

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

ANDRÉ BIROTTE JR.  
United States Attorney

SANDRA R. BROWN  
Assistant United States Attorney  
Chief, Tax Division

GAVIN L. GREENE (SBN 230807)  
Assistant United States Attorney  
Federal Building, Room 7211  
300 North Los Angeles Street  
Los Angeles, California 90012  
Telephone: (213) 894-4600  
Facsimile: (213) 894-0115  
Email: Gavin.Greene@usdoj.gov

BRIAN H. CORCORAN  
Member, DC Bar, No. 456976  
Trial Attorney, Tax Division  
U.S. Department of Justice  
Post Office Box 7238  
Washington, D.C. 20044  
Telephone: (202) 353-7421  
Facsimile: (202) 514-6770  
E-mail: Brian.H.Corcoran@usdoj.gov

Attorneys for Plaintiff,  
United States of America

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

DAVID CHAMPION,

Defendant.

**CV11 01175 DDP SSx**  
Civil No.  
**Complaint for Permanent  
Injunction and Other Relief**

FILED  
11 FEB - 8 PM 1:43  
CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES  
BY: \_\_\_\_\_

1 Plaintiff United States of America, for its complaint against Defendant David  
2 Champion (“Champion”) seeking a permanent injunction pursuant to 26 U.S.C.  
3 (“I.R.C.”) §§ 7402 and 7408 to prohibit him from further promoting his fraudulent  
4 “nontaxpayer” tax scheme, states as follows:

5 **Jurisdiction and Venue**

6 1. This action has been requested by the Chief Counsel of the Internal Revenue  
7 Service (“IRS”), a delegate of the Secretary of the Treasury, and commenced at the  
8 direction of a delegate of the Attorney General, pursuant to the provisions of I.R.C.  
9 §§ 7402, and 7408.

10 2. Jurisdiction is conferred on this Court by 28 U.S.C. §§ 1340 and 1345 and  
11 I.R.C. §§ 7402(a) and 7408.

12 3. Venue is proper in this Court pursuant to 28 U.S.C. §1391(b) because a  
13 substantial part of the events or omissions giving rise to the claim in this lawsuit  
14 occurred in the Central District of California.

15 **Overview**

16 4. During the time period relevant to this lawsuit, Champion lived in Los  
17 Angeles, California, although he presently resides in Nevada. Champion does not  
18 have a college degree and appears to have no formal education in the areas of  
19 constitutional and tax law.

20 5. Through two related websites, personal appearances on radio and television  
21 programs, and the services he provides directly to customers, Champion promotes an  
22 abusive tax scheme based on the false and frivolous claim that individual U.S.  
23 citizens can entirely opt out of federal income taxation. As Champion says on his  
24 website “nontaxpayer.org,” “if you are a nontaxpayer, or believe that under the law  
25 you should be a nontaxpayer,” you can structure your private financial affairs “to  
26 avoid being wrongfully ensnared into the ‘taxpayer’ status.” Based upon this  
27 frivolous concept (which Champion actively spreads), Champion purports to help his  
28

1 customers arrange their personal and business affairs to maximize the benefits of their  
2 special status - in particular, to evade the payment of federal taxes.

3 6. Champion's conduct has resulted in denying the Government substantial tax  
4 revenue owed by his customers, while requiring the Government to devote time and  
5 resources to examining the tax returns of his customers and investigating Champion's  
6 misconduct. Many of Champion's customers have faced not merely civil but also  
7 criminal liability for following the course of conduct urged and outlined by  
8 Champion. Accordingly, Champion should be enjoined from continuing to promote  
9 his tax-fraud schemes.

### 10 **Champion's Background**

11 7. Although Champion claims to be a U.S. tax law expert, he has little in the  
12 way of demonstrable formal education, holding himself out only to be a self-taught  
13 "paralegal." Champion has acted in advisory capacity on legal and tax issues in two  
14 congressional campaigns, however, and has also provided his services as an advisor  
15 to some of his customers in litigation with the Government.

16 8. Champion has not filed a federal income tax return since 1995. He was  
17 audited by the IRS in 1993 for the 1985 to 1990 tax years. For those years, as well as  
18 1996 and 1997, he has an unpaid tax liability exceeding \$800,000, exclusive of  
19 penalties and interest.

### 20 **Basis of Champion's "Nontaxpayer" Scheme**

21 9. Champion embraces a cornucopia of frivolous Constitutional claims, all of  
22 which coalesce around the general concept that the majority of American citizens do  
23 not fit within the definition of "taxpayer" and thus are not subject to the internal  
24 revenue laws.

25 10. To begin with, Champion makes the frivolous claim that federal income tax  
26 is limited by the Constitution (*i.e.*, the 16<sup>th</sup> Amendment) to include only income in the  
27 form of dividends, patronage dividends, and interest from corporate investment.

1 11. Champion asserts on his websites that the Constitution mandates two rules  
2 for how the Government can lay direct and indirect taxes, but based upon Article 1  
3 the income tax is not properly applied to individual income. Most Americans, he says  
4 further, do not owe taxes under Subtitle A or C of the Internal Revenue Code.  
5 Champion also claims that case law distinguishes between 'income' and '16th  
6 Amendment income,' defining 16th Amendment income as income arising solely  
7 from corporate activities. The only other kinds of activity subject to federal taxation,  
8 he maintains, are dealing in distilled spirits, doing business in tobacco products,  
9 engaging in activities covered under Subtitle D of the Code, or federal employment  
10 as described in I.R.C. § 3401(c). Champion defines these activities as "excise tax  
11 activities."

12 12. Champion's frivolous tax claims also rely on the false distinction, for  
13 federal tax purposes, between "business" and "private affairs." According to  
14 Champion, an American citizen who earns his living from a non-regulated activity is  
15 not involved in a "business." Rather, he falsely asserts that such a citizen is engaged  
16 in the pursuit of his private affairs, which are not taxable. As long as the individual  
17 keeps his affairs private, and does not allow himself or his activities to become  
18 subject to Government regulation, Champion asserts, that individual can maintain this  
19 nontaxable status.

