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13  
14 UNITED STATES DISTRICT COURT  
15 CENTRAL DISTRICT OF CALIFORNIA

16 UNITED STATES OF AMERICA,  
17 Plaintiff,  
18 v.  
19 MARIO PLACENCIA,  
20 Defendant.

21  
22 **CV11 07661**  
Civil No. \_\_\_\_\_

23 **Complaint for Permanent Injunction and  
24 Other Relief**

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BY \_\_\_\_\_  
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CLERK U.S. DISTRICT COURT  
CENTRAL DISTRICT OF CALIF.  
LOS ANGELES

FILED

22 The United States of America, for its Complaint for Permanent Injunction and  
23 Other Relief against defendant Mario Placencia, individually and doing business as MP  
24 Accounting Services (collectively, "Placencia"), states as follows:

25 ///  
26 ///  
27 ///

1 **Nature Of The Action**

2 1. The United States brings this Complaint pursuant to 26 U.S.C. ("I.R.C.") §§  
3 7402(a), 7407 and 7408 to enjoin Placencia and anyone in active concert or participation  
4 with him from:

5 a. Acting as a federal tax return preparer or requesting, assisting in, or directing  
6 the preparation or filing of federal tax returns for any person or entity other than  
7 himself or his lawful spouse;

8 b. Appearing as a representative on behalf of any person or organization, other  
9 than himself or his lawful spouse, whose tax liabilities are under examination or  
10 investigation by the Internal Revenue Service ("IRS");

11 c. Preparing or filing, or assisting in the preparation or filing of tax returns or  
12 other related forms or documents for anyone other than himself or his lawful  
13 spouse;

14 d. Instructing or advising customers, or assisting in the instruction or advice to  
15 customers to understate their federal tax liabilities;

16 e. Engaging in any activity subject to penalty under I.R.C. §§ 6694, 6695,  
17 6701, or any other penalty provision in the Internal Revenue Code;

18 f. Engaging in conduct designed or intended to, or having the effect of,  
19 obstructing or delaying any Internal Revenue Service investigation or audit; and

20 g. Engaging in any other conduct that interferes with the proper administration  
21 and enforcement of the internal revenue laws of the United States.

22 **Jurisdiction And Venue**

23 2. This civil action has been requested by the Chief Counsel of the Internal  
24 Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the  
25 direction of a delegate of the Attorney General of the United States, pursuant to I.R.C. §§  
26 7402(a), 7407 and 7408.

27 3. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and  
28 I.R.C. §§ 7402(a), 7407 and 7408.

1           4.     Venue is proper in this Court pursuant to 28 U.S.C. § 1391 and I.R.C. §§  
2 7402(a), 7407 and 7408 because the defendant resides in this judicial district.

3                           **Defendant Placencia And Overview Of Placencia's Activities**

4           5.     Placencia resides in Alhambra, California and does business in Montebello,  
5 California through MP Accounting Services. Placencia has been a tax return preparer as  
6 defined by I.R.C. § 7701(a)(36) for over 20 years. He prepares his customers' federal tax  
7 returns for compensation. Placencia's customers are typically unsophisticated in tax  
8 matters and rely on his advice.

9           6.     As described in more detail below, Placencia engaged in a pattern of  
10 claiming false and grossly inflated home mortgage interest deductions on behalf of his  
11 customers for the past several years, including the tax years 2003 through 2009.

12           7.     Placencia also engaged in a pattern of submitting or causing the submission  
13 of false charitable donation letters and Internal Revenue Service Forms 1098 to the  
14 Internal Revenue Service in order to substantiate or attempt to substantiate unwarranted  
15 deductions on client income tax returns that were the subject of audits or appeals.

16                           **IRS Investigation And Criminal Prosecution Of Placencia**

17           8.     The IRS conducted examinations of tax returns prepared by Placencia for tax  
18 years from 2003 through 2007. Those investigations revealed that Placencia prepared  
19 returns with false or inflated deductions and expenses. During the course of the  
20 examinations, subsequent hearings with the Office of Appeals, and in meetings with the  
21 Office of Chief Counsel during Tax Court litigation arising out of returns prepared by  
22 Placencia, Placencia provided fabricated documents to support the false and inflated  
23 deductions and expenses claimed on those returns.

24           9.     On April 5, 2011, Placencia was indicted on 61 counts of aiding and  
25 assisting in the preparation and presentation of false income tax returns, in violation of  
26 I.R.C. § 7206, and one count of corruptly obstructing and impeding the due  
27 administration of the internal revenue laws of the United States, in violation of I.R.C. §  
28 7212(a).

1           10.    On July 28, 2011, Placencia entered a guilty plea as to counts 23, 59, and 62  
2 of the indictment. Pursuant to the to the plea agreement, which was filed on July 11,  
3 2011, Placencia has agreed to enter into “a binding civil injunction” “barring him for life  
4 from aiding or assisting in the preparation of federal income tax returns for anyone other  
5 than himself and his legal spouse, and barring him from representing persons before the  
6 Internal Revenue Service.” (*U.S. v. Placencia*, 2:11-cr-00289-SJO (C.D. Cal.), Dkt. # 26,  
7 ¶2(j).) Placencia further agreed to “publish the contents of the civil injunction to all his  
8 current clients.” (*Id.*) Attached as **Exhibit 1** is a true and correct copy of the Plea  
9 Agreement.

10           11.    Given Placencia’s background and involvement in tax-fraud schemes that  
11 gave rise to his criminal liability, the misconduct described in this Complaint or other  
12 misconduct is likely to recur unless a permanent injunction is entered against him.  
13 Accordingly, permanent injunctive relief barring him from the preparation of tax returns  
14 and the promotion of tax schemes in the future is warranted. Indeed, as noted above,  
15 Placencia has already agreed to the entry of such an injunction.

#### 16                   **Placencia’s Fraudulent Tax Preparation And Promotional Practices**

17           12.    The IRS investigated tax returns prepared by Placencia from at least 2003  
18 through 2007, revealing that the returns at issue contained fabricated Schedule A  
19 deductions, including inflated charitable contributions and grossly inflated or false home  
20 mortgage interest deductions.

21           13.    Placencia has pled guilty to fabricating and overstating home mortgage  
22 interest deductions on his customers’ returns. On July 28, 2011, Placencia entered a  
23 guilty plea as to counts 23 and 59 of the indictment filed against him on April 5, 2011.  
24 Counts 23 and 59 accused Placencia of preparing a false and fraudulent Forms 1040, in  
25 that the tax returns represented that the taxpayers were entitled to claim certain Schedule  
26 A deductions and that Placencia knew that the taxpayers were not entitled to claim such  
27 deductions in the amounts stated on the tax returns, and as such were not entitled to the  
28 refunds claimed on the returns. (*U.S. v. Placencia*, 2:11-cr-00289-SJO (C.D. Cal.), Dkt. #

1 1, p. 3-4, Dkt. # 28.). See Exhibit A (factual basis) attached to the Plea Agreement.

2 14. Placencia also engaged in a pattern of obstructing and impeding the due  
3 administration of the internal revenue laws of the United States by providing the IRS with  
4 false documents in order to convince auditors that his clients had incurred expenses that  
5 Placencia knew that they had not incurred, and were entitled to deductions that Placencia  
6 knew were fabricated, including false IRS Forms 1098 (reports of home mortgage  
7 interest), which obstructed and impeded the IRS from determining his clients' true tax  
8 liability.

