

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF MICHIGAN

UNITED STATES OF AMERICA,)	
)	
<i>Plaintiff,</i>)	Civil No. 2:16-cv-14038
)	
v.)	
)	Hon. Gershwin A. Drain
DETROIT WHOLISTIC CENTER, INC.,)	
a Michigan corporation, and JESSE R.)	
BROWN)	
)	
<i>Defendants.</i>)	

INJUNCTION AND MONEY JUDGMENT

Upon consideration of the stipulation between Plaintiff United States of America and all Defendants, by the parties’ undersigned counsel (Dkt. No. 20), it is hereby ORDERED AND ADJUDGED that:

INJUNCTION

I. Defendants Detroit Wholistic and Jesse R. Brown are enjoined from continuing to “pyramid” the Company’s payroll taxes. Defendants are hereby ordered:

- a. to deposit in an appropriate federal depository bank, in accord with federal deposit regulations, withheld employee income taxes, withheld employee FICA taxes, employer FICA taxes, and FUTA taxes, all as required by the Internal Revenue Code;

- b. to timely file all quarterly employment (Form 941), annual unemployment (Form 940) tax returns, and corporate (Form 1120) tax returns coming due after the date of this injunction;
- c. to timely pay all required outstanding liabilities due on each return required to be filed pursuant to subparagraph b;
- d. for five years from the date of this injunction, to sign and deliver transmittal notices, verifying that the requisite deposits of withheld income tax, withheld FICA tax, employer FICA tax, and any unemployment tax have been made in a timely manner to Revenue Officer Christopher Smith, via facsimile, mail or personal delivery at 38275 W. 12 Mile Rd., Farmington Hills, MI 48331, or to some other person or location designated by the IRS, no later than the 20th day of each month;
- e. for five years from the date of this injunction, to provide copies of the filed returns to Revenue Officer Christopher Smith, via facsimile, mail, or personal delivery at 38275 W. 12 Mile Rd., Farmington Hills, MI 48331, or to some other person or location designated by the IRS within two weeks from the date of the filing;
- f. not to assign and/or transfer money or property of the Company to any other person or entity to have that person or entity pay the salaries or wages of its employees; and

g. not to assign and/or transfer money or property of the Company after the injunction is issued unless the payroll taxes and deposits due under subparagraphs a. and c. after the date of the injunction are first paid to the IRS;

h. in the event that Defendant Jesse R. Brown operates, manages, or acquires an ownership interest in any other business entity within five years of the date of this judgment, to notify Revenue Officer Christopher Smith or some other person or location designated by the IRS, in writing, within 30 days of such event.

II. If Defendants violate Paragraphs I.a., I.b., and/or I.c of this injunction, a written notification of the violation shall be sent to Defendants by U.S. first-class mail. If the violation is not cured within 15 business days after the notification is sent, Defendants will be considered in default of this injunction. After Defendants have violated Paragraphs I.a., I.b., and/or I.c of this injunction three times with violations that can be cured and three separate written notifications of these violations are sent, Defendants shall no longer be entitled to receive written notification of a violation. After the third notification, Defendants will be considered in default immediately upon additional violations of Paragraphs I.a., I.b., and/or I.c of this injunction. Proper “cure” means, within 15 business days after the notification is sent: making a late tax deposit and all accruals on such tax,

paying delinquent tax shown on a return and all accruals on such tax, and/or filing a delinquent tax return.

III. If Defendants violate Paragraphs I.d and/or I.e of this injunction, a written notification of the violation shall be sent to Defendants by U.S. first-class mail. If the violation is not cured within 15 business days after the notification is sent, Defendants will be considered in default of this injunction. After Defendants have violated Paragraphs I.d and/or I.e of this injunction three times with violations that can be cured and three separate written notifications of these violations are sent, Defendants shall no longer be entitled to receive written notification of a violation. After the third notification, Defendants will be considered in default immediately upon additional violations of Paragraphs I.d and/or I.e of this injunction. Proper “cure” means, within 15 business days after the default notification is sent, sending notices or copies of returns to Revenue Officer Christopher Smith or to some other person designated by the IRS in the manner as required by Paragraphs I.d and/or I.e.

IV. If Defendants violate Paragraph VIII of this judgment by failure to make timely payments of \$500 (or a higher amount if agreed by the parties) each month, a written notification of the violation shall be sent to Defendants by U.S. first-class mail. If the violation is not cured within 15 business days after the notification is sent, Defendants will be considered in default. After Defendants

have violated Paragraph VIII of this judgment three times with violations that can be cured and three separate written notifications of these violations are sent, Defendants shall no longer be entitled to receive written notification of a violation. After the third notification, Defendants will be considered in default immediately upon additional violations of Paragraph VIII. Proper “cure” means, within 15 business days after the default notification is sent, making the required payment to the United States in accordance with that Paragraph.