### 20 **Specific Aspects of Champion's Scheme**

21 13. Building upon these frivolous claims, Champion assists people who have  
22 taxable income and are required by federal law to file income and employment tax  
23 returns evade entirely their tax obligations by "dropping out of the system." For a fee,  
24 Champion consults with his customers, helping them negotiate their business affairs  
25 in a number of ways discussed herein.

26 14. To advertise his services, Champion owns and maintains two websites:  
27 "www.orialintent.org," which he started in approximately 2001 or 2002, and  
28

1 “www.nontaxpayers.org,” which he started in about 2002 or 2003. Champion’s  
2 customers are directed to contact him through his website “www.nontaxpayer.org.”  
3 Champion also has in the past promoted his illegal scheme through his own  
4 independent radio program (<http://www.americanradioshow.us/>) that has been aired  
5 through webcast, satellite (ABC StarGuide III, AMC8, ABC NY, Galaxy 4R, and  
6 ComStream Digital), regular commercial stations (KNAK 540 AM – Delta, Utah), as  
7 well as the Accent Radio Network. And he has promoted his scheme on television  
8 programs, often speaking on the “fraudulent misapplication of U.S. tax law.” In  
9 2010, and as discussed in greater detail below, he also self-published some materials  
10 containing his claims as another means of selling the services he markets to  
11 customers.

12 15. Champion actively solicits customers via his “nontaxpayer.org” website,  
13 inviting potential customers to make an appointment with him at the rate of \$300 per  
14 hour. (See <http://www.nontaxpayer.org/appointment.php>). He benefits economically  
15 from the services he provides his customers, in the compensation he has received.  
16 Champion has sent invoices to his customers and required that “all invoices must be  
17 paid in cash,” in keeping with his overall “nontaxpayer” scheme of tax evasion.

18 16. Champion’s scheme is premised initially on the claim that he will only  
19 “work” with individuals who have already determined that they are nontaxpayers, *i.e.*,  
20 those upon whom Federal tax law purportedly does not impose any tax or duty.  
21 Champion therefore requires his customers to certify in advance that they are already  
22 “nontaxpayers” by signing a “Disclaimer Notice” before he will agree to assist them.

23 17. The fact that Champion requires such disclaimers underscores his  
24 awareness of the falsity of his scheme. Because he purports not to educate  
25 individuals on their status as a taxpayer or nontaxpayer, Champion asserts, it is the  
26 individual customer who determines whether he or she is subject to Federal tax or  
27 duties (and therefore, *they* - and not Champion - who are at fault if they happen to be  
28

1 incorrect about their “nontaxpayer” status). Thus, Champion attempts to distance  
2 himself at the outset from the illegal advice he provides his customers by pretending  
3 that he has no responsibility for the outcome.

4 18. Once a customer signs the disclaimer, Champion makes himself available  
5 (for a fee) to assist that customer with structuring his or her private financial affairs  
6 to evade payment of income and payroll taxes. To this end, Champion provides  
7 customers advice, helps them prepare paperwork (*e.g.*, correspondence on their behalf  
8 or contractual documents to help the customer establish a trust), or assists them, like  
9 an advocate, in explaining their supposed “nontaxpayer” status to their employers or  
10 business associates. He also informs them that, as with him, their nontaxpayer status  
11 means they need not file federal tax returns.

12 19. In educating his customers about the benefits of the nontaxpayer “lifestyle,”  
13 Champion urges customers to avoid disclosing certain information, and avoid acting  
14 in certain ways, that might make it appear as if they concede they are taxpayers. To  
15 this end, Champion instructs customers not to do such mundane things as get a  
16 business license, file tax returns, perform employee tax withholding, acquire a  
17 Taxpayer Identification Number (“TIN”), or provide anyone with the TIN. He also  
18 instructs customers to refuse to provide a TIN when required, refuse to sign IRS  
19 Forms W-4 and Form W-9, refuse to withhold and pay employee taxes, and refuse to  
20 issue IRS Forms 1099 in connection with business transactions.

21 20. Champion also advocates on behalf of his customers to tell others of his  
22 customers’ supposed nontaxpayer status. Thus, Champion will write letters to a  
23 customer’s employer explaining that the customer has no tax payment or reporting  
24 requirements and thus need not possess or furnish his employer with a TIN. He will  
25 also write letters to the customer’s union asking for justification for the requirement  
26 that union members have and/or provide to others a Social Security Number. And he  
27 has written objecting letters on his customers’ behalf to third party record-keepers  
28

1 when such third parties have been served with IRS summonses seeking information  
2 relating to the customer.

3 *Formation of Sham "Pure Trusts"*

4 21. Another service Champion provides to his customers is the preparation of  
5 documents to establish "pure trusts" - a variation on a sham common-law trust often  
6 used by taxpayers to evade their income tax obligations. Champion helps his  
7 customers transfer their assets into these trusts, and will also in some cases act as  
8 trustee.

9 22. Champion falsely informs his customers that so-called pure, or common-  
10 law, trusts have no federal tax filing requirements, and are therefore not obligated to  
11 pay federal taxes with respect to their income and assets. His assertions are based  
12 upon the false claim that the U.S. Constitution prohibits states from impairing the  
13 "obligation of contracts," and therefore trusts created as a matter of contract are  
14 exempt from federal taxation.

