

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

<p>UNITED STATES OF AMERICA</p> <p>Plaintiffs,</p> <p>vs.</p> <p>KEVIN HARTSHORN, conducting business through the CHURCH OF COMPASSIONATE SERVICE</p> <p>Defendants,</p>	<p>ORDER AND INJUNCTION</p> <p>Case No. 2:10-CV-638</p>
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Pursuant to this court's March 9, 2012 Memorandum Decision and Order (Dkt. No. 33) granting in part and denying in part the United States' motion for summary judgment and having now reviewed the parties' supplemental briefings about the proposed form of injunction, the court orders as follows:

With reference to the court's Memorandum Decision, the Court finds that:

- A. Hartshorn has engaged in conduct subject to penalty under 26 U.S.C. §§ 6700 and 6701;
- B. Injunctive relief under 26 U.S.C. § 7408 is appropriate to prevent a recurrence of that conduct.

**NOW, THEREFORE**, and for good cause shown, it is accordingly **ORDERED**, **ADJUDGED**, and **DECREED** that Defendant Kevin Hartshorn be and is hereby permanently enjoined from directly or indirectly:

1 Organizing, promoting, marketing, or selling, or assisting in the organizing, promoting, marketing, or selling, any plan or arrangement that advises or encourages taxpayers to attempt to violate internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities, including any plan or arrangement that promotes, sells, or advocates the use of church - based tax-fraud schemes to avoid or evade filing federal tax returns or paying federal tax liabilities;

2. Engaging in conduct subject to penalty under 26 U.S.C. §§ 6700 or 6701, including organizing a plan or arrangement and making or furnishing a statement regarding the right or ability to claim that:

a.. the taxpayer does not earn taxable income or is not required to file a federal income tax return when the taxpayer assigns income to an LLC, trust, or other entity purportedly created by a church but in substance controlled by the taxpayer; and

b. the taxpayer is able to shield personal assets from the IRS by transferring title to trust nominally controlled by a church or other entity but in fact controlled by the taxpayer.

**IT IS FURTHER ORDERED** that Hartshorn shall contact by U.S. First Class Mail (and also by e-mail, if an address is known) all individuals to whom he provided advice or services through the Church of Compassionate Service, i.e., all current and former ministers of the Church of Compassionate Service, and inform those persons of this permanent injunction, and

enclose a copy of the injunction entered against him and a copy of the court's Memorandum Decision (Dkt No. 33), and file with the Court within thirty (30) days of the date the permanent injunction is entered a certification signed under penalty of perjury by Hartshorn, that he has done so.

**IT IS FURTHER ORDERED** that this Court shall retain jurisdiction over this action for purposes of implementing, modifying, and enforcing this permanent injunction;

**IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(d)(2), counsel for the United States is authorized to arrange for personal service of this order on the defendant;

**IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(d)(2), this order binds only the following who receive actual notice of it by personal service or otherwise:

1. Kevin Hartshorn, acting individually or on behalf of any other person, entity or group;
2. Any other person, entity or group acting in concert with Hartshorn.

This order is entered based upon the findings of fact and law stated in the Memorandum Decision and Order (Dkt No. 33) and in reliance upon the representations made by Defendant Kevin Hartshorn that it is the Church's intent to revise the relevant portions of its Minister's Handbook so that it deletes any language concerning ministers and taxes which is inconsistent with the Court's Decision in this case. The Church intends to send a revised handbook, in which any and all statements regarding income taxation are consistent in all respects with the Court's Decision, to each church minister as well as to counsel for the United States. The Court will

retain jurisdiction in the event that either party thereafter needs clarification or relief from this Court.

DATED this 18<sup>th</sup> day of April, 2012

BY THE COURT:

A handwritten signature in blue ink, reading "Clark Waddoups", written in a cursive style. The signature is positioned above a horizontal line.

Clark Waddoups  
United States District Judge