9 15. Placencia has pled guilty to obstructing and impeding the due administration  
10 of the internal revenue laws of the United States. On July 28, 2011, Placencia entered a  
11 guilty plea as to count 62 of the indictment filed against him on April 5, 2011. Count 62  
12 accused Placencia of "corruptly obstructing and impeding, and endeavoring to obstruct  
13 and impede, the administration of the internal revenue laws" by "submitting or causing  
14 the submission of false charitable donation letters and Internal Revenue Service Forms  
15 1098, to the Internal Revenue Service in order to substantiate or attempt to substantiate  
16 deductions on client income tax returns that were the subject of audits or appeals." (*U.S.*  
17 *v. Placencia*, 2:11-cr-00289-SJO (C.D. Cal.), Dkt. # 1, p. 7, Dkt. # 28). See Exhibit A  
18 (factual basis) attached to the Plea Agreement.

#### 19 **Harm To The United States Caused By Placencia's Misconduct**

20 16. Placencia's fraudulent tax preparation practices resulted in significant lost  
21 tax revenues to the United States. In the Plea Agreement, Placencia admitted that for the  
22 tax years 2003 through 2009, he had caused the government to incur a tax loss of  
23 \$7,982,043, by intentionally inflating the amounts of home mortgage interest that he  
24 reported on his clients' federal income tax returns.

25 17. As alleged in Count 23 of the Indictment against him, Placencia prepared an  
26 income tax return for the tax year 2004, which, as Placencia knew and intended,  
27 contained false Schedule A itemized expenses and a false home mortgage interest  
28 deduction. The return reported a tax liability of \$5,236.00, even though the IRS later

1 determined that the taxpayers' true tax liability for 2004 would have been at least  
2 \$9,569.00. *See* Exhibit A (factual basis) attached to the Plea Agreement.

3 18. In addition, as alleged in Count 59 of the Indictment against him, Placencia  
4 prepared an income tax return (Form 1040) for the tax year 2008, which, as Placencia  
5 knew and intended, contained false Schedule A itemized expenses and a false home  
6 mortgage interest deduction. The return reported a tax liability of \$27,315.00, even  
7 though the IRS later determined that the taxpayers' true tax liability for 2008 would have  
8 been at least \$54,772.00. *See* Exhibit A (factual basis) attached to the Plea Agreement.

9 19. Placencia's conduct harmed the United States because his customers  
10 received refunds to which they were not entitled.

11 20. In addition to the direct harm caused by preparing tax returns that understate  
12 his customers' tax liabilities, Placencia's activities undermine public confidence in the  
13 administration of the federal tax system and encourage noncompliance with the internal  
14 revenue laws.

15 21. Placencia further harms the United States because the IRS must devote its  
16 limited resources to identifying Placencia's customers, ascertaining their correct tax  
17 liability, recovering any refunds erroneously issued, and collecting any additional taxes  
18 and penalties.

19 **Count I: Injunction Under I.R.C. § 7407**

20 22. The United States incorporates by reference the allegations contained in  
21 paragraphs 1 through 21.

22 23. Among other things, I.R.C. § 7407 authorizes a court to enjoin a person from  
23 engaging in specified misconduct subject to penalty under I.R.C. § 6694, which penalizes  
24 a return preparer who prepares or submits a return or claim that contains a frivolous or  
25 unrealistic position, or who willfully attempts to understate a customer's tax liability on a  
26 return or claim, or who makes an understatement on a return due to reckless or intentional  
27  
28

1 disregard of rules or regulations.<sup>1</sup>

2 24. If a return preparer's misconduct is continual or repeated and the court finds  
3 that a narrower injunction (*i.e.*, prohibiting specific enumerated conduct) would not be  
4 sufficient to prevent the preparer's interference with the proper administration of federal  
5 tax laws, the court may enjoin the person from further acting as a return preparer.

6 25. Placencia has continually and repeatedly prepared federal tax returns that he  
7 knew contained inflated, exaggerated, and fictitious deductions. He has also continually  
8 and repeatedly submitted returns that willfully understate his customers' tax liability.  
9 Placencia has continually and repeatedly prepared returns that include fraudulent refund  
10 claims. Accordingly, he has engaged in conduct subject to penalty under I.R.C. § 6694.

11 26. Placencia knew or should have known that the returns he prepared for his  
12 customers contained claims of which she knew or should have known and for which there  
13 was no realistic possibility of being sustained on the merits (for returns prepared prior to  
14 and including May 25, 2007) or for which there could not have been a reasonable belief  
15 that the position would more likely than not be sustained on the merits. Placencia  
16 fabricated these claims and their supporting documentation. There could be no possibility  
17 that these false deductions, credits, and exemptions would be sustained on the merits  
18 because they were fabricated.

19 27. Injunctive relief is appropriate to prevent this misconduct because, absent an  
20 injunction, Placencia is likely to continue to prepare fraudulent federal income tax returns  
21 and engage in other misconduct of the type described in this Complaint. Furthermore,

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22  
23 <sup>1</sup> Section 6694 was amended by the Small Business and Work Opportunity Tax Act  
24 of 2007, P.L. 110-28, § 8246, effective for returns prepared after May 25, 2007. Section  
25 6694(a), as amended, subjects a tax return preparer to penalty for understatements of  
26 taxpayer liability due to an "unreasonable position," defined as a position where "the tax  
27 return preparer knew (or reasonably should have known) of the position," there was no  
28 "reasonable belief that the position would more likely than not be sustained on its merits,"  
and "the position was not disclosed as provided in section 6662(d)(2)(B)(ii)" or "there was  
no reasonable basis for the position." Because this suit addresses returns that Placencia  
prepared before May 25, 2007, the United States relies on the penalty standards in effect for  
returns prepared on or before that date. For returns prepared after May 25, 2007, the United  
States notes that Placencia's conduct is also subject to penalty under the amended § 6694(a)  
standards.

1 although the court in the criminal case has the authority to prohibit Placencia from  
2 preparing tax returns as a provision of supervised release, the maximum term of  
3 supervised release is one year, and after that period the court in that case would not have  
4 the authority to continue the prohibition.

5 28. Placencia should be permanently enjoined under I.R.C. § 7407 from acting  
6 as a federal tax return preparer because a more limited injunction would be insufficient to  
7 stop him from interfering with the proper administration of the internal revenue laws.

8 **Count II: Injunction Under I.R.C. § 7408**

9 29. The United States incorporates by reference the allegations contained in  
10 paragraphs 1 through 28.

11 30. Among other things, I.R.C. § 7408 authorizes a court to enjoin a person from  
12 engaging in specified misconduct subject to penalty under I.R.C. § 6701, which imposes  
13 a penalty on any person who aids or assists in, procures, or advises with respect to, the  
14 preparation of any portion of a return, affidavit, claim, or other document, who knows (or  
15 has reason to believe) that such portion will be used in connection with any material  
16 matter arising under the internal revenue laws, and who knows that such portion (if so  
17 used) would result in an understatement of the liability for tax of another person.

18 31. Placencia prepared tax returns containing false statements of exaggerated  
19 expenses, including false statements of home mortgage interest expense, for which he  
20 lacked corroborative support or any other reasoned basis to include in the tax returns he  
21 prepared, or for which Placencia fabricated fraudulent documents to support those false  
22 statements. This resulted in the filing of many false tax returns and the understatement of  
23 several millions of dollars in taxes.

24 32. Placencia engaged in the above-described conduct with awareness of the  
25 falsity of such statements.

26 33. Placencia prepared tax returns, and/or assisted in the preparation of such  
27 returns, that were intended to be used, and were used, in connection with material matters  
28 arising under the federal internal revenue laws.



1 prevent the recurrence of this misconduct.