15 23. There is a yawning distinction between a valid trust, for federal income tax  
16 purposes, and the sham trusts promoted by Champion. In a valid trust, legal title to  
17 property is conveyed to an independent trustee, who is then responsible for utilizing  
18 that property for the benefit of another person (the beneficiary). The beneficiary  
19 lacks legal title and exercises no control over trust operations but enjoys some  
20 benefits of ownership (*e.g.* income earned from trust assets). The IRS recognizes  
21 numerous types of legal trust arrangements, and they are commonly used for estate  
22 planning or holding of assets for beneficiaries. (*See* "Abusive Trust Tax Evasion  
23 Schemes", <http://www.irs.gov/businesses/small/article/0,,id=106538,00.html>). By  
24 contrast, if the owner of property transferred to a trust continues to retain an  
25 economic interest in or control over that property, the Internal Revenue Code treats  
26 the owner as the owner of the trust property, and transactions involving that property  
27 are properly taxed to the owner. *See* I.R.C. § 671 *et seq.*

1           24. Accordingly, as a matter of law, trusts of the sort promoted and established  
2 for customers, by Champion, have repeatedly been found by federal courts to be  
3 sham entities lacking economic substance, either because the grantors of the trusts  
4 were liable for the trusts' income, or because the trusts were mere nominees for their  
5 grantors. *See, e.g., Barmes v. Commissioner*, T.C. Memo. 2001-155, 2001 WL  
6 732879 (U.S. Tax Ct. June 28, 2001)(income is taxable "to the one that earns it," and  
7 therefore "[a]ttempts to subvert this principle by diverting income away from its true  
8 earner to another entity by means of contractual arrangements, however cleverly  
9 drafted, are not recognized as dispositive for Federal income tax purposes"), *aff'd* No.  
10 01-3517, 2002 WL 652089 (7th Cir. Feb. 21, 2002); *Barmes v. Internal Revenue*  
11 *Service*, No. TH 97-287-C-T/F, 2004 WL 1005493 (S.D. Ind. Mar. 29, 2004)(trusts  
12 were nominees for taxpayers because taxpayer placed into them property over which  
13 he retained control and because he ran the trusts for no consideration and in  
14 anticipation of the occurrence of tax liabilities).

15           25. In the course of its investigation of Champion's conduct, the IRS  
16 subpoenaed documents from Champion relating to 15 such pure trusts that he has  
17 helped prepare and establish. Although the precise form of these trusts vary (some are  
18 termed "Sovereignty Pure" trusts, while others are called "American Pure" trusts or  
19 "Original Intent Trust Services"), all have similar characteristics.

20           26. For example, although many of the trust documents produced to the  
21 Government by Champion purport to be "in the nature of an irrevocable trust," the  
22 IRS's review of the trust documents consistently found in each case that the  
23 settler/grantor had the ability to decree how the trust would terminate, as well as the  
24 power to terminate the trust after twenty years. The fact that the trust grantors could  
25 exercise such control over the trust meant they were anything but "irrevocable."

26           27. Similarly, the IRS reviewed the trustee meeting minutes of one trust  
27 established by Champion and found that the trust settler was also the trust's  
28

1 Managing Agent, with the authority to open bank accounts, possess signatory  
2 authority over such bank accounts, and to exercise “delegated authority” from the  
3 trustee in accordance with the trust’s documents. Other trusts explicitly empowered  
4 their trustees to appoint officers such as a Managing Agent - likely the settler - who  
5 would possess the power to open trust bank accounts and exercise signatory authority  
6 over the same. None of the 15 trusts established by Champion, of which the IRS is  
7 aware, have ever filed a Form 1041 income tax return.

8 28. Regardless of the form, Champion’s intent in assisting his customers to  
9 create such trusts is the same: evade federal income taxes by assigning the  
10 individual’s income to the trust. Such trusts are invalid for federal tax purposes,  
11 regardless of whether their creation accords with state law. “Frivolous Tax Returns;  
12 Use of Sham Trusts,” Rev. Rul. 2006-19, 2006-1 C.B. 749 (2006).

13 *Other Services Provided by Champion to Customers*

14 29. Champion has also helped customers locate and establish “warehouse  
15 bank” accounts, in which all of a customer’s funds are commingled, to prevent funds  
16 from flowing through the customers’ commercial bank accounts and thus evade the  
17 detection of income by the IRS.

18 30. In addition, Champion has provided instruction to his customers so that  
19 they may exercise self-help in maximizing their purported nontaxpayer status. For  
20 example, Champion previously made available on his website [www.nontaxpayer.org](http://www.nontaxpayer.org)  
21 a document catalog listing documents available to his customers (the IRS obtained  
22 this catalog in the context of the administrative summons discussed below, although  
23 the catalog appears to have since been removed from the website).

24 31. That catalog listed categories of documents including banking documents,  
25 lender documents, real estate documents, withholding documents, TIN request  
26 responses, levy and garnishment documents, materials assisting customers in  
27 obtaining passports without disclosure of a Social Security number, and instructions  
28

1 on rebutting information returns, among other things. Champion's related  
2 "originalintent.org" website also provides a wealth of information "educating"  
3 taxpayers on who is or is not properly considered a "nontaxpayer," thus (and despite  
4 Champion's claims that he only takes on customers who are confirmed  
5 "nontaxpayers") encouraging potential customers to take their first steps toward  
6 becoming a "nontaxpayer."

### 7 **Champion's Customers Pay a Price for Taking his Advice**

8 32. Champion's customers have repeatedly found that paying him to help them  
9 maximize their "nontaxpayer" status results in the same unhappy ending: Government  
10 scrutiny, whether in the form of an IRS investigation, audit, or criminal and civil  
11 charges being brought against the taxpayer/customer.

#### 12 *James and Leslie Iannitti*

13 33. James Iannitti was an equipment finance broker operating his business  
14 under the name "Intermax Holding." Iannitti and his wife were just the sort of  
15 customers Champion looks for, as they had previously ceased filing federal income  
16 tax returns in 2004, but there is no doubt Champion performed several tasks for them  
17 to help them take maximum advantage of their "nontaxpayer" status. Indeed, Mr.  
18 Iannitti was pleased enough by the results to place a testimonial to Champion's  
19 competence on the "nontaxpayer.org" website. ("With Dave on my side, I don't need  
20 to be an expert on every issue that may be important to living as a nontaxpayer"). The  
21 Iannittis paid Champion approximately \$5,000 for the services he provided them,  
22 which included the preparation of a "pure trust."

23 34. In 2006, one of Intermax's clients had asked it to disclose its TIN so that  
24 the client could issue a Form 1099 in connection with commissions it had paid  
25 Intermax. In response, Intermax and Mr. Iannitti informed the client that as a "Pure  
26 Trust Organization," it was exempt from all U.S. Taxation, and therefore did not  
27 possess the requested taxpayer identification information. Champion subsequently  
28

1 corresponded with the client on behalf of Intermax (signing the correspondence as  
2 trustee of Intermax) purportedly corroborating this supposed fact.

