

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
OCALA DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No: 5:18-cv-539-Oc-30PRL

PHILIP MOTT HARRIS, II and 24/7 TAX
SERVICES, LLC,

Defendants.

ORDER

THIS CAUSE came on for consideration upon the Report and Recommendation submitted by Magistrate Judge Philip R. Lammens (Dkt. 50). The Court notes that neither party filed written objections to the Report and Recommendation and the time for filing such objections has elapsed.

After careful consideration of the Report and Recommendation of the Magistrate Judge in conjunction with an independent examination of the file, the Court is of the opinion that the Magistrate Judge's Report and Recommendation should be adopted, confirmed, and approved in all respects.

ACCORDINGLY, it is therefore, **ORDERED AND ADJUDGED**:

1. The Report and Recommendation (Dkt. 50) of the Magistrate Judge is adopted, confirmed, and approved in all respects and is made a part of this order for all purposes, including appellate review.

2. United States' Motion for Summary Judgment (Dkt. 39) is GRANTED

and a permanent injunction and order of disgorgement is entered as follows:

A. Philip Mott Harris II and 24/7 Tax Services, LLC, and all those in active concert or participation with them, are permanently enjoined from:

- (1) acting as federal tax return preparers or requesting, assisting in, or directing the preparation or filing of federal tax returns, amended returns, or other related documents or forms for any person or entity other than themselves;
 - (2) preparing or assisting in preparing federal tax returns that they know or reasonably should know would result in an understatement of tax liability or the overstatement of federal tax refund(s) as penalized by 26 U.S.C. § 6694;
 - (3) owning, operating, managing, working in, investing in, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, or franchising a tax return preparation business;
 - (4) training, instructing, teaching, and creating or providing cheat sheets, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
 - (5) maintaining, assigning, holding, using, or obtaining a Preparer Tax Identification Number (PTIN) or an Electronic Filing Identification Number (EFIN);
 - (6) engaging in any other activity subject to penalty under 26 U.S.C. §§ 6694, 6695, 6701, or any other penalty provision in the Internal Revenue Code;
- and

(7) engaging in any conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

B. Philip Mott Harris II and 24/7 Tax Services, LLC shall immediately and permanently close all tax return preparation stores that they own directly or through any entity, and doing business under any name;

C. Philip Mott Harris II and 24/7 Tax Services, LLC are prohibited from assigning, transferring, or selling any franchise agreement, independent contractor agreement, or employment contract related to any tax return preparation business to which they or any entity under their control is a party;

D. Philip Mott Harris II and 24/7 Tax Services, LLC are prohibited from: (1) selling to any individual or entity a list of customers, or any other customer information, for whom Philip Mott Harris II and 24/7 Tax Services, LLC, and any other business or name through which they, or those acting at their direction, have at any time since January 1, 2015 prepared a tax return; (2) assigning, disseminating, providing, or giving to any current or former franchisee, General Sales Manager, District Sales Manager, manager, tax return preparer, employee, or independent contractor of Philip Mott Harris II and 24/7 Tax Services, LLC, or any other business through which they prepare tax returns or own or franchise a tax return preparation business, a list of customers or any other customer information for customers for whom Philip Mott Harris II and 24/7 Tax Services, LLC, and any other business or name through which they, or those acting at their direction, have at any time since January 1, 2015 prepared a tax return; and (3) selling to any individual or entity any proprietary information pertaining to Philip Mott Harris II and 24/7 Tax

Services, LLC, and any other business or name through which Philip Mott Harris II and 24/7 Tax Services, LLC, or those acting at their direction, have at any time since January 1, 2015 prepared a tax return;

E. Philip Mott Harris II and 24/7 Tax Services, LLC shall contact, within 30 days of this Order, by United States mail and, if an e-mail address is known, by e-mail, all persons for whom Philip Mott Harris II and 24/7 Tax Services, LLC, and their managers, employees, and tax return preparers, prepared federal tax returns or claims for a refund from January 1, 2015 and continuing through the date of this Order to inform these individuals of this Order of Permanent Injunction, including sending a copy of this Order but not enclosing any other documents or enclosures unless agreed to by counsel for the United States or approved by the Court;

F. Philip Mott Harris II and 24/7 Tax Services, LLC shall provide a copy of this Order to all principals, officers, managers, franchisees, employees, and independent contractors of Philip Mott Harris II and 24/7 Tax Services, LLC within 15 days of this Order, and provide to counsel for the United States within 30 days of this Order a signed and dated acknowledgment of receipt of the Court's order for each person whom Philip Mott Harris II and 24/7 Tax Services, LLC provided a copy of this Order;

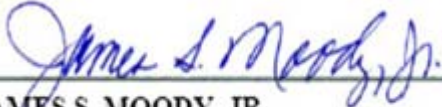
G. The Court shall retain jurisdiction over Philip Mott Harris II and 24/7 Tax Services, LLC and over this action to enforce this Order and Judgment of Permanent Injunction and Disgorgement entered against them; and

H. The United States is entitled to conduct discovery to monitor Philip Mott Harris II's and 24/7 Tax Services, LLC's compliance with the terms of this Order and Judgment of Permanent Injunction and Disgorgement entered against them.

3. The Clerk is directed to enter judgment in favor of the United States and against the Defendants, Philip Mott Harris II and 24/7 Tax Services, LLC, jointly and severally, in the amount of \$544,874.56 for the disgorgement of the proceeds that the Defendants received for the preparation of tax returns making or reporting false or fraudulent claims, deductions, credits, income, expenses, or other information resulting in the understatement of taxes.

4. The Clerk is directed to close this case and terminate any pending motions as moot.

DONE and **ORDERED** in Tampa, Florida, this 14th day of February, 2020.



JAMES S. MOODY, JR.
UNITED STATES DISTRICT JUDGE

Copies Furnished To:
Counsel/Parties of Record