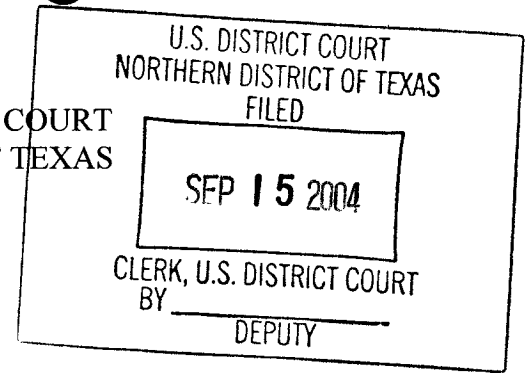


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION



UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

Case No. 4:04-cv-258-Y

DENNIS C. STYLES, individually and)
dba TRUTH SETS US FREE,)

Defendant.)
_____)

FINAL JUDGMENT OF PERMANENT INJUNCTION

Plaintiff, United States of America, has filed a Complaint for Permanent Injunction and Other Relief in this matter against the defendant, Dennis C. Styles, individually and d/b/a Truth Sets Us Free.

Styles does not admit the allegations in the Complaint, except admits that the Court has jurisdiction over him and over the subject matter of this action.

Styles waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil Procedure and 26 U.S.C. § 7408.

Styles consents to entry of this Final Judgment of Permanent Injunction without admitting that grounds exist for imposition of an injunction.

Styles enters into this Final Judgment of Permanent Injunction voluntarily, and waives any right he may have to appeal from the Final Judgment of Permanent Injunction.

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Styles consents to entry of this Final Judgment of Permanent Injunction without further notice, and agrees that this Court shall retain jurisdiction over him for the purpose of implementing and enforcing this Final Judgment of Permanent Injunction.

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

1. The Court has jurisdiction over this action pursuant to §§ 1340 and 1345 of Title 28 of the United States Code, and §§ 7402 and 7408 of the Internal Revenue Code of 1986, as amended (26 U.S.C.) (the “Code”).
2. The Court finds that organizing, promoting, or selling “corporation sole” and “claim of right” tax programs is conduct subject to penalty under Code §§ 6700 and 6701.
3. The Court finds that Styles has not admitted the United States’ allegations that he has engaged in conduct that is subject to penalty under §§ 6700 and 6701 of the Code and that interferes with the enforcement of the internal revenue laws.
4. The Court finds that Styles has consented to the entry of judgment for injunctive relief pursuant to Code §§ 7402 and 7408 to prevent him from engaging in conduct subject to penalty under §§ 6700 and 6701 of the Code, including organizing, promoting or selling the “corporation sole” and “claim of right” tax programs.
5. It is further ORDERED, ADJUDGED AND DECREED that Styles, individually and doing business as or through any other entity, and anyone acting in concert with him, is permanently enjoined and restrained from, directly or indirectly, by the use of any means or instrumentalities:
 - (a) Organizing, promoting, marketing, or selling any tax shelter, plan or arrangement that advises, encourages or assists taxpayers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax



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liabilities, including the "corporation sole" and "claim of right" programs described in the Complaint;

- (b) Making false statements about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by the reason of participating in such tax shelters, plans or arrangements, including the statement that compensation earned for labor or personal services is deductible;
- (c) Encouraging, instructing, advising or assisting others to violate the tax laws, including to evade the payment of taxes;
- (d) Engaging in conduct subject to penalty under I.R.C. § 6700, *i.e.*, by making or furnishing, in connection with the organization or sale of an abusive tax shelter, plan, or arrangement, a statement the defendant knows or has reason to know to be false or fraudulent as to any material matter under the federal tax laws;
- (e) Engaging in conduct subject to penalty under I.R.C. § 6701, *i.e.*, preparing or assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which the defendant knows will (if so used) result in the understatement of tax liability;
- (f) Engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws by the Internal Revenue Service.

6. It is further ORDERED, ADJUDGED AND DECREED that Styles shall produce to the United States from records in his possession or control the names, addresses and social security or tax identification numbers of all persons to whom he as sold, directly or indirectly, the "corporation sole" or "claim of right" programs, and shall file with the Court within 20 days of this date a certification that he has done so.

7. It is further ORDERED, ADJUDGED AND DECREED that Styles shall notify all persons to whom he has sold, directly or indirectly, the "corporation sole" or "claim of right" programs of this injunction order, and shall file with the Court within 20 days a certification that he has done so.

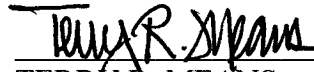
8. It is further ORDERED, ADJUDGED AND DECREED that Styles shall remove from his websites, including www.freedomcommittee.com/5573/5573 and www.truthsetsusfree.com, all references to the "corporation sole" and "claim of right" programs, or instruct the persons who control those websites to remove his name from those websites and all references to the "corporation sole" and "claim of right programs," and shall file with the Court within 20 days of this date a certification that he has done so.

9. It is further ORDERED, ADJUDGED AND DECREED that the United States is permitted to engage in post-judgment discovery to ensure compliance with this permanent injunction.

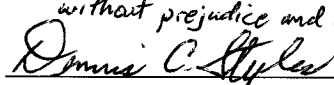
10. It is further ORDERED, ADJUDGED AND DECREED that this Court shall retain jurisdiction of this action for the purpose of implementing and enforcing this Final Judgment.

There being no just reason for delay, the Clerk is directed to enter this Final Judgment forthwith.

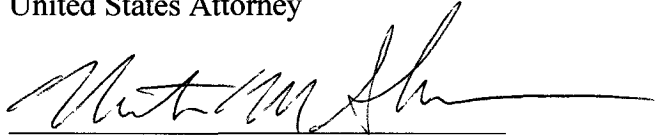
SO ORDERED this 15th day of September, 2004.


TERRY B. MEANS
United States District Judge

Consented to and Agreed:

without prejudice and in good faith

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