3 35. The client's CPA, however, disputed the accuracy of this statement and  
4 determined on her own that it was incorrect. She informed the IRS of the situation  
5 and asked for its guidance in preparing a Form 1099.

6 36. Thereafter, in September of 2007, the IRS examined the Iannittis' federal  
7 income tax compliance for the 2005-2006 tax years (eventually expanding the  
8 examination to include 2007 as well). After being notified of the examination, the  
9 Iannittis disputed the propriety of the examination, frivolously asserting that they  
10 were "nontaxpayers," and that there was nothing in the Internal Revenue Code  
11 requiring them to file an income tax return.

12 37. The Iannittis eventually chose to cooperate with the IRS examination. They  
13 informed the IRS that Champion had helped them draft the Intermax trust's operating  
14 documents, and had also written letters for them repeatedly telling third parties of the  
15 company's "nontaxpayer" status, among other things. Champion had also assisted  
16 the Iannittis in opening a warehouse bank account (held under the name "Genesis  
17 Accounting Concepts, LLC"). Champion uses the same warehouse bank account  
18 structure for his own businesses.

19 38. The Iannittis ultimately agreed to dissolve the Intermax Holding Trust and  
20 to report the income and expense from their business activity on federal income tax  
21 returns which they filed with the IRS. Their returns were later opened for  
22 examination and resulted in unpaid tax liability exceeding \$15,000.

23 *Patrick and Christopher Linstruth*

24 39. Patrick and Christopher Linstruth own a company called L2 Enterprises  
25 d/b/a QNET, a full-service Internet provider. Champion assisted the Linstruths in  
26 restructuring their financial affairs in order to maximize the benefits of their  
27 "nontaxpayer" status, provided advice to them, helped them prepare trust documents,  
28

1 and engaged in a letter-writing campaign to inquiring parties in order to explain to  
2 them why L2 Enterprises supposedly did not have to possess or furnish a TIN.

3 40. In response to an IRS examination of the Linstruths' tax liabilities for the  
4 2001-2003 tax years, both Linstruths asserted the kinds of frivolous legal arguments  
5 that the Iannittis had also initially interposed to frustrate Government efforts to  
6 ascertain their actual tax liability. The Linstruths also opposed the IRS administrative  
7 summonses served upon them.

8 41. Both of the Linstruths eventually agreed to cooperate with the IRS  
9 examinations. As a result of the examinations, Patrick Linstruth and his wife have  
10 been found liable for more than \$120,000 in taxes for the 2001 and 2002 tax years,  
11 while Christopher Linstruth has been determined to be liable for more than \$80,000  
12 in taxes for the 2002 tax year alone.

13 *Richard Simkanin*

14 42. Richard Simkanin was a Champion customer in the late 1990s. He provided  
15 a testimonial on Champion's website in which he admits that he paid Champion to  
16 help him "educate" the employees of his company, Arrow Custom Plastic, about the  
17 grounds for his decision to stop withholding payroll taxes from their compensation.  
18 ("I felt that it was extremely important to have a person from outside the company to  
19 explain what the federal tax laws say and where to find these laws for themselves").  
20 Simkanin also paid Champion to prepare and make a three-hour presentation for his  
21 employees, a video tape of which the IRS possesses.

22 43. In 2004, Simkanin was convicted of criminal charges in federal court for  
23 failing to collect and pay over employment taxes of \$175,032, presenting false claims,  
24 and failing to file income tax returns. *U.S. v. Simkanin*, No. 4:03-CR-00188-ALL  
25 (N.D. Tex. Jan. 7, 2004), *aff'd*, 420 F.3d 397 (5th Cir. 2005).

26 44. Simkanin had been a member of "We the People," an organization that, like  
27  
28

1 Champion, falsely informed customers that there is no law requiring most Americans  
2 to pay income taxes or most companies to withhold taxes from employees paychecks,  
3 and that the 16<sup>th</sup> Amendment was fraudulently ratified. At trial, Simkanin attempted  
4 to establish that he held these beliefs in good faith, but his “defense” was rejected.

5 45. Champion has acknowledged the prior assistance he provided to Simkanin  
6 on his “nontaxpayer.org” website. In reaction to Simkanin’s conviction - the  
7 foreseeable result of following Champion’s “nontaxpayer” practices - Champion  
8 simply doubled down, urging readers not to reconsider the legality of their actions,  
9 but instead to do a better job of hiding their nontaxpayer “status” (*e.g.*, by dissolving  
10 their corporations or avoiding the public airing of their views).

#### 11 **Resistance to Government Investigative Efforts**

12 46. As part of the assistance Champion provides his customers in evading their  
13 tax obligations, Champion also instructs his customers how to avoid government  
14 detection, and then to resist Governmental investigative efforts once a customer’s  
15 “nontaxpayer” pose is challenged. For example, consistent with his advice that so-  
16 called nontaxpayers not file income tax returns, Champion advises customers with  
17 businesses to cancel their existing Employer Identification Number (EIN) as a way  
18 to evade payment of their employer payroll tax obligations. He also tells customers  
19 to dissolve existing corporations, rather than merely suspending them, so that any  
20 prior tax identifiers for the corporate entity are eliminated (even while the business  
21 continues to operate). And he instructs his customers never to request refunds for  
22 taxes they have already paid because the Government will go after a refund-filing  
23 nontaxpayer “like a rabid dog.”

24 47. Champion has himself personally gone to great lengths to resist efforts by  
25 the IRS to investigate the scope of his conduct. On February 15, 2006 the IRS issued  
26 an administrative summons to Champion. After his failure to comply, the  
27  
28

1 Government brought a petition to enforce the summons on March 6, 2008, in the  
2 United States District Court for the Central District of California.