2  
3 WHEREFORE, Plaintiff, the United States of America, prays for the following  
4 relief:

5 A. That the Court find that Placencia has continually and repeatedly engaged in  
6 conduct subject to penalty under I.R.C. §§ 6694 and 6701 and that injunctive relief is  
7 appropriate under I.R.C. §§ 7402, 7407, and 7408 to bar Placencia from acting as a tax  
8 return preparer and from engaging in conduct subject to penalty under I.R.C. §§ 6694,  
9 6695 and 6701;

10 B. That the Court find that Placencia has engaged in conduct that substantially  
11 interferes with the enforcement and administration of the internal revenue laws, and that  
12 injunctive relief against him is appropriate to prevent the recurrence of that misconduct  
13 pursuant to I.R.C. §§ 7407 and 7402(a);

14 C. That the Court, pursuant to I.R.C. §§ 7402 and 7407, enter an order against  
15 Placencia, individually and doing business as MP Accounting Services, and his  
16 representatives, agents, servants, and employees, permanently enjoining him from  
17 directly or indirectly:

- 18 (1) Acting as a federal tax return preparer, or requesting, assisting in, or  
19 directing the preparation or filing of federal tax returns for any person other  
20 than himself or his legal spouse, or appearing as a representative on behalf of  
21 any person or entity whose tax liability is under examination or investigation  
22 by the Internal Revenue Service;
- 23 (2) Instructing, advising, or assisting, either directly or indirectly, others to  
24 violate the tax laws, including to evade the payment of taxes;
- 25 (3) Engaging in activity subject to penalty under I.R.C. § 6694, *i.e.*, preparing  
26 federal income tax returns that improperly understate customers' tax  
27 liabilities;
- 28 (4) Engaging in activity subject to penalty under I.R.C. § 6695, *i.e.*, failing to

1 file correct information returns;

- 2 (5) Engaging in activity subject to penalty under I.R.C. § 6701, *i.e.*, aiding,  
3 assisting in, procuring, or advising with respect to the preparation of any  
4 portion of a return, affidavit, claim or other document, when Placencia  
5 knows or has reason to believe that portion will be used in connection with a  
6 material matter arising under the federal tax law, and Placencia knows that  
7 the relevant portion will result in the material understatement of the liability  
8 for the tax of another person;
- 9 (6) Representing, either directly or indirectly, any person other than himself or  
10 his legal spouse before the Internal Revenue Service;
- 11 (7) Assisting, either directly or indirectly, in the representation of any person  
12 other than himself or his legal spouse before the Internal Revenue Service;  
13 and
- 14 (8) Engaging in any other conduct that substantially interferes with the proper  
15 administration and enforcement of the internal revenue laws.

16 D. That the Court enter an order that Placencia shall contact by mail (and also by  
17 e-mail, if an e-mail address is known) those persons and entities who have, since January  
18 1, 2003, previously paid or otherwise retained him to prepare their income tax returns,  
19 and inform those persons and entities of his consent to this Stipulated Order of Permanent  
20 Injunction and attach a copy of the permanent injunction against Placencia, and to file  
21 with the Court, within 30 days of the date the permanent injunction is entered, a  
22 certification signed under penalty of perjury stating that he has done so. The mailings  
23 shall include a cover letter in a form either agreed to by counsel for the United States or  
24 approved by the Court, and shall not include any other documents or enclosures;

25 E. That the Court enter an order that Placencia is prohibited from owning,  
26 controlling, or managing any business involving tax return preparation and/or the  
27 provision of tax advice, or maintaining a professional presence in any premises, whether  
28 an office, place of business, dwelling, or other abode, where tax returns are being

1 prepared for a fee or professional tax services are being provided;

2 F. That the Court enter an order that the United States is permitted to engage in  
3 limited post-judgment discovery to ensure compliance with this permanent injunction;

4 G. That the Court enter an order that this Court shall retain jurisdiction over this  
5 action for purposes of implementing and enforcing this permanent injunction;

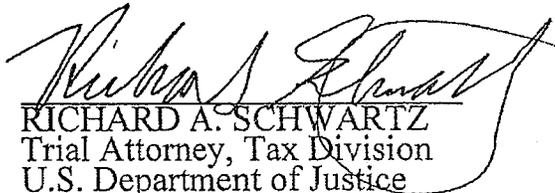
6 H. That the Court enter an order that, pursuant to Fed. R. Civ. P. 65(d)(2), counsel  
7 for the United States is authorized to arrange for personal service of this order on the  
8 defendant; and

9 I. That this Court grant the United States such other and further relief as the Court  
10 deems just and appropriate.

11  
12 Dated \_\_\_\_\_,

13 Respectfully submitted,

14 ANDRÉ BIROTTE, JR.  
15 United States Attorney  
16 SANDRA R. BROWN  
17 Assistant United States Attorney  
18 Chief, Tax Division  
19 GAVIN L. GREENE  
20 Assistant United States Attorney

21   
22 RICHARD A. SCHWARTZ  
23 Trial Attorney, Tax Division  
24 U.S. Department of Justice  
25 Attorneys for the United States of America  
26  
27  
28

# Exhibit 1

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United States of America

**E-FILED**  
JUL 11 2011  
Docket# *20*

10 UNITED STATES DISTRICT COURT  
11 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 ) CR 11-00289-SJO  
14 )  
14 UNITED STATES OF AMERICA, ) PLEA AGREEMENT FOR DEFENDANT  
15 ) MARIO PLACENCIA  
15 Plaintiff, )  
16 ) Date: None set  
16 v. ) Time: None set  
17 ) Courtroom: 1  
17 MARIO PLACENCIA, )  
18 )  
18 Defendant. )  
19 )  
20 )

21 1. This constitutes the plea agreement between MARIO  
22 PLACENCIA ("defendant") and the United States Attorney's Office  
23 for the Central District of California (the "USAO") in the  
24 investigation of defendant for alleged violations of the United  
25 States tax laws. This agreement is limited to the USAO and  
26 cannot bind any other federal, state, local, or foreign  
27 prosecuting, enforcement, administrative, or regulatory  
28 authorities.



1 and submits a completed truthful financial statement (form OBD-  
2 500) to the USAO prior to sentencing.

3 j) Agree to a binding civil injunction, if asked to do  
4 so by the Tax Division of the Department of Justice, barring him  
5 for life from aiding or assisting in the preparation of federal  
6 income tax returns for anyone other than himself and his legal  
7 spouse, and barring him from representing persons before the  
8 Internal Revenue Service ("IRS"). Defendant will publish the  
9 contents of the civil injunction to all his current clients.

10 k) File, prior to the time of sentencing, amended  
11 returns for the taxable years 2005 through 2010, correctly  
12 reporting all unreported income he received and correcting any  
13 improper deductions or expenses. Defendant will, if requested to  
14 do so by the IRS, provide the IRS with information regarding the  
15 years covered by the amended returns and will pay at or before  
16 sentencing all additional taxes and all penalties and interest  
17 thereafter determined by the IRS to be owing as a result of any  
18 computational error(s). Defendant further agrees that he will  
19 not, after filing the amended returns, file any claim for refund  
20 of taxes, penalties, or interest for amounts attributable to the  
21 amended returns filed in connection with this plea agreement.  
22 Defendant will pay the IRS any additional taxes, penalties and  
23 interest due for the taxable years 2005 through 2010 at or before  
24 the time of sentencing unless defendant lacks the ability to pay  
25 and submits a completed truthful financial statement (form OBD-  
26 500) to the USAO and the IRS prior to sentencing.

27 3. Defendant admits that:

28 a) Defendant willfully caused false U.S. Individual

1 Income Tax Returns (Forms 1040) for the tax years 2004 and for  
2 other years to be prepared and filed with the IRS, knowing that  
3 those tax returns claimed deductions that the taxpayers were not  
4 entitled to claim.

