understate their federal tax liabilities  
17 and avoid paying federal taxes;
- 18 3. Making false statements about the allowability of any deduction or credit,  
19 the excludability of any income, or the securing of any tax benefit by  
20 reason of participating in such trust, tax shelter, plan or arrangement,  
21 including any type of so-called asset-protection device, or similar  
22 arrangement;
- 23 4. Encouraging, instructing, advising or assisting others to violate the federal  
24 tax laws, including to evade the payment of taxes;
- 25 5. Engaging in any other conduct subject to penalty under I.R.C. § 6700; i.e.,  
26 by making or furnishing, in connection with the organization or sale of a  
27 trust, tax shelter, entity, plan, or arrangement (including any type of so-  
28 called asset-protection device, or similar arrangement) a statement the  
defendants know or have reason to know to be false or fraudulent as to  
any material matter under the federal tax laws;
6. Further engaging in any conduct subject to penalty under I.R.C. § 6701,  
*i.e.*, aiding, assisting, or advising with respect to the preparation or  
presentation of any portion of a return or other document knowing that  
such document will result in the understatement of another person's tax  
liability, if used;

7. Instructing or advising customers to not file federal-income-tax returns;
8. Promoting the false and frivolous position that federal income taxes can be reduced or eliminated by using “Corporations Sole” and “Ministerial Trusts” to shelter income;
9. Advising customers to impede, hinder, or obstruct IRS civil tax examinations of their liabilities; and
10. Further engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws.

B. Pursuant to I.R.C. § 7402, that defendants be required within eleven days of entry of an injunction, to file with the Court and serve upon plaintiff’s counsel a complete list of customers (including names, addresses, phone numbers, e-mail addresses, and social security numbers or employer identification numbers) who have purchased any trust or other type of entity from defendants, or sought or received any tax advice from defendants;

C. Pursuant to I.R.C. § 7402, that defendants be required within eleven days of entry of an injunction, to file with the Court and serve upon plaintiff’s counsel a complete list of all entities, including but not limited to family trusts, business trusts, unincorporated business trusts, corporations sole, and ministerial trusts, that they or anyone working at their directions has created for their customers;

D. Pursuant to I.R.C. § 7402, that defendant Stoll, at his own expense and as a corrective measure, be required to post a complete copy of the injunction order on his website, [www.remediesatlaw.com](http://www.remediesatlaw.com), and maintain that posting for one year from the date of the injunction. That Defendant Stoll be required to file a sworn certificate of compliance stating that he has complied with this portion of the Order, within twelve days of the date of this Order, and be required to print all pages of his website and attach them to his certificates of compliance;

- 1 E. Pursuant to I.R.C. § 7402, that defendants, at their own expense and as a corrective  
2 measure, be required to provide a copy of the complaint and injunction to each of their  
3 customers, current and former, within eleven days of entry of the injunction. That  
4 Defendants Stoll and Stevens be each required to file sworn certificates of compliance  
5 stating that they have complied with this portion of the Order, within twelve days of the  
6 date of this Order, and be required to attach a copy of all correspondence sent with the  
7 complaint and injunction;
- 8 F. Pursuant to I.R.C. §§ 7402 and 7408, that defendants within eleven days of entry of an  
9 injunction order be required to file with the court and serve on plaintiff's counsel a  
10 complete list of defendants' former and current employees and associates; and
- 11 G. That the United States be permitted to engage in post-injunction discovery to monitor  
12 defendants' compliance with this and any other order entered by this Court.

13 Dated this 15<sup>th</sup> day of February, 2005.

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15  
16 JOHN MCKAY  
17 United States Attorney

18  
19 s/ Kari M. Larson  
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28 COMPLAINT  
(Civ. No. )