3 48. Thereafter, at a hearing on April 30, 2008, Champion agreed to produce the  
4 requested documents and the Court issued an order for him to appear before the IRS  
5 and comply with the summons. When he finally appeared for interview by the IRS,  
6 however, Champion proceeded to invoke the Fifth Amendment, refusing to answer  
7 questions, provide documents requested by the summons, or confirm whether such  
8 documents even existed.

9 49. The United States subsequently moved to hold Champion in contempt.  
10 *United States v. Champion*, No. CV08-01629-PA-JWJx (July 1, 2008 (Docket No.  
11 24)). After a hearing was held on September 8, 2008 (over two years after issuance  
12 of the initial summons), Champion was found to be in civil contempt and taken into  
13 custody. Only at this point did he agree to turn over the summoned materials.

#### 14 **Champion is Aware of the Falsity of his Promotion**

15 50. Champion knows or has reason to know that the representations he makes  
16 to customers about their status as “nontaxpayers” and purported concomitant rights  
17 are frivolous and false. As noted above, many of his customers (such as Richard  
18 Simkanin) have had their claims “tested” in federal court and found completely  
19 baseless, and Champion is aware of the results of such cases.

20 51. Champion is also aware of the results that third parties have faced in  
21 embracing and acting upon the frivolous claims he promotes to his customers. In  
22 2004, a taxpayer named Joe Pensyl was convicted in an Ohio federal court of  
23 attempted tax evasion after he had failed to report income derived from his dental  
24 practice, rental properties, and other investments by concealing his assets and income  
25 through the use of trusts and by failing to file tax returns - precisely the kind of  
26 conduct promoted by Champion. *See generally United States v. Pensyl*, 387 F.3d 456  
27 (6th Cir. 2004). Pensyl also had failed to withhold payroll taxes for the employees of  
28

1 his dental practice during that same period. Champion was retained by Pensyl's  
2 attorneys during the course of the case to assist them in reviewing the Government's  
3 evidence, and so became aware of the facts relevant to Pensyl's case.

4 52. As with the Simkanin case, Champion used the example of the Pensyl case  
5 as a "teachable moment" for the readers of his "nontaxpayer.org" website. However,  
6 he cited it not to warn potential customers about the dangers of relying on the  
7 frivolous advice he doles out, but instead to illuminate "common mistakes to watch  
8 for." In particular, Champion criticized Pensyl for not adhering to his "nontaxpayer"  
9 status, because Pensyl had done things such as obtaining a TIN, or put down his  
10 Social Security number on other forms. Pensyl had thus supposedly "cooked his own  
11 goose" by failing to recognize that "nontaxpayers don't use federal tax "identifying  
12 numbers." See <http://www.nontaxpayer.org/theworld/Common%20Mistakes.html>.

### 13 **Champion Continues to Promote his Frivolous Scheme**

14 53. The IRS continues to investigate Champion and anticipates that, as it  
15 discovers more of his customers and examines their efforts to evade taxation through  
16 his frivolous "nontaxpayer" teachings, it will find even more evidence of the role  
17 Champion played in their illegal conduct. Nevertheless, the Government is aware of  
18 Champion's ongoing efforts to promote his scheme, and to specifically promote his  
19 services.

20 54. Champion has given many interviews in the past year on radio programs  
21 promoting his scheme, and continues to maintain his two websites. In addition, this  
22 past year Champion self-published a 400-page work entitled Income Tax: Shattering  
23 the Myths that is for sale on another of his websites (<http://www.taxrevolt.us/>).

24 55. Although Income Tax: Shattering the Myths purports to set forth nothing  
25 more than political free speech, Champion falsely identifies himself in it as "the most  
26 knowledgeable person in the nation" with respect to its content on federal tax matters.  
27 Income Tax: Shattering the Myths sets forth in detail Champion's frivolous claim that

1 “nontaxpayers” are not subject to federal income taxation, and are not obligated to  
2 adhere to tax return filing requirements or respond to administrative summonses.  
3 And it contains the detailed instructions Champion himself provides to such  
4 “nontaxpayers” for how to maximize the benefit of their status. Income Tax:  
5 Shattering the Myths also advertises Champion’s services as well.

6 56. All told, the statements Champion makes in his publications, websites, and  
7 in public appearances, go well beyond mere expressions of anti-government or anti-  
8 tax political animus. Rather, they constitute false, intentionally misleading, and/or  
9 deceptive commercial speech that this Court may regulate if not ban entirely. These  
10 statements are ultimately aimed at persuading potential “nontaxpayer” customers to  
11 engage in various commercial transactions with Champion, in which he is paid by his  
12 customers to assist them in making changes to the structure of their personal and  
13 business lives in order to evade federal taxes. As such, the intent of this false and/or  
14 fraudulent speech is, at bottom, to benefit Champion financially.

### 15 **Harm to the Government**

16 57. Champion has repeatedly assisted his customers in the preparation of  
17 letters, documents, and forms to help them “remove” themselves from the tax system.  
18 And he has provided them advice and guidance in such matters as well. The tax  
19 revenue lost as a result of his activities (which includes individual income taxes as  
20 well as unpaid payroll taxes) is significant.

21 58. Audits, examinations, or investigations by the IRS of eight of Champion’s  
22 customers reveal that Champion has assisted those particular taxpayers in evading  
23 payment of approximately \$1.4 million in income taxes for the 2001-2008 tax years.  
24 The IRS estimates that, given the 74 customers Champion purports to have had (the  
25 audited/investigated customers, plus 66 identified in a customer list produced by  
26 Champion to the Government in accordance with its two-year effort to enforce its  
27  
28

1 administrative summons against him), the harm to the Treasury is in the range of \$10-  
2 \$15 million.

3 **First Cause of Action - Injunction under I.R.C. § 7408**

4 59. The United States incorporates by reference the allegations in Paragraphs  
5 1 through 58.

6 60. Section 7408, I.R.C., authorizes a district court to enjoin any person from  
7 further engaging in conduct subject to penalty under either I.R.C. § 6700 or § 6701,  
8 if injunctive relief is appropriate to prevent recurrence of that conduct.