5           b) Defendant obstructed and impeded and attempted to  
6 obstruct and impede the IRS in the due administration of the  
7 Internal Revenue laws, by creating and then sending false  
8 charitable contribution letters and fabricated Forms 1098 to IRS  
9 auditors, appeals officers, and counsel on behalf of clients, in  
10 order to obtain benefits for the clients (specifically,  
11 deductions) which he knew that the clients were not entitled to  
12 receive.

13           4. Defendant agrees to cooperate with the IRS. In this  
14 regard, defendant agrees that nothing in this agreement  
15 forecloses or limits the ability of the IRS to examine and make  
16 adjustments to defendant's returns, or examine and make  
17 adjustments to tax returns prepared by defendant.

18                           THE USAO'S OBLIGATIONS

19           5. The USAO agrees to:

20                   a) Not contest facts agreed to in this agreement.

21                   b) Abide by all agreements regarding sentencing factors  
22 contained in this agreement.

23                   c) At the time of sentencing, provided that defendant  
24 demonstrates an acceptance of responsibility for the offenses to  
25 which defendant is pleading guilty up to and including the time  
26 of sentencing, recommend a two-level reduction in the applicable  
27 Sentencing Guidelines offense level, pursuant to U.S.S.G. §  
28 3E1.1, and recommend and, if necessary, move for an additional.

1 one-level reduction if available under that section.

2 d) Recommend that defendant be sentenced to a term of  
3 imprisonment no higher than the middle of the applicable  
4 Sentencing Guidelines range, provided that the adjusted offense  
5 level used by the Court to determine that range is 27 or higher,  
6 and provided that the Court does not depart downward in offense  
7 level or criminal history category. For purposes of this  
8 agreement, the middle of the Sentencing Guidelines range is that  
9 defined by the Sentencing Table in U.S.S.G. Chapter 5, Part A.

10 e) Not to further prosecute defendant for any  
11 additional violations known to the USAO at the time of the plea  
12 arising out of defendant's conduct described in the stipulated  
13 factual basis in Exhibit "A" to this agreement, or to prosecute  
14 defendant for filing false income tax returns on his own behalf  
15 for the tax years 2005 through 2009. Defendant understands that  
16 the USAO is free to prosecute defendant for any other unlawful  
17 past conduct or any unlawful conduct that occurs after the date  
18 of this agreement. Defendant agrees that at the time of  
19 sentencing the Court may consider the uncharged conduct in  
20 determining the applicable Sentencing Guidelines range, the  
21 propriety and extent of any departure from that range, and the  
22 sentence to be imposed after consideration of the Sentencing  
23 Guidelines and all other relevant factors under 18 U.S.C. §  
24 3553(a).

25 f) At the time of sentencing, to move to dismiss the  
26 remaining counts of the indictment if defendant has complied with  
27 the obligations set forth in paragraph 2.



1 26, United States Code, Sections 7206(2) and 7212(a) is: three  
2 years imprisonment; a one-year period of supervised release; a  
3 fine of \$250,000 or twice the gross gain or gross loss resulting  
4 from the offense, whichever is greatest; and a mandatory special  
5 assessment of \$100.

6 9. Defendant understands that the combined maximum sentence  
7 the Court can impose for violations of counts 23, 59, and 62 of  
8 the indictment is: 9 years imprisonment; a one-year period of  
9 supervised release; a fine of \$750,000 or twice the gross gain or  
10 loss resulting from the offenses, whichever is greatest; and a  
11 mandatory special assessment of \$300.

12 10. Defendant understands that the Court: (a) may order  
13 restitution and order defendant to pay any additional taxes,  
14 interest, and penalties that defendant owes to the United States;  
15 and (b) must order defendant to pay the costs of prosecution,  
16 which may be in addition to the statutory maximum fine stated  
17 above.

18 11. Defendant agrees to make restitution to the United  
19 States in the amount of \$5 million in partial compensation for  
20 the losses caused by his preparation of false income tax returns  
21 and presentation of false documents to the IRS for his clients,  
22 and further agrees that such amount is reasonable, and that it  
23 does not constitute the full amount of the tax loss that his  
24 conduct has caused the United States to incur. Defendant further  
25 agrees that defendant will not seek the discharge of any  
26 restitution obligation, in whole or in part, in any present or  
27 future bankruptcy proceeding and that his payment of back taxes,  
28 interest, or penalties in connection with his filing of amended

1 returns on his own behalf, pursuant to paragraph 2k) shall not be  
2 credited toward the restitution payment required under this  
3 paragraph. Defendant will pay the agreed-upon restitution amount  
4 at or before the time of sentencing unless defendant lacks the  
5 ability to pay and submits a completed truthful financial  
6 statement (form OBD-500) to the USAO prior to sentencing.

*imprisoned  
released*

7 12. Defendant understands that supervised release is a  
8 period of time following imprisonment during which defendant will  
9 be subject to various restrictions and requirements. Defendant  
10 understands that if defendant violates one or more of the  
11 conditions of any supervised release imposed, defendant may be  
12 returned to prison for all or part of the term of supervised  
13 release authorized by statute for the offense that resulted in  
14 the term of supervised release, which could result in defendant  
15 serving a total term of imprisonment greater than the statutory  
16 maximum stated above.

*collateral*

17 13. Defendant understands that, by pleading guilty,  
18 defendant may be giving up valuable government benefits and  
19 valuable civic rights, such as the right to vote, the right to  
20 possess a firearm, the right to hold office, and the right to  
21 serve on a jury. Defendant understands that once the court  
22 accepts defendant's guilty plea, it will be a federal felony for  
23 defendant to possess a firearm or ammunition. Defendant  
24 understands that the conviction in this case may also subject  
25 defendant to various other collateral consequences, including but  
26 not limited to revocation of probation, parole, or supervised  
27 release in another case and suspension or revocation of a  
28 professional license. Defendant understands that unanticipated

1 collateral consequences will not serve as grounds to withdraw  
2 defendant's guilty plea.

3 14. Defendant understands that, if defendant is not a  
4 United States citizen, the felony convictions in this case may  
5 subject defendant to removal, also known as deportation, which  
6 may, under some circumstances, be mandatory. The court cannot,  
7 and defendant's attorney also may not be able to, advise  
8 defendant fully regarding the immigration consequences of the  
9 felony conviction in this case. Defendant understands that by  
10 entering a guilty plea defendant waives any claim that unexpected  
11 immigration consequences may render defendant's guilty plea  
12 invalid.

13 FACTUAL BASIS

14 15. Defendant and the USAO agree and stipulate to the  
15 statement of facts attached hereto as Exhibit "A." Defendant  
16 agrees that this statement of facts is sufficient to support a  
17 plea of guilty to the charges described in this agreement and to  
18 establish the sentencing guideline factors set forth in paragraph  
19 18 below. The statement of facts set forth in Exhibit "A" is not  
20 meant to be a complete recitation of all facts relevant to the  
21 underlying criminal conduct or all facts known to either party  
22 that relate to that conduct.

23 16. The parties agree that for purposes of calculating the  
24 base offense level, as set forth below, the applicable tax loss  
25 for criminal purposes is \$7,982,043 based on defendant's over-  
26 statement of amounts paid for home mortgage interest on client  
27 returns. Defendant understands that there is no agreement  
28 between the parties as to the amount of the tax loss for civil

1 purposes, and that the IRS may ultimately take the position that  
2 the tax loss for civil purposes is greater than the loss  
3 specified above.

4 SENTENCING FACTORS

5 17. Defendant understands that in determining defendant's  
6 sentence the Court is required to consider the factors set forth  
7 in 18 U.S.C. § 3553(a)(1)-(7), including the kinds of sentence  
8 and sentencing range established under the Sentencing Guidelines.  
9 Defendant understands that the Sentencing Guidelines are advisory  
10 only, that defendant cannot have any expectation of receiving a  
11 sentence within the Sentencing Guidelines range, and that after  
12 considering the Sentencing Guidelines and the other § 3553(a)  
13 factors, the Court will be free to exercise its discretion to  
14 impose any sentence it finds appropriate up to the maximum set by  
15 statute for the crimes of conviction.

