

IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF DELAWARE

UNITED STATES OF AMERICA,)	
)	Case No. 1:15-cv-00890-GMS
Plaintiff,)	
)	
v.)	
)	
CHEL-C VENTURES, INC.,)	
d/b/a DONUT CONNECTION; and)	
)	
ELVA DAVIDSON)	
)	
Defendants.)	
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JUDGMENT AND ORDER OF PERMANENT INJUNCTION

Plaintiff, the United States of America, filed a complaint to reduce to judgment federal tax and civil penalties assessed against Chel-C Ventures, Inc. (“Chel-C”), d/b/a Donut Connection, and its owner, Elva Davidson (collectively “Defendants”) and for a permanent injunction against the Defendants.

Defendants, without admitting or denying the allegations in the complaint except as to jurisdiction, waive the entry of findings of fact and conclusions of law under Federal Rule of Civil Procedure 52, and consent to the entry of this permanent injunction under Federal Rule of Civil Procedure 65 and 26 U.S.C. § 7402(a).

Defendants Chel-C and Elva Davidson waive any right that they may have to appeal from this permanent injunction.

The parties agree that the entry of this permanent injunction constitutes the final judgment in this case.

The parties agree that the entry of this permanent injunction neither precludes the Internal Revenue Service (“IRS”) from assessing penalties against Defendants for asserted violations of the Internal Revenue Code nor precludes Defendants from contesting any such penalties.

The parties further agree that entry of the injunction is appropriate for the enforcement of the internal revenue laws.

Accordingly, it is hereby ORDERED and ADJUDGED that:

1. This Court has jurisdiction over this civil action pursuant to 26 U.S.C. §§ 7401 and 7402(a) and 28 U.S.C. §§ 1331, 1340 and 1345.
2. As to Count I, Chel-C is indebted to the United States in the amount of \$645,690.89 as of January 18, 2016, plus statutory additions and interest accruing after that date, minus payments and credits applied after that date, for employment taxes for the tax periods ending June 30, 2008, September 30, 2008, December 31, 2008, March 31, 2009, June 30, 2009, March 31, 2011, June 30, 2011, September 30, 2011, December 31, 2011, March 31, 2012, March 31, 2013, June 30, 2013, September 30, 2013, December 31, 2013, March 31, 2014, June 30, 2014, September 30, 2014, December 31, 2014, March 31, 2015, June 30, 2015, September 30, 2015 and unemployment taxes for the tax periods ending December 31, 2008, December 31, 2009 and December 31, 2013;
3. As to Count II, Elva Davidson is indebted to the United States in the amount of \$253,133.57 as of August 31, 2015, plus statutory additions and interest accruing after that date, minus payments and credits applied after that date, for Trust Fund Recovery Penalties for the unpaid withholding taxes of Chel-C for tax periods ending September 30, 2008, December 31, 2008, March 31, 2009, June 30, 2009, March 31, 2011, June 30, 2011, September 30, 2011,

December 31, 2011, March 31, 2012, March 31, 2013, June 30, 2013, September 30, 2013,

December 31, 2013, March 31, 2014, June 30, 2014, September 30, 2014.

4. As to Count III, Defendants have represented that all operations of Chel-C have ceased on or about December 24, 2015 and that they will not reopen Chel-C or any related successor business. If Defendants or anyone acting in concert with them do continue to incur employment or unemployment tax liabilities related to the operation of Chel-C, Donut Connection or any successor business, they shall:

- A. Deposit withheld employee income taxes, withheld employee FICA taxes, and employer FICA taxes, in an appropriate federal depository bank, in accordance with federal deposit regulations;
- B. Deposit FUTA taxes each quarter in an appropriate federal depository bank, in accordance with federal deposit regulations;
- C. Sign and deliver affidavits to the Internal Revenue Service at 21309 Berlin R., Unit 13, Georgetown, DE 19947 (Attn: Kathleen M. Simione, Revenue Officer), or to such other location designated by the IRS, no later than the 20th day of each month, stating that the requisite deposits of withheld income tax, withheld FICA tax, employer FICA tax, and unemployment tax have been made in a timely manner;
- D. Timely file Chel-C's federal unemployment and employment tax returns (Forms 940 and 941);
- E. Timely pay all outstanding liabilities due on each return required to be filed herein;

F. Be prohibited from assigning any property or making any payments after an injunction is issued until the withholding liabilities and employment taxes are first properly deposited or paid to the IRS; and

5. Defendants shall notify the IRS of any future employment tax conduct with respect to any new or presently unknown company that Defendants are currently involved in or may become involved with, including the imposition of an affirmative duty upon Elva Davidson to notify the IRS or a designated revenue officer of any new business they may come to own, manage, or work for in the next five (5) years.

6. With respect to their payment obligations set forth in paragraph 4.E above, Defendants, however, shall be deemed not to be in violation of this injunction so long as the tax return containing the liability is timely filed with the IRS and so long as the tax due on each return required to be filed herein, plus any resulting penalties and interest, is paid in full no later than thirty (30) days following the IRS's issuance of its first notice informing Defendants of the balance due for a tax period.

7. The United States is authorized to monitor Defendants' compliance with this injunction and to engage in post-judgment discovery in accordance with the Federal Rules of Civil Procedure.

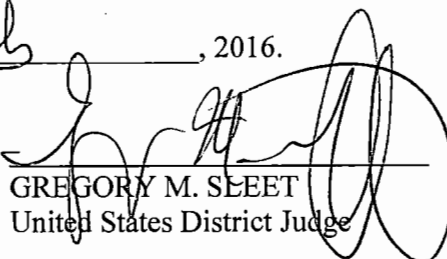
8. The Court shall retain jurisdiction over this civil action to enforce Defendants' compliance with this injunction.

9. The United States may provide actual notice of the permanent injunction entered in this action by mailing a true and correct copy thereof to counsel for Defendants and to Defendant Elva Davidson, individually and on behalf of Chel-C as its corporate officer, by

registered or certified mail, return receipt requested, and by filing a certificate of service that certifies the United States' compliance with this provision.

10. The parties shall bear their own costs associated with this matter.

SO ORDERED this 7th day of Feb, 2016.


GREGORY M. SLEET
United States District Judge

Agreed to and submitted by:

CHARLES M. OBERLY, III
United States Attorney

CAROLINE D. CIRAULO
Acting Assistant Attorney General

Date: January 29, 2016

/s/ Olga L. Tobin
OLGA L. TOBIN
Trial Attorney, Tax Division
U.S. Department of Justice
P.O. Box 227
Washington, D.C. 20044
(202) 307-6322 (v)
202-514-6866 (f)
olga.l.tobin@usdoj.gov
Counsel for Plaintiff

Date: January 29, 2016

/s/ Stephen W. Spence
Stephen W. Spence, Esquire
Phillips, Goldman & Spence, P. A.
1200 N. Broom Street
Wilmington, DE 19806
302-655-4200
302-655-4210 (fax)
sws@pgslaw.com
Counsel for Defendants