V. The Company shall cease doing business immediately, if any of the following conditions is met:

(i) Defendants fail to cure any of the first three defaults as provided for in Paragraphs II, III, and/or IV,

(ii) Defendants default because they violate Paragraphs I.a, I.b, and/or I.c more than three times,

(iii) Defendants default because they violate Paragraphs I.d and/or I.e more than three times,

(iv) Defendants default because they violate Paragraph VIII more than three times, and

(v) Defendants violate Paragraphs I.f., I.g., and/or I.h.

If the Company does not cease operating as a going concern, the IRS can administratively seize the assets of the Company subject to the Company’s right to

challenge such seizure in court. If the Court finds that any of the above five conditions as described in this Paragraph V has been violated, the Company shall be enjoined from doing business permanently. This provision does not exclude any other relief or remedy the United States might seek from the Court.

MONEY JUDGMENT

VI. Money judgment will be entered against Defendant Detroit Wholistic Center and in favor of United States for the following tax periods, in the total amount of \$144,578.23 as of November 30, 2017, plus statutory additions and interest on that amount according to law from November 30, 2017.

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Tax Type	Tax Period	Unpaid Balance (including previously assessed interest and penalties)	Interest	Penalty	Total as of 11/30/2017
941	3/31/2010	\$1,260.86	\$4.29	\$0.00	\$1,265.15
941	6/30/2010	\$5,238.53	\$17.83	\$0.00	\$5,256.36
941	9/30/2010	\$5,714.40	\$19.44	\$0.00	\$5,733.84
941	12/31/2010	\$7,735.12	\$26.33	\$0.00	\$7,761.45
941	3/31/2011	\$36.71	\$6.87	\$0.00	\$43.58
941	6/30/2011	\$7,735.58	\$26.33	\$0.00	\$7,761.91
941	9/30/2011	\$14,147.86	\$48.14	\$0.00	\$14,196.00
941	12/31/2011	\$10,363.58	\$35.26	\$0.00	\$10,398.84
941	3/31/2012	\$15,126.69	\$51.48	\$0.00	\$15,178.17
941	6/30/2012	\$12,026.48	\$40.93	\$0.00	\$12,067.41
941	9/30/2012	\$11,309.33	\$38.49	\$0.00	\$11,347.82
941	12/31/2012	\$9,277.94	\$31.57	\$0.00	\$9,309.51
941	3/31/2013	\$1,829.16	\$6.23	\$0.00	\$1,835.39
941	6/30/2013	\$9,853.97	\$33.53	\$0.00	\$9,887.50
941	9/30/2013	\$11,317.97	\$38.52	\$0.00	\$11,356.49
941	9/30/2014	\$4,501.49	\$15.31	\$0.00	\$4,516.80
941	12/31/2014	\$4,920.32	\$16.75	\$0.00	\$4,937.07
940	12/31/2010	\$1,262.97	\$4.30	\$0.00	\$1,267.27
940	12/31/2011	\$1,551.90	\$5.28	\$0.00	\$1,557.18
1120	9/30/2008	\$8,558.72	\$29.13	\$0.00	\$8,587.85
1120	12/31/2014	\$311.58	\$1.06	\$0.00	\$312.64
Total					\$144,578.23

VII. The United States has valid and subsisting liens under 26 U.S.C. § 6321 upon all property and rights to property belonging to Defendant Detroit Wholistic Center, Inc.

VIII. During the first five years of the date of this judgment, Defendant Detroit Wholistic Center shall pay \$500 per month, with the first payment due within five (5) days from the date of entry of this judgment and payments

thereafter due no later than the fifth day of each month until the judgment is fully satisfied. Upon the expiration of the five years, unless the amount due each month is adjusted to a higher amount in accordance with the Company's financial situation and as agreed by the parties, the Company shall continue pay \$500 to Department of Justice in the same manner as before.

IX. After five years of the date of this judgment, the parties can seek to adjust the amount of the monthly payment periodically based upon variations in the financial situation of the Company, but not more frequently than once a year. If the parties cannot agree on an adjusted amount, this judgment shall not prevent the United States from enforcing this judgment against additional sources it believes that the Company has, provided the United States can show a material change in the Company's financial situation from the Company's financial situation when the prior monthly payment amount was determined and subject to the Company's right to challenge such action on the ground that there was no material change in the Company's financial situation in court. Furthermore, nothing in this judgment shall affect the United States' right, if any, to collect from persons other than Detroit Wholistic Center any trust fund liabilities assessed in connection with the unpaid liabilities of Defendant Detroit Wholistic Center.

X. The United States shall file a satisfaction of judgment upon the full payment of the judgment.

XI. The Court retains jurisdiction to enforce the injunction and the money judgment and to adjudicate any dispute arising therefrom.

Date January 31, 2018

s/Gershwin A. Drain
HON. GERSHWIN A. DRAIN
U.S. District Court Judge