IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH
CENTRAL DIVISION

FILED
U.S. DISTRICT COURT
-5 DEC 03 PM 2:50
DISTRICT OF UTAH
BY: _____
DEPUTY CLERK

RECEIVED
2003
OFFICE OF U.S. DISTRICT JUDGE
BRUCE S. JENKINS

RECEIVED CLERK
NOV 20 2003
U.S. DISTRICT COURT

UNITED STATES OF AMERICA,	§	
	§	
Plaintiff,	§	
	§	
v.	§	CASE NO.
	§	
D. MICHAEL BISHOP,	§	Judge Bruce S. Jenkins
ROGER K. FULLER, and	§	DECK TYPE: Civil
CORNERSTONE STRATEGIC	§	DATE STAMP: 11/20/2003 @ 11:25:38
ADVISORS,	§	CASE NUMBER: 2:03CV01017 BSJ
	§	
Defendants.	§	

FINAL JUDGMENT OF PERMANENT INJUNCTION

Plaintiff, the United States of America, has filed a Complaint for Permanent Injunction and Other Relief in this matter against Defendants, D. Michael Bishop, Roger K. Fuller and Cornerstone Strategic Advisors, L.L.C.

The Defendants do not admit the allegations of the Complaint, except admit that the Court has jurisdiction over them and over the subject matter of this action.

By their Consent, which is filed concurrently, the Defendants have waived the entry of findings of fact and conclusions of law, and consent to entry of this Final Judgment of Permanent Injunction without admitting that grounds exist for imposition of an 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").

6

2. The Court finds that Defendants have not admitted the United States' allegations that they have 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.

3. The Court finds that the Defendants have consented to the entry of judgment for injunction relief pursuant to Code §§ 7402 and 7408 to prevent them from (1) engaging in conduct subject to penalty under §§ 6700 and 6701 of the Code; and (2) organizing, promoting, and selling the "Employee Leasing and Foreign Deferred Compensation" program.

4. It is further ORDERED, ADJUDGED AND DECREED that the Defendants, individually and doing business as or through any other entity, and anyone acting in concert with them, are permanently enjoined and restrained from, directly or indirectly, by the use of any means or instrumentalities:

(a) Organizing, promoting, marketing, or selling the "Employee Leasing and Foreign Deferred Compensation" program;

(b) Making false statements that participation in the "Employee Leasing and Foreign Deferred Compensation" program will eliminate taxes on income in excess of consumption levels or will eliminate or defer capital gains taxes.

(c) Encouraging, instructing, advising and assisting others to violate the tax laws, including to evade the payment of taxes legally due, by participating in the "Employee Leasing and Foreign Deferred Compensation" program;

(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 Defendants know or have reason to know to be false or fraudulent as to any material matter;

(e) Engaging in conduct subject to penalty under I.R.C. § 6701, *i.e.*, assisting in the preparation of any tax forms or other documents used in connection with Internal Revenue matters that the Defendants know, if so used, will result in the understatement of tax liability.

(f) Engaging in any conduct by intentionally dishonest or deceitful means that interferes with the administration and enforcement of the Internal Revenue laws by the Internal Revenue Service.

5. It is further ORDERED, ADJUDGED AND DECREED that the Defendants shall notify all persons to whom they have given or sold, directly or indirectly, the tax shelter package described herein or in the Complaint – specifically, the "Employee Leasing and Foreign Deferred Compensation" program – of this injunction order, and shall file with the Court, within 20 days of this date a certification that they have done so.

6. It is further ORDERED, ADJUDGED AND DECREED that the Defendants shall provide to the United States the names, address and social security or tax identification numbers of all persons to whom they have given or sold, directly or indirectly, the "Employee Leasing and Foreign Deferred Compensation" program since 1999, and shall file with the Court within 20 days of this date a certification that they have done so.

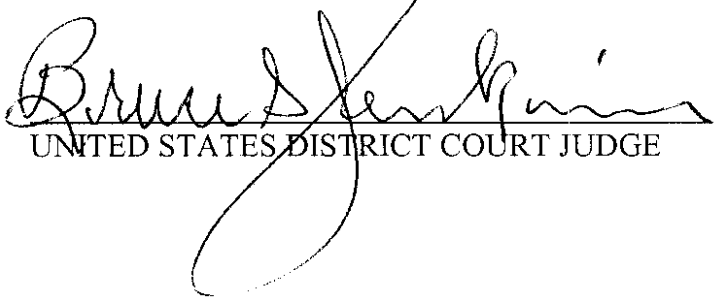
7. It is further ORDERED, ADJUDGED AND DECREED that the Defendants shall remove from their websites, including www.affluentadvisors.com, all references to the "Employee Leasing and Foreign Deferred Compensation" program or any program that is substantially similar to the "Employee Leasing and Foreign Deferred Compensation" program, and shall file with the Court within 20 days of this date, a certification that they have done so.

8. 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.

9. 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 and all additional decrees and orders necessary and appropriate to the public interest.

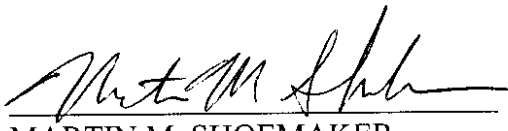
There being no just reason for the delay, the Clerk is directed to enter this Final Judgment forthwith.

SO ORDERED this 5th day of Dec., 2003.



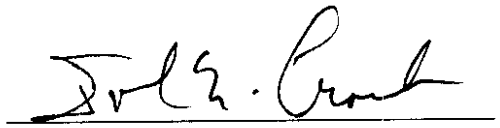
UNITED STATES DISTRICT COURT JUDGE

PAUL M. WARNER
United States Attorney

By: 

MARTIN M. SHOEMAKER
Trial Attorney, Tax Division
U.S. Department of Justice
Post Office Box 7238
555 4th Street, N.W., Room 8921
Washington, D.C. 20044
Telephone: (202) 514-6491
Fax: (202) 514-6770

ATTORNEYS FOR THE UNITED STATES OF AMERICA

By: 

M. TODD WELTY
Texas State Bar No. 00788642
JOEL N. CROUCH
Texas State Bar No. 05144220

MEADOWS, OWENS, COLLIER, REED, COUSINS & BLAU, L.L.P.
901 Main Street
Suite 3700
Dallas, Texas 75202
Phone: (214) 744-3700
Fax: (214) 747-3732

ATTORNEYS FOR DEFENDANTS D. MICHAEL BISHOP, ROGER K. FULLER and CORNERSTONE STRATEGIC ADVISORS, L.L.C.

asp

United States District Court
for the
District of Utah
December 8, 2003

* * CERTIFICATE OF SERVICE OF CLERK * *

Re: 2:03-cv-01017

True and correct copies of the attached were either mailed, faxed or e-mailed by the clerk to the following:

Martin M. Shoemaker, Esq.
US DEPARTMENT OF JUSTICE
TAX DIVISION
PO BOX 7238
WASHINGTON, DC 20044

Joel N. Crouch, Esq.
MEADOWS OWENS COLLIER REED COUSINS & BLAU
901 MAIN ST STE 3700
DALLAS, TX 75202

M. Todd Welty, Esq.
MEADOWS OWENS COLLIER REED COUSINS & BLAU
901 MAIN ST STE 3700
DALLAS, TX 75202