9 61. Section 6700, I.R.C., provides that a penalty will be imposed against any  
10 person who organizes or assists in the organization of a partnership or other  
11 investment plan or arrangement, or participates in the sale of an interest in an entity  
12 or plan, and (a) knowingly makes, or causes to be made, a false or fraudulent  
13 statement as to the allowability of a deduction or credit, the excludability of any  
14 income, the securing of another tax benefit, because of an interest held in the entity  
15 or because of his participation in the plan, or (b) makes a gross valuation  
16 overstatement as to any material matter.

17 62. Section 6701, I.R.C., imposes a penalty on any person who aids or assists  
18 in, procures, or advises with respect to the preparation or presentation of a federal  
19 tax return, refund claim, or other document, knowing or having a reason to believe  
20 that it will be used in connection with any material matter arising under the internal  
21 revenue laws, and knowing that if so used it would result in an understatement of  
22 another person's tax liability.

23 63. Champion promotes an abusive tax scheme in which he assists  
24 "nontaxpayers" in a variety of ways to structure their private financial affairs so as  
25 to evade the payment of taxes. Such acts purport to remove taxpayers from the federal  
26 income tax system, and/or assist them from being wrongfully ensnared into the  
27  
28

1 taxpayer status. Champion provides both direct assistance as well as access to  
2 information on his website, and receives compensation for his services.

3 64. In so doing, Champion makes numerous blatantly false statements about  
4 supposed tax benefits upon which his customers rely to their detriment. Thus,  
5 Champion has made false statements that the federal income tax is limited by the  
6 Constitution to income earned through an excise taxable activity and that it is  
7 possible to become a nontaxpayer not subject to federal income tax. He has falsely  
8 told customers that wages are taxable only if earned by government employees,  
9 persons working in federal possessions or territories or persons who agree to the  
10 income tax by executing a W-4, and that the IRS cannot assess any tax against a  
11 person unless the person has filed an income tax return or a payer has filed an  
12 information return, such as a Form W-2 or Form 1099, reporting the income. And he  
13 has made false statements that the “pure trust organization” that he helps customers  
14 form are not subject to tax filing requirements, or otherwise are legitimate vehicles  
15 for legally limiting an individual’s tax burden.

16 65. The false statements Champion makes to his customers are material to their  
17 tax filings. Champion assists his customers in “dropping out” of the federal taxation  
18 system; such dropping out includes the failure to file income and employment tax  
19 returns and thus includes the exclusion of the reporting of all income earned by the  
20 customer. The statements he makes thus have a substantial impact on the decision-  
21 making process of his customers. Advising people that they need not file returns and  
22 need not report income amounts to making false statements as to material matters  
23 arising under the federal tax laws.

24 66. Champion not only propagates false and fraudulent information about the  
25 tax laws through direct contact with his customers, and through the direct assistance  
26 he provides customers, but also more generally through the statements published on  
27 his “nontaxpayer.org” website. This website is replete with false and fraudulent  
28

1 statements about the federal income tax laws. On the website, Champion does not  
2 merely espouse expressive political (if incorrect) speech, but instead engages in false  
3 commercial speech the purpose of which is to propose commercial transactions that  
4 will benefit him directly as well as their customers. The “nontaxpayer.org” website  
5 in effect advertises to potential customers Champion’s expertise. He also is now  
6 similarly propagating his frivolous claims through the publication of Income Tax:  
7 Shattering the Myths.

8 67. Champion is well aware of the falsity of his statements. He holds himself  
9 out as a “consultant” on tax law. He claims that he is a paralegal and that he began  
10 investigating federal and state tax laws in 1993 after being audited by the IRS. He  
11 has been a guest on numerous TV and radio shows, speaking on various legal topics,  
12 including the “fraudulent misapplication of U.S. tax law.” On his website, there are  
13 multiple articles written by him where he indicates that he has been hired by the  
14 defense in a criminal tax case to review the Government’s evidence. He also is well  
15 aware of what has happened to individuals (such as Simkanin and Pensyl) who cling  
16 to the truth of the statements and claims he makes despite the legal consequences.

17 68. Accordingly, Champion knows or should know that his statements  
18 regarding his customers’ liability for income and employment taxes are false and  
19 fraudulent. The fact that Champion requires his customers to provide him with a  
20 disclaimer as to their prior “nontaxpayer” status underscores his sophistication and  
21 desire to distance himself from potential liability for advocating frivolous and false  
22 tax positions.

23 69. Based upon the foregoing, Champion has committed numerous acts in  
24 violation of Section 6700, and injunctive relief is appropriate to stem the tide of his  
25 unceasing conduct. His scheme assists individuals in evading their federal tax  
26 obligations. Given Champion’s recent statements, as well as his complete resistance  
27  
28

1 to IRS efforts to investigate his conduct, Champion plainly intends to continue to  
2 function as an advisor/counselor to nontaxpayers unless stopped by the Court.

3 70. Champion's conduct also violates Section 6701. Champion's advice and  
4 assistance was utilized by his customers in their tax return preparation activities, and  
5 thus aided and abetted them in falsely limiting their tax liability. In addition,  
6 Champion directly assisted customers through the preparation of letters that were  
7 forwarded to their employers, escrow companies, and other organizations, in order  
8 to explain or support the customer's failure/refusal to provide TINs upon request.  
9 Champion knew that these letters would to used to support the non-withholding of  
10 taxes in situations where withholding is required. Champion also knew that the  
11 statements made in these letters would result in the understatement of the tax liability  
12 of his customers

13 71. Injunctive relief is appropriate given the continual and/or repeated nature  
14 of Champion's misconduct. Champion continues to promote his scheme and to  
15 attempt to attract paying customers to retain his assistance. He unquestionably acts  
16 in a manner contrary to the plain face of several court determinations against his  
17 customers (as well as himself personally) establishing that his numerous  
18 representations and claims about "nontaxpayers" and their status are false and  
19 frivolous. It is thus evident that he will continue to act as he has in the past absent an  
20 injunction.