16 18. Defendant and the USAO agree to the following  
17 applicable Sentencing Guidelines factors:

18 Base Offense Level : 26 [U.S.S.G. §§ 2T1.4(a)(1) and 2T4.1]  
19 (because the tax loss, before interest and penalties, for  
20 criminal purposes, is more than \$7 million and less than \$20  
million).

21 Specific Offense  
22 Characteristics: 2 [U.S.S.G. § 2T1.4(b)(1)]  
23 (because defendant derived a substantial portion of his income  
24 from preparing false returns and was in the business of preparing  
income tax returns)

25 Acceptance of  
Responsibility: -2 [U.S.S.G. §3E1.1 (a)]

26 

---

Adjusted Offense Level: 26

27 The USAO will agree to a two-level downward adjustment for  
28 acceptance of responsibility (and, if applicable, move for an

1 additional one-level downward adjustment under U.S.S.G.  
2 § 3E1.1(b)) only if the conditions set forth in paragraphs 2 and  
3 5c are met.

4 Defendant understands that the USAO believes and intends to  
5 argue to the Court that defendant's offenses involved  
6 sophisticated means within the meaning of U.S.S.G. § 2T1.4(b)(2),  
7 and that a 2-level upward adjustment of the Adjusted Offense  
8 Level (resulting in an Adjusted Offense Level of 28) pursuant to  
9 that section is appropriate. The USAO understands that defendant  
10 reserves the right to argue that his offenses did not involve  
11 sophisticated means and that an adjustment pursuant to U.S.S.G.  
12 §2T1.4(b)(2) is not appropriate.

13 Except as set forth above, and subject to paragraph 20  
14 below, defendant and the USAO agree not to seek, argue, or  
15 suggest in any way, either orally or in writing, that any other  
16 specific offense characteristics, adjustments, or Guideline  
17 departures relating to the offense level be imposed. Defendant  
18 agrees, however, that if, after signing this agreement but prior  
19 to sentencing, defendant were to commit an act, or the USAO were  
20 to discover a previously undiscovered act committed by defendant  
21 prior to signing this agreement, which act, in the judgment of  
22 the USAO, constituted obstruction of justice within the meaning  
23 of U.S.S.G. § 3C1.1, the USAO would be free to seek the  
24 enhancement set forth in that section.

25 19. Defendant understands that there is no agreement as to  
26 defendant's criminal history or criminal history category.

27 20. Defendant and the USAO agree that defendant may seek a  
28 more lenient sentence from the sentence suggested under the

1 Guidelines by arguing the factors listed in 18 U.S.C. §  
2 3553(a)(1)-(7). The USAO may oppose those arguments, and may  
3 argue that a sentence at the middle of the Guideline range, as  
4 set forth in paragraphs 5d) and 18, is appropriate in this case.

5 WAIVER OF CONSTITUTIONAL RIGHTS

6 21. Defendant understands that by pleading guilty,  
7 defendant gives up the following rights:

- 8 a) The right to persist in a plea of not guilty.  
9 b) The right to a speedy and public trial by jury.  
10 c) The right to the assistance of an attorney at trial,  
11 including the right to have the Court appoint an attorney to  
12 represent defendant at trial. Defendant understands, however,  
13 that, despite defendant's guilty plea, defendant retains the  
14 right to be represented by an attorney -- and, if necessary, to  
15 have the Court appoint an attorney if defendant cannot afford one  
16 -- at every other stage of the proceeding.  
17 d) The right to be presumed innocent and to have the  
18 burden of proof placed on the government to prove defendant  
19 guilty beyond a reasonable doubt.  
20 e) The right to confront and cross-examine witnesses  
21 against defendant.  
22 f) The right to testify on defendant's own behalf and  
23 present evidence in opposition to the charges, including calling  
24 witnesses and subpoenaing those witnesses to testify.  
25 g) The right not to be compelled to testify, and, if  
26 defendant chose not to testify or present evidence, to have that  
27 choice not be used against defendant.  
28 h) Any and all rights to pursue any affirmative

1 defenses, Fourth Amendment or Fifth Amendment claims, and other  
2 pretrial motions that have been filed or could be filed.

3 WAIVER OF DNA TESTING

4 22. Defendant has been advised that the government has in  
5 its possession the following items of physical evidence that  
6 could be subjected to DNA testing: income tax returns, work  
7 papers, files, correspondence, IRS forms, typewriters and  
8 typewriter ribbons.

9 Defendant understands that the government does not intend to  
10 conduct DNA testing of these items. Defendant understands:

11 (a) before entering a guilty plea pursuant to this agreement,  
12 defendant could request DNA testing of evidence in this case; and

13 (b) with respect to the offense to which defendant is pleading  
14 guilty pursuant to this agreement, defendant would have the right  
15 to request DNA testing of evidence after conviction under the  
16 conditions specified in 18 U.S.C. § 3600. Knowing and

17 understanding defendant's right to request DNA testing, defendant  
18 voluntarily gives up that right with respect to both the specific  
19 items listed above and any other items of evidence there may be  
20 in this case that might be subject to DNA testing. Defendant

21 understands that by giving up this right: (a) defendant is giving  
22 up any ability to request DNA testing of evidence in this case in  
23 the current proceeding, in any proceeding after conviction under  
24 18 U.S.C. § 3600, and in any other proceeding of any type; and

25 (b) defendant will never have another opportunity to have the  
26 evidence in this case, whether or not listed above, submitted for  
27 DNA testing, and will never have an opportunity to employ the  
28 results of DNA testing to support a claim that defendant is

1 innocent of the offense to which defendant is pleading guilty.

2 WAIVER OF APPEAL OF CONVICTION

3 23. Defendant understands that, with the exception of an  
4 appeal based on a claim that defendant's guilty plea was  
5 involuntary, by pleading guilty defendant is waiving and giving  
6 up any right to appeal defendant's convictions of the offenses to  
7 which defendant is pleading guilty.

8 LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE AND COLLATERAL ATTACK

9 24. Defendant agrees that, provided the Court imposes a  
10 total term of imprisonment on the counts of conviction of no more  
11 than 78 months, defendant gives up the right to appeal all of the  
12 following: (a) the procedures and calculations used to determine  
13 and impose any portion of the sentence; (b) the term of  
14 imprisonment imposed by the Court; (c) the fine imposed by the  
15 court, provided it is within the statutory maximum; (d) the  
16 amount and terms of any restitution order, provided it requires  
17 payment of no more than \$5 million; (e) the term of probation or  
18 supervised release imposed by the Court, provided it is within  
19 the statutory maximum; and (f) any of the following conditions of  
20 probation or supervised release imposed by the Court: the  
21 standard conditions set forth in General Orders 318, 01-05,  
22 and/or 05-02 of this Court; the drug testing conditions mandated  
23 by 18 U.S.C. §§ 3563(a)(5) and 3583(d); and the alcohol and drug  
24 use conditions authorized by 18 U.S.C. § 3563(b)(7).

25 25. Defendant also gives up any right to bring a post-  
26 conviction collateral attack on the convictions or sentence,  
27 including any order of restitution, except a post-conviction  
28 collateral attack based on a claim of ineffective assistance of

1 counsel, a claim of newly-discovered evidence, or an explicitly  
2 retroactive change in the applicable Sentencing Guidelines,  
3 sentencing statutes, or statutes of conviction.

