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IN THE UNITED STATES DISTRICT COURT FOR THE
CENTRAL DISTRICT OF CALIFORNIA

United States, Plaintiff, Anthony L. Hargis individually and dba Anthony L. Hargis & Co., Defendants.	Case No. SACV 04-00273 DOC (ANx) Permanent Injunction

ENTERED
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CENTRAL DISTRICT OF CALIFORNIA
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United States v. Anthony L. Hargis et al.
SACV 04-00273 DOC (ANx)

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Order

Plaintiff United States of America moves for an Order to permanently enjoin Anthony L. Hargis, individually and doing business as A.L.H. & Co. from promoting a warehouse bank scheme that falsely promises customers that they can legally hide their income, assets, expenditures and identities from the IRS through the warehouse bank.

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

1. Under 26 U.S.C. § 7408, an abusive-tax-shelter promoter may be enjoined if a court finds that the person has engaged in any conduct subject to penalty under section 6700 (relating to penalties for promoting abusive tax shelters) and that injunctive relief is appropriate to prevent recurrence of such conduct.

2. Hargis, individually and through ALH, participated in the sale of accounts with the ALH warehouse bank, which is an entity, plan, or arrangement within the meaning of 26 U.S.C. § 6700(a)(1)(A).

3. In promoting ALH, Hargis repeatedly falsely promised customers that they could legally hide their income, assets, expenditures and identities from the IRS through the warehouse bank

4. Hargis knew or had reason to know of the falsity of the statements made in promoting ALH. Hargis proclaims himself a nationally recognized authority in

the field of the constitutionality of the tax code, offers books and articles for sale at ALH's website, www.anthonyhargis.com, and is aware that courts have repeatedly held that warehouse banks are tax evasion schemes.

6. Hargis's false statements pertain to the legality of a scheme to hide income, assets, expenditures, and identities from the IRS. As a result, Hargis's repeated false statements are "material" within the meaning of 26 U.S.C. 6700.

7. Hargis has continued to make these false statements even after the IRS informed him that he is making false statements about the supposed tax advantages deriving from the warehouse bank, after he was jailed for refusing to turn over bank records, and after the government brought suit to enjoin him from making these misrepresentations.

8. Since the Complaint was filed on March 9, 2004, ALH customers who owe substantial tax debts, are under IRS audit, have been found guilty and sentenced for failing to file federal tax returns, or who have failed to file federal tax returns have used ALH and its seven commercial bank accounts to hide their income, assets, expenditures, and identities from the IRS.

9. All findings made at the preliminary-injunction hearing and as part of the preliminary-injunction are incorporate hear as part of the Court's findings of fact.

Accordingly, this Court ORDERS that:

A. Under 26 U.S.C. § 7408, a permanent injunction is entered prohibiting Hargis, individually and doing business as A.L.H. & Co., and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him, from directly or indirectly promoting, marketing, or selling

the warehouse bank scheme referenced above, or similar false and fraudulent schemes, and from providing services to ALH customers.

B. That Hargis at his own expense contact by mail (and also by e-mail, if an address is known) within 14 days of the entry of this Order all ALH customers, past and present, and inform them of the Court's findings concerning the falsity of Hargis's representations and attach a copy of the permanent injunction against Hargis and his associates and related entities. Hargis shall file a sworn certificate of compliance with this portion of the Order, within 18 days of the date of this Order.

C. That ~~Hargis and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him~~ the Receiver remove from ~~his~~ the A.L.H. website all false commercial speech, including all references to the warehouse bank, and display prominently on the first page of the www.anthonyhargis.com website a complete copy of the Court's permanent injunction within 7 days of the entry of this Order.

D. That Hargis and his representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with him who receive actual notice of this Order are enjoined under 26 U.S.C. §§ 7408 and 7402 from engaging in activity subject to penalty under 26 U.S.C. § 6700, including organizing and/or selling a plan or arrangement (including, without limitation, the warehouse banking scheme) and making a statement regarding the excludability of income that they know or has reason to know is false or fraudulent as to any material matter;

E. that the United States may engage in post-judgment discovery to monitor compliance with this injunction, and 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.

Dated: December 6, 2004

David O. Carter
United States District Judge