21 **Second Cause of Action - Injunction under I.R.C. § 7402**

22 72. The United States incorporates by reference the allegations contained in  
23 Paragraphs 1 through 71.

24 73. I.R.C. § 7402 authorizes the Court to issue an injunction or other judgment  
25 that is necessary or appropriate for the enforcement of the internal revenue laws.

26 74. I.R.C. § 7402(a) authorizes a district court to issue injunctions as may be  
27  
28

1 necessary or appropriate for the enforcement of the internal revenue laws, even if the  
2 United States has other remedies available for enforcing those laws.

3 75. Champion has substantially interfered with the enforcement of the internal  
4 revenue laws by his broad propagation of completely false information about the  
5 federal tax laws, as well as by promoting his false expertise in assisting customers in  
6 fully realizing the benefits of their “nontaxed” status.

7 76. As a result of Champion’s misconduct, his customers have failed to file  
8 proper tax returns, failed to make proper payroll tax payments, and/or consistently  
9 understated their actual tax liability.

10 77. Champion’s conduct results in irreparable harm to the United States and to  
11 the public. There is no adequate remedy at law for his misconduct.

12 78. Champion’s conduct interferes with the proper administration of the  
13 Internal Revenue Code because it results in either frivolous tax filings with the IRS  
14 that hinder the IRS’s ability to determine the correct tax liabilities of his customers,  
15 or causes his customers to attempt to evade the payment of taxes entirely. The IRS  
16 accordingly is forced to expend valuable resources rectifying the errors of  
17 Champion’s customers, or otherwise attempting to collect their unpaid tax liabilities.

18 79. Champion has also falsely instructed his customers that they themselves  
19 should evade detection by the IRS by cloaking their conduct from the Government,  
20 failing to make required tax filings, and/or failing to identify themselves with proper  
21 tax-related identification numbers (TINs, EINs). And he has personally resisted  
22 legitimate efforts by the IRS to investigate his conduct through the employ of  
23 frivolous legal tactics.

24 80. Unless enjoined by this Court, Champion will continue to promote and  
25 administer his tax-fraud scheme.

26 81. Under I.R.C. § 7402(a), the United States is entitled to injunctive relief to  
27 prevent the recurrence of this misconduct.

1  
2 WHEREFORE, Plaintiff, the United States of America, prays for the following  
3 relief:

4 A. That the Court find that Champion has engaged in conduct subject to  
5 penalty under 26 U.S.C. §§ 6700 and 6701 and that, under 26 U.S.C. § 7408,  
6 injunctive relief is appropriate to bar him from engaging in such conduct;

7 B. That the Court find that Champion has engaged in conduct that substantially  
8 interferes with the enforcement and administration of the internal revenue laws, and  
9 that, pursuant to 26 U.S.C. § 7402(a), injunctive relief against him is appropriate to  
10 prevent the recurrence of that misconduct;

11 C. That this Court, under 26 U.S.C. §§ 7402 and 7408, enter a permanent  
12 injunction prohibiting Champion and his representatives, agents, servants, employees,  
13 and anyone in active concert or participation with him, from directly or indirectly by  
14 any means (including means of false, deceptive, or misleading commercial speech)  
15 engaging in any of the following activities:

16 (1) Promoting, marketing, organizing, or selling (or assisting therein) any  
17 plan or arrangement that contains a statement regarding federal taxes that Champion  
18 knows or has reason to know is false or fraudulent as to any material matter,  
19 including, but not limited to, in connection with promoting his scheme:

20 (i) making the false or fraudulent statement that taxpayers may  
21 define themselves as “nontaxpayers” and thereby opt out of  
22 federal taxation;

23 (ii) making the false or fraudulent statement that the federal  
24 income tax is limited by the Constitution (*i.e.*, the 16<sup>th</sup>  
25 Amendment) to income in the form of dividends, patronage  
26 dividends, and interest from corporate investment;

27 (iii) making the false or fraudulent statement that individuals need  
28

1 not pay federal taxes, withhold federal taxes from their wages,  
2 pay payroll taxes, or have payroll taxes withheld from their  
3 employee's pay, either because no law requires it or because  
4 the IRS has no power or legal authority to tax the individual or  
5 their employees;

6 (iv) making the false or fraudulent statement that individuals may  
7 refuse to (a) provide a Tax Identification Number (TIN) when  
8 required, (b) sign Forms W-4s, W-9, and similar forms when  
9 required by law (c) withhold and pay employee taxes, and/or (d)  
10 and refuse to issue Forms 1099;

11 (v) making false or fraudulent statements as to the federal tax  
12 benefits of so-called "Pure Trusts" ; and

13 (vi) making false or fraudulent statements about the use of  
14 warehouse bank accounts in order to evade the payment of taxes;

15 (2) Assisting any individual with the formation of "pure trusts," or any  
16 similar trust or other sham entity that is intended to evade, or has the effect of  
17 evading, the federal tax laws;

18 (3) Assisting any individual in establishing a warehouse bank account  
19 that is intended to evade, or has the effect of evading, the federal tax laws;

20 (4) Engaging in any other activity subject to penalty under 26 U.S.C. §  
21 6700, including organizing or selling a plan or arrangement and making a statement  
22 regarding the excludability of income or securing of any other tax benefit by  
23 participating in the plan that he knows or has reason to know is false or fraudulent as  
24 to any material matter; and

25 (5) Engaging in any activity subject to penalty under 26 U.S.C. § 6701,  
26 including aiding or assisting in, procuring, or advising with respect to the preparation  
27 or presentation of a federal tax return, refund claim, or other document, that he knows  
28

1 or has reason to know will be used in connection with any material matter arising  
2 under the internal revenue laws, and knows that if so used it would result in an  
3 understatement of another person's tax liability;

4 D. That, under 26 U.S.C. § 7402, this Court enter an injunction requiring  
5 Champion to contact by mail (and also by e-mail, if an address is known) all persons  
6 who have purchased from him any products, services or advice associated with the  
7 false or fraudulent tax scheme described in this complaint in the past five years and  
8 inform those persons of the Court's findings concerning the falsity of his prior  
9 representations and attach a copy of the permanent injunction against Champion;