4 26. The USAO agrees that, provided (a) all portions of the  
5 sentence are at or below the statutory maximum specified above,  
6 (b) the Court imposes a term of imprisonment of no less than 78  
7 months, and the Court orders defendant to pay restitution of at  
8 least \$5 million, the USAO gives up its right to appeal any  
9 portion of the sentence.

10 RESULT OF WITHDRAWAL OF GUILTY PLEA

11 27. Defendant agrees that if, after entering a guilty plea  
12 pursuant to this agreement, defendant seeks to withdraw and  
13 succeeds in withdrawing defendant's guilty plea on any basis  
14 other than a claim and finding that entry into this plea  
15 agreement was involuntary, then (a) the USAO will be relieved of  
16 all of its obligations under this agreement; and (b) should the  
17 USAO choose to pursue any charge or any civil, administrative, or  
18 regulatory action that was either dismissed or not filed as a  
19 result of this agreement, then (i) any applicable statute of  
20 limitations will be tolled between the date of filing of the  
21 indictment in this case, April 5, 2011, and the commencing of any  
22 such action; and (ii) defendant waives and gives up all defenses  
23 based on the statute of limitations, any claim of pre-indictment  
24 delay, or any speedy trial claim with respect to any such action,  
25 except to the extent that such defenses existed as of the date of  
26 defendant's signing this agreement.



1 the statute of limitations, any claim of pre-indictment delay, or  
2 any speedy trial claim with respect to any such action, except to  
3 the extent that such defenses existed as of the date of  
4 defendant's signing this agreement.

5 c) Defendant agrees that: (i) any statements made by  
6 defendant, under oath, at the guilty plea hearing (if such a  
7 hearing occurred prior to the breach); (ii) the agreed-upon  
8 factual basis statement set forth in Exhibit "A" to this  
9 agreement; and (iii) any evidence derived from such statements,  
10 shall be admissible against defendant in any such action against  
11 defendant, and defendant waives and gives up any claim under the  
12 United States Constitution, any statute, Rule 410 of the Federal  
13 Rules of Evidence, Rule 11(f) of the Federal Rules of Criminal  
14 Procedure, or any other federal rule, that the statements or any  
15 evidence derived from the statements should be suppressed or are  
16 inadmissible.

17 COURT AND PROBATION OFFICE NOT PARTIES

18 31. Defendant understands that the Court and the United  
19 States Probation Office are not parties to this agreement and  
20 need not accept any of the USAO's sentencing recommendations or  
21 the parties' agreements to facts or sentencing factors.

22 32. Defendant understands that both defendant and the USAO  
23 are free to: (a) supplement the facts by supplying relevant  
24 information to the United States Probation Office and the Court,  
25 (b) correct any and all factual misstatements relating to the  
26 Court's Sentencing Guidelines calculations, and (c) argue on  
27 appeal and collateral review that the Court's Sentencing  
28 Guidelines calculations are not error, although each party agrees

1 to maintain its view that the calculations in paragraph 18 are  
2 consistent with the facts of this case. While this paragraph  
3 permits both the USAO and defendant to submit full and complete  
4 factual information to the United States Probation Office and the  
5 Court, even if that factual information may be viewed as  
6 inconsistent with the facts agreed to in this agreement, this  
7 paragraph does not affect defendant's and the USAO's obligations  
8 not to contest the facts agreed to in this agreement.

9 33. Defendant understands that even if the Court ignores  
10 any sentencing recommendation, finds facts or reaches conclusions  
11 different from those agreed to, and/or imposes any sentence up to  
12 the maximum established by statute, defendant cannot, for that  
13 reason, withdraw defendant's guilty plea, and defendant will  
14 remain bound to fulfill all defendant's obligations under this  
15 agreement. Defendant understands that no one -- not the  
16 prosecutor, defendant's attorney, or the Court -- can make a  
17 binding prediction or promise regarding the sentence defendant  
18 will receive, except that it will be within the statutory  
19 maximum.

20 NO ADDITIONAL AGREEMENTS

21 34. Defendant understands that, except as set forth herein,  
22 there are no promises, understandings, or agreements between the  
23 USAO and defendant or defendant's attorney, and that no  
24 additional promise, understanding, or agreement may be entered  
25 into unless in a writing signed by all parties or on the record  
26 in court.

1 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

2 35. The parties agree that this agreement will be  
3 considered part of the record of defendant's guilty plea hearing  
4 as if the entire agreement had been read into the record of the  
5 proceeding.

6 AGREED AND ACCEPTED

7 UNITED STATES ATTORNEY'S OFFICE  
8 FOR THE CENTRAL DISTRICT OF CALIFORNIA

9 ANDRÉ BIROTTE JR.  
United States Attorney

10 Paul Rochmes  
11 PAUL H. ROCHMES  
12 DANIEL LAYTON  
Assistant United States Attorneys

7/6/11  
Date

13  
14  
15  
16 MARIO PLACENCIA  
Defendant

Date

17  
18  
19  
20 RICHARD STEINGARD  
Attorney for Defendant  
21 Mario Placencia

Date

22 CERTIFICATION OF DEFENDANT

23 I have read this agreement in its entirety. I have had  
24 enough time to review and consider this agreement, and I have  
25 carefully and thoroughly discussed every part of it with my  
26 attorney. I understand the terms of this agreement, and I  
27 voluntarily agree to those terms. I have discussed the evidence  
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PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

35. The parties agree that this agreement will be considered part of the record of defendant's guilty plea hearing as if the entire agreement had been read into the record of the proceeding.

AGREED AND ACCEPTED

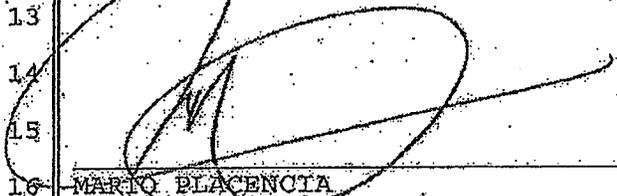
UNITED STATES ATTORNEY'S OFFICE  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ANDRÉ BIROTTE JR.  
United States Attorney

  
\_\_\_\_\_  
PAUL H. ROCHMES

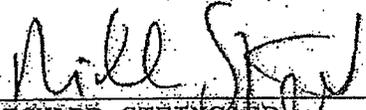
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DANIEL BAYTON  
Assistant United States Attorneys

  
\_\_\_\_\_  
MARIO PLACENCIA

7/11/11  
Date

MARIO PLACENCIA  
Defendant

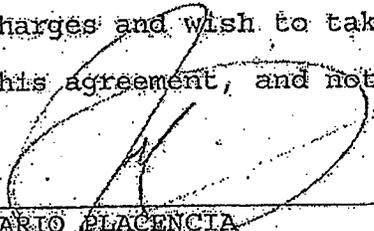
  
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RICHARD STEINGARD  
Attorney for Defendant  
Mario Placencia

7/8/11  
Date

CERTIFICATION OF DEFENDANT

I have read this agreement in its entirety. I have had enough time to review and consider this agreement, and I have carefully and thoroughly discussed every part of it with my attorney. I understand the terms of this agreement, and I voluntarily agree to those terms. I have discussed the evidence

1 with my attorney, and my attorney has advised me of my rights, of  
2 possible pretrial motions that might be filed, of possible  
3 defenses that might be asserted either prior to or at trial, of  
4 the sentencing factors set forth in 18 U.S.C. § 3553(a), of  
5 relevant Sentencing Guidelines provisions, and of the  
6 consequences of entering into this agreement. No promises,  
7 inducements, or representations of any kind have been made to me  
8 other than those contained in this agreement. No one has  
9 threatened or forced me in any way to enter into this agreement.  
10 I am satisfied with the representation of my attorney in this  
11 matter, and I am pleading guilty because I am guilty of the  
12 charges and wish to take advantage of the promises set forth in  
13 this agreement, and not for any other reason.

