
UNITED STATES DISTRICT COURT
District of Minnesota

United States of America

JUDGMENT IN A CIVIL CASE

Plaintiff(s),

v.

Case Number: 17-cv-111 WMW/DTS

Phoenix Group Homes, Inc., d/b/a Phoenix Recovery Programs, Inc., Wendy Sparks

Defendant(s).

Jury Verdict. This action came before the Court for a trial by jury. The issues have been tried and the jury has rendered its verdict.

Decision by Court. This action came to trial or hearing before the Court. The issues have been tried or heard and a decision has been rendered.

IT IS ORDERED AND ADJUDGED THAT:

1. The motion of the United States for entry of consent judgment, (Dkt. 22), is **GRANTED.**

2. Judgment is entered on Count I of the Complaint in favor of the United States and against Phoenix Group Homes, Inc., d/b/a Phoenix Recovery Programs, Inc., in the amount of \$167,454.31, plus such statutory interest that has accrued and will continue to accrue from March 6, 2017, until fully paid, for the following liabilities:

Tax Periods	Assessment Date	Total Assessed Tax	Total Interest Assessed	Total Penalties Assessed	Unpaid Balance as of 3/6/2017
Mar. 31, 2014	June 30, 2014	\$43,979.40	\$221.04	\$4,837.73	\$30,037.61
	Aug. 4, 2014			\$2,198.97	
	July 11, 2016		\$2,950.21	\$3,932.70	

June 30, 2014	Sept. 08, 2014	\$40,907.92	\$0	\$2,837.74	\$3,124.33
Dec. 31, 2014	Mar. 09, 2015	\$40,572.72	\$16.90	\$889.98	\$7,715.30
	Apr. 13, 2015		\$18.60	\$305.18	
Sept. 30, 2015	Nov. 30, 2015	\$46,755.49	\$16.98	\$1,186.29	\$9,245.14
	Jan. 04, 2016		\$23.21	\$412.63	
Mar. 31, 2016	July 04, 2016	\$52,387.91	\$318.91	\$5,144.69	\$56,988.79
	Aug. 08, 2016		\$192.38	\$2,460.50	
June 30, 2016	Oct. 03, 2016	\$48,987.57	\$343.83	\$5,633.57	\$60,343.14
				TOTAL	\$167,454.31

3. An injunction is entered against Phoenix Group Homes, Inc., d/b/a Phoenix Recovery Programs, Inc. (hereinafter “PGH”) and Wendy Sparks as follows:

- a. Parties Covered by Injunction: This injunction binds PGH and Wendy Sparks as well as PGH’s officers, shareholders, agents, employees, and persons in concert or participation with them. Where the terms of the injunction require PGH to take action, such requirement shall equally apply to Wendy Sparks insofar as she shall be required to ensure that PGH takes the required actions.
- b. Withholding Requirement: PGH shall withhold federal income taxes and Federal Insurance Contributions Act (“FICA”) taxes (which include

Social Security and Medicare taxes) from the wages of PGH's employees when wages are paid.

- c. Deposit Requirements: In accordance with federal deposit regulations, PGH shall timely make deposits to the Internal Revenue Service ("IRS") using the Department of Treasury's Electronic Federal Tax Payment System ("EFTPS") of withheld income and FICA taxes, as well as PGH's share of FICA taxes.
- d. Return Requirements: PGH shall timely file with the IRS all of its Form 941 (*i.e.*, Employer's Quarterly Federal Tax Return) tax returns at the address and in the manner identified in the Instructions for Form 941, which is available at www.irs.gov.
- e. Timely Payment Requirement: PGH shall timely pay all required liabilities due on each of its filed Forms 941.
- f. Employment Tax Priority: From the date this injunction is entered, PGH shall be prohibited from paying its other creditors before timely paying its Form 941 tax liabilities as they come due.
- g. Transfer Prohibition: PGH and Wendy Sparks, and those persons in concert or participation with PGH, are prohibited from transferring, disbursing, or assigning any of their money, property, or assets after the date of the injunction order if the Form 941 liabilities have not been fully paid.

- h. Notification of New Business: PGH shall notify IRS Revenue Officer Deborah Olson, or such other IRS employee designated by the IRS, if:

 - (1) PGH merges with another company, assumes a new name, or transfers substantially all of its assets to another entity; or
 - (2) Wendy Sparks comes to own, manage, control, or work for another company at any time before the completion of the payment plan pursuant to the parties' settlement agreement. PGH and Wendy Sparks shall notify the IRS within ten (10) days after any of the aforementioned actions. IRS Revenue Officer Deborah Olson can be reached by mail at 30 East 7th St., M/S 5900, St. Paul, MN 55101 or by phone at (651) 312-7978.

- i. Notification of New Responsible Person: PGH and Wendy Sparks shall notify IRS Revenue Officer Deborah Olson, or such other IRS employee designated by the IRS, if any person, apart from Wendy Sparks, becomes a responsible person for collecting, accounting for, or paying over employment taxes withheld from the wages of PGH's employees. PGH and Wendy Sparks shall notify the IRS within ten (10) days after the aforementioned action.

- j. Enforcement of Injunction: The United States shall be permitted to issue discovery requests during the term of the injunction to ensure PGH and Wendy Sparks are fully complying with the injunction. The Court shall retain jurisdiction of this action for the purposes of

implementing and enforcing this injunction and entering all additional decrees and orders necessary and appropriate for the public interest.

Date: 8/22/2017

RICHARD D. SLETTEN, CLERK

s/Katie Thompson
(By) Katie Thompson, Deputy Clerk