10 E. That, under 26 U.S.C. § 7402, this Court order Champion to provide to the  
11 United States a list of all persons who have purchased his products, services or advice  
12 in the past five years;

13 F. That this Court allow the government full post-judgment discovery to  
14 monitor Champion's compliance with the injunction; and

1 G. That this Court grant the United States such other and further relief as the  
2 Court deems just and appropriate.

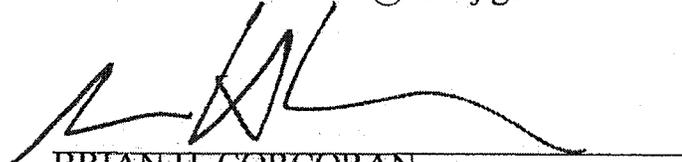
3  
4 February 8, 2011

5 Respectfully submitted,

6 ANDRÉ BIROTTE JR.  
United States Attorney

7 SANDRA R. BROWN  
8 Assistant United States Attorney  
Chief, Tax Division

9  
10 GAVIN L. GREENE (SBN 230807)  
Assistant United States Attorney  
11 Federal Building, Room 7211  
300 North Los Angeles Street  
12 Los Angeles, California 90012  
Telephone: (213) 894-4600  
13 Facsimile: (213) 894-0115  
E-mail: Gavin.Greene@usdoj.gov

14  
15  
16 

17 BRIAN H. CORCORAN  
Member, DC Bar, No. 456976  
18 Trial Attorney, Tax Division  
U.S. Department of Justice  
19 Post Office Box 7238  
Washington, D.C. 20044  
20 Telephone: (202) 353-7421  
Facsimile: (202) 514-6770  
E-mail: brian.h.corcoran@usdoj.gov

**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 Dean D. Pregerson and the assigned discovery Magistrate Judge is Suzanne H. Segal.

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

**CV11- 1175 DDP (SSx)**

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.

COPY

Andre Birotte, Jr., United States Attorney  
Sandra R. Brown, Assistant United States Attorney  
Chief, Tax Division  
Gavin Greene, Asst. 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,

PLAINTIFF(S)

v.

DAVID CHAMPION,

DEFENDANT(S).

CASE NUMBER

CV11 01175<sup>CV</sup> DDP SSx

SUMMONS

TO: THE ABOVE-NAMED DEFENDANT(S):

YOU ARE HEREBY SUMMONED and required to file with this court and serve upon plaintiff's attorney  
Gavin Greene, whose address is:

United States Attorney's Office  
300 N. Los Angeles Street Room 7211  
Los Angeles, CA 90012  
Tel: 213-894-4600 Fax: (213) 894-0115  
Email: GavinGreene@usdoj.gov

an answer to the  complaint  \_\_\_\_\_ amended complaint  counterclaim  cross-claim  
which is herewith served upon you within 21 days after service of this Summons upon you, exclusive  
of the day of service. If you fail to do so, judgement by default will be taken against you for the relief  
demanded in the complaint.

Clerk, U.S. District Court

Dated: FEB - 8 2011

By: CHRISTOPHER BOWER  
Deputy Clerk



(Seal of the Court)

1181

COPY

UNITED STATES DISTRICT COURT CENTRAL DISTRICT OF CALIFORNIA CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself) United States of America DEFENDANTS David Champion (b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) ANDRE BIROTTE JR., United States Attorney SANDRA R. BROWN, AUSA, Chief, Tax Division GAVIN L. GREENE, Assistant United States Attorney 300 N. Los Angeles Street, Room 7211, Los Angeles, CA 90012 Tel: (213) 894-4600 Fax: (213) 894-0115 email: Gavin.Green@usdoj.gov Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.) III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) PTF DEF PTF DEF 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party) Citizen of This State 1 1 Incorporated or Principal Place of Business in this State 4 4 2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III) Citizen of Another State 2 2 Incorporated and Principal Place of Business in Another State 5 5 Citizen or Subject of a Foreign Country 3 3 Foreign Nation 6 6

IV. ORIGIN (Place an X in one box only.) 1 Original 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from another district (specify): 6 Multi-District Litigation 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.) Permanent injunction against the promotion of fraudulent "nontaxpayer" tax scheme pursuant to 26 U.S.C. §§ 7402 and 7408.

VII. NATURE OF SUIT (Place an X in one box only.) OTHER STATUTES CONTRACT TORTS TORTS PRISONER LABOR 400 State Reapportionment 110 Insurance 310 Airplane PERSONAL INJURY PERSONAL PROPERTY 510 Motions to Vacate Sentence Habeas Corpus General Death Penalty Mandamus/Other Civil Rights Prison Condition FORFEITURE/PENALTY 710 Fair Labor Standards Act 410 Antitrust 120 Marine 315 Airplane Product Liability 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability BANKRUPTCY 422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 CIVIL RIGHTS 441 Voting 442 Employment 443 Housing/Accommodations 444 Welfare 445 American with Disabilities - Employment 446 American with Disabilities - Other 440 Other Civil Rights 620 Other Food & Drug 625 Drug Related Seizure of Property 21 USC 881 630 Liquor Laws 640 R.R. & Truck 650 Airline Regs 660 Occupational Safety/Health 690 Other 720 Labor/Mgmt. Relations 730 Labor/Mgmt. Reporting & Disclosure Act 740 Railway Labor Act 790 Other Labor Litigation 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS 820 Copyrights 830 Patent 840 Trademark SOCIAL SECURITY 861 HIA (1395ft) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g)) FEDERAL TAX SUITS 870 Taxes (U.S. Plaintiff or Defendant) 871 IRS-Third Party 26 USC 7609

CV11 01175

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**

**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): \_\_\_\_\_

**VIII(b). RELATED CASES:** Have any cases been previously filed in this court that are related to the present case?  No  Yes  
If yes, list case number(s): CV08-01629 PA (JWJx)

**Civil cases are deemed related if a previously filed case and the present case:**

- (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
	Nevada

(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):

*[Handwritten Signature]* Date 2/8/11

**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))