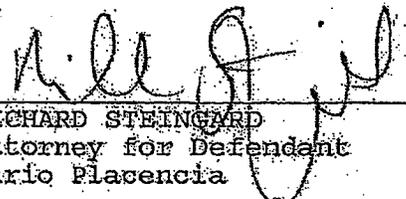
14   
15 \_\_\_\_\_  
16 MARIO PLACENCIA  
17 Defendant

7/8/11  
15 \_\_\_\_\_  
16 Date

17  
18 CERTIFICATION OF DEFENDANT'S ATTORNEY

19 I am Mario Placencia's attorney. I have carefully and  
20 thoroughly discussed every part of this agreement with my client.  
21 Further, I have fully advised my client of his rights, of  
22 possible pretrial motions that might be filed, of possible  
23 defenses that might be asserted either prior to or at trial, of  
24 the sentencing factors set forth in 18 U.S.C. § 3553(a), of  
25 relevant Sentencing Guidelines provisions, and of the  
26 consequences of entering into this agreement. To my knowledge  
27 no promises, inducements, or representations of any kind have  
28 been made to my client other than those contained in this

1 agreement; no one has threatened or forced my client in any way  
2 to enter into this agreement; my client's decision to enter into  
3 this agreement is an informed and voluntary one; and the factual  
4 basis set forth in this agreement is sufficient to support my  
5 client's entry of a guilty plea pursuant to this agreement.

6   
7 \_\_\_\_\_  
8 RICHARD STEINGARD  
9 Attorney for Defendant  
10 Mario Placencia

7/8/11  
\_\_\_\_\_ Date

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1 EXHIBIT A  
2 UNITED STATES V. MARIO PLACENCIA  
3 STATEMENT OF FACTS

4 1. From at least 1991 through 2011, defendant Mario  
5 Placencia ("Placencia") was in the business of providing  
6 accounting services and preparing federal and state income tax  
7 returns (the "returns") for clients. Placencia prepared the  
8 returns in Montebello, California, within the Central District of  
9 California.

10 2. From at least 1991 through 2011, Placencia earned a  
11 substantial portion of his annual income as a paid tax preparer.

12 3. For the past several years (including the tax years 2003  
13 through 2009), Placencia intentionally falsified the federal  
14 returns of numerous clients by using numbers that he had made up  
15 (and that he knew were grossly over-stated) for home mortgage  
16 interest. Placencia engaged in this conduct in order to obtain  
17 refunds for the clients that he knew they were not entitled to  
18 receive.

19 4. For the tax years 2003 through 2009, Placencia caused  
20 the government to incur a tax loss of \$7,982,043, by  
21 intentionally inflating the amounts of home mortgage interest  
22 that he reported on his clients' federal income tax returns.

23 5. Some of Placencia's clients received notices of audits  
24 for the 2004 tax year in 2006. In later years, several clients  
25 also were audited for the 2005 and 2006 tax years. During  
26 audits, Placencia provided the Internal Revenue Service ("IRS")  
27 with false documents in order to convince auditors that the  
28 clients (a) had incurred expenses that Placencia knew that they  
had not incurred, and (b) were entitled to deductions that

1 Placencia knew were fabricated, including false IRS Forms 1098  
2 (reports of home mortgage interest) for the following purported  
3 mortgage lenders:

4 (a) L.A. Great American Mortgage, Inc. (and other "L.A.  
5 Great American" purported lenders);

6 (b) Leap Frog Investment Inc.

7 6. On or about May 9, 2005, in Montebello, California, in  
8 the Central District of California, Placencia prepared a 2004  
9 United States Individual Income Tax Return, Form 1040, for Lance  
10 and Ellen Loftin, which, as Placencia knew and intended,  
11 contained the following false Schedule A itemized expenses and  
12 deduction (the "False Deduction"):

13 Home Mortgage Interest and Points: \$16,823.00

14 7. As a result of the False Deduction and other  
15 calculations, the return falsely reported that Lance and Ellen  
16 Loftin's tax liability was \$5,236.00, and that they were entitled  
17 to a refund of \$4,345.00. Without the False Deduction and other  
18 calculations, the Loftins' true tax liability for 2004 would have  
19 been at least \$9,569.00.

20 8. The Loftins filed the 2004 return with the IRS on or  
21 about May 20, 2005.

22 9. In preparing the return, Placencia acted willfully, with  
23 the intent to mislead the IRS into believing that the Loftins had  
24 incurred the False Deduction and were entitled to claim it, and  
25 with the intent to falsely understate their true 2004 tax  
26 liability.

27 10. On or about March 25, 2009, in Montebello, California,  
28 in the Central District of California, Placencia prepared a 2008

1 United States Individual Income Tax Return, Form 1040, for  
2 Darrell Sears and Pamela Vigneau Sears, which, as Placencia knew  
3 and intended, contained the following Schedule A false itemized  
4 expenses and deductions (the "False Deduction"):

5 Home Mortgage Interest: \$59,897.00

6 11. As a result of the False Deduction and other  
7 calculations, the return falsely reported that the tax liability  
8 of Darrell Sears and Pamela Vigneau Sears was \$27,315.00 and that  
9 they were entitled to a refund of \$1,821. Without the False  
10 Deduction and other calculations, the true tax liability of  
11 Darrell Sears and Pamela Vigneau Sears for 2008 would have been  
12 \$54,772.00.

13 12. Darrell Sears and Pamela Vigneau Sears filed the return  
14 with the IRS on or about April 15, 2009.

15 13. In preparing the return, Placencia acted willfully,  
16 with the intent to mislead the IRS into believing that Darrell  
17 Sears and Pamela Vigneau Sears had incurred the False Deduction  
18 and were entitled to claim it, and with the intent to falsely  
19 understate their true 2008 tax liability.

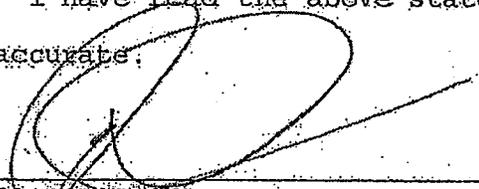
20 14. On or about October 30, 2006, during the audit of  
21 Kenneth and Tracey Willett's 2004 federal income tax return,  
22 Placencia sent a letter on the Willetts' behalf from the Central  
23 District of California to an IRS office in Kansas City, Missouri,  
24 which, among other things, enclosed an IRS Form 1098 in the name  
25 of L.A. Great American Mortgage, which falsely stated that in  
26 2004 the Willetts had paid L.A. Great American Mortgage  
27 \$19,876.23 in home mortgage interest and \$5,182.17 in real estate  
28 taxes.

1 15. Placencia knew that the L.A. Great American Mortgage  
2 Form 1098 was false. Placencia, using a blank form and numbers  
3 which he had made up, had typed the L.A. Great American Mortgage  
4 Form 1098.

5 16. At the time he sent the IRS the letter, Placencia knew  
6 that the Willetts had not paid home mortgage interest or real  
7 estate taxes to L.A. Great American Mortgage.

8 17. In fabricating the L.A. Great American Mortgage Form  
9 1098 and sending it to the IRS, Placencia intended (a) to  
10 obstruct the IRS from determining the Willetts' true tax  
11 liability for 2004, and (b) to obtain an unlawful benefit for the  
12 Willetts, by preventing the IRS from assessing and collecting the  
13 back taxes and interest that the Willetts owed the IRS based on  
14 their true tax liability.

15 I have read the above statement of facts and agree that it  
16 is accurate.



18 \_\_\_\_\_  
19 MARIO PLACENCIA  
20 Defendant

7/11/11  
Date

## Pleas and Plea-Related Documents

2:11-cr-00289-SJO USA v. Placencia

### UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

#### Notice of Electronic Filing

The following transaction was entered by Rochmes, Paul on 7/11/2011 at 4:26 PM PDT and filed on 7/11/2011

**Case Name:** USA v. Placencia  
**Case Number:** 2:11-cr-00289-SJO  
**Filer:** USA  
**Document Number:** 26

#### Docket Text:

**PLEA AGREEMENT filed by Plaintiff USA as to Defendant Mario Placencia (Rochmes, Paul)**

**2:11-cr-00289-SJO-1 Notice has been electronically mailed to:**

Daniel W Layton Daniel.Layton@usdoj.gov

Michael J Lightfoot mlightfoot@lsslaw.com, bburkhartsmeier@lsslaw.com

Paul H Rochmes USACAC.Criminal@usdoj.gov, paul.rochmes@usdoj.gov

Richard M Steingard rsteingard@lsslaw.com, bburkhartsmeier@lsslaw.com

**2:11-cr-00289-SJO-1 Notice has been delivered by First Class U. S. Mail or by fax to :**

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**N:\acarrillo\ECF\Paul Rochmes\PLACENCIA\cac.la.cr11-289.20110711.tm.plea agreement.PDF

**Electronic document Stamp:**

[STAMP cacdStamp\_ID=1020290914 [Date=7/11/2011] [FileNumber=11926998-0] [5f8cc7fe6bdb003229c17fef38595ba882a1dd281d795a6f047069db0e36ff44cd44c2d492721afc7fb2c19ac0be5b55d239c35c53801b32795816c616c58d07]]

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA**

**NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY**

This case has been assigned to District Judge Dale S. Fischer and the assigned discovery Magistrate Judge is Michael Wilner.

The case number on all documents filed with the Court should read as follows:

**CV11- 7661 DSF (MRWx)**

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

**NOTICE TO COUNSEL**

*A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).*

Subsequent documents must be filed at the following location:

**Western Division**  
312 N. Spring St., Rm. G-8  
Los Angeles, CA 90012

**Southern Division**  
411 West Fourth St., Rm. 1-053  
Santa Ana, CA 92701-4516

**Eastern Division**  
3470 Twelfth St., Rm. 134  
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**COPY**

<b>I (a) PLAINTIFFS</b> (Check box if you are representing yourself <input type="checkbox"/> )  United States of America	<b>DEFENDANTS</b>  Mario Placencia
--	--

<b>(b) Attorneys</b> (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) ANDRÉ BIROTTI JR., United States Attorney SANDRA R. BROWN, AUSA, Chief, Tax Division GAVIN GREENE, Assistant United States Attorney RICHARD A. SCHWARTZ, Trial Attorney, Tax Division 300 N. Los Angeles Street, Room 7211, Los Angeles, CA 90012 Tel: (213) 894-4600 Fax: (213) 894-0115 Gavin.Green@usdoj.gov	<b>Attorneys (If Known)</b>
---	-----------------------------

<b>II. BASIS OF JURISDICTION</b> (Place an X in one box only.)  <input checked="" type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 3 Federal Question (U.S. Government Not a Party)  <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only</b> (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:30%;"></td> <td style="width:10%; text-align: center;"><b>PTF</b></td> <td style="width:10%; text-align: center;"><b>DEF</b></td> <td style="width:40%;"></td> <td style="width:10%; text-align: center;"><b>PTF</b></td> <td style="width:10%; text-align: center;"><b>DEF</b></td> </tr> <tr> <td>Citizen of This State</td> <td align="center"><input type="checkbox"/> 1</td> <td align="center"><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business in this State</td> <td align="center"><input type="checkbox"/> 4</td> <td align="center"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td align="center"><input type="checkbox"/> 2</td> <td align="center"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td align="center"><input type="checkbox"/> 5</td> <td align="center"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td align="center"><input type="checkbox"/> 3</td> <td align="center"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td align="center"><input type="checkbox"/> 6</td> <td align="center"><input type="checkbox"/> 6</td> </tr> </table>		<b>PTF</b>	<b>DEF</b>		<b>PTF</b>	<b>DEF</b>	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
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**IV. ORIGIN** (Place an X in one box only.)

1 Original Proceeding   
  2 Removed from State Court   
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  7 Appeal to District Judge from Magistrate Judge

**V. REQUESTED IN COMPLAINT:**    **JURY DEMAND:**  Yes     No (Check 'Yes' only if demanded in complaint.)

**CLASS ACTION** under F.R.C.P. 23:  Yes     No       **MONEY DEMANDED IN COMPLAINT:** \$ \_\_\_\_\_

**VI. CAUSE OF ACTION** (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)  
 Injunction prohibiting tax preparer from preparing tax returns for others in the future pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408.

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<b>OTHER STATUTES</b> <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. 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**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**VIII(a). IDENTICAL CASES:** Has this action been previously filed in this court and dismissed, remanded or closed?  No  Yes  
If yes, list case number(s): \_\_\_\_\_

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- (Check all boxes that apply)  A. Arise from the same or closely related transactions, happenings, or events; or  
 B. Call for determination of the same or substantially related or similar questions of law and fact; or  
 C. For other reasons would entail substantial duplication of labor if heard by different judges; or  
 D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**IX. VENUE:** (When completing the following information, use an additional sheet if necessary.)

- (a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.  
 Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.  
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.  
**Note: In land condemnation cases, use the location of the tract of land involved.**

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

\* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): *Amir Khan* Date 9/15/11

**Notice to Counsel/Parties:** The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

ORIGINAL

Andre Birotte, Jr., United States Attorney  
Sandra R. Brown, Assistant United States Attorney  
Chief, Tax Division  
Gavin Greene, Assistant United States Attorney  
300 N. Los Angeles Street, Room 7211  
Los Angeles, CA 90012 (213) 894-4600

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

United States of America

CASE NUMBER

PLAINTIFF(S)

CV11 07661 DSF MRWx

v.

MARIO PLACENCIA,

SUMMONS

DEFENDANT(S).

TO: DEFENDANT(S): Mario Placencia

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached  complaint  \_\_\_\_\_ amended complaint  counterclaim  cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Gavin Greene, AUSA, whose address is 300 N. Los Angeles, Room 7211, Los Angeles, California 90012. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

SEP 15 2011

Clerk, U.S. District Court

Dated: \_\_\_\_\_

CHRISTOPHER POWERS

By: \_\_\_\_\_

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**COPY**

<b>I (a) PLAINTIFFS</b> (Check box if you are representing yourself <input type="checkbox"/> )  United States of America	<b>DEFENDANTS</b>  Mario Placencia
<b>(b) Attorneys</b> (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) ANDRÉ BIROTTE JR., United States Attorney SANDRA R. BROWN, AUSA, Chief, Tax Division GAVIN GREENE, Assistant United States Attorney RICHARD A. SCHWARTZ, Trial Attorney, Tax Division 300 N. Los Angeles Street, Room 7211, Los Angeles, CA 90012 Tel: (213) 894-4600 Fax: (213) 894-0115 Gavin.Greene@usdoj.gov	<b>Attorneys</b> (If Known)

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**CV11 07661**

**FOR OFFICE USE ONLY:** Case Number: \_\_\_\_\_

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

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County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.  
 Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

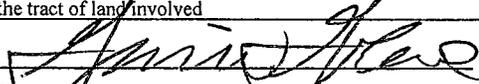
County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.  
**Note: In land condemnation cases, use the location of the tract of land involved.**

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

\* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER):  Date 9/15/11

**Notice to Counsel/Parties:** The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))