IN THE UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF FLORIDA
FORT PIERCE DIVISION

CASE No.09-14263-CIV-GRAHAM/LYNCH

UNITED STATES OF AMERICA	)
	)
Plaintiff,	)
	)
v.	)
	)
BYRON DENVER HATCHER and KIM COLLEEN REINHART, d/b/a PRUDENTIAL TRUSTEES, BAHAMAS BUSINESS CENTRE, EQUITY MUTUAL FUNDING, TRUSTEE ACCOUNTING, UNIVERSAL DOCUMENTS, and CARIBBEAN FORWARDING,	)
	)
Defendants.	)

STIPULATED ORDER

As the United States has filed a complaint in which it seeks, in part, a permanent injunction against the above-named defendants under I.R.C. §§ 7402(a) and 7408, in order to resolve this matter, it is hereby stipulated that:

1. Defendant Byron D. Hatcher waives the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, consents to the entry of judgment as detailed herein and agrees to be bound by its terms. The United States and Byron D. Hatcher agree that no provision in this stipulation or the fact that Byron D. Hatcher is agreeing to it constitutes an admission by him of any of the

allegations set forth by the United States in the complaint. Byron D. Hatcher understands that this stipulation will result in the entry of a final judgment in this matter, and waives the right to appeal from this judgment. Byron D. Hatcher admits that this Court has jurisdiction over him.

2. The parties agree, stipulate and will jointly move the court to enter the following Order:

ORDER

IT IS ORDERED that Byron D. Hatcher, his officers, agents, servants, employees, attorneys, and other persons who are in active concert or participation with them, and who have actual notice of this Order, are, is **PERMANENTLY ENJOINED**, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402 and 7408, effective from entry of this Order from directly or indirectly:

(1) Organizing, promoting, marketing, or selling any tax shelter, plan, or arrangement that advises or assists customers to attempt to conceal their income or assets from the United States Internal Revenue Service, or to otherwise violate the United States Internal Revenue laws or unlawfully avoid or hinder the assessment or collection of their federal tax liabilities;

(2) Causing and/or assisting U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any

state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a), to conceal or misrepresent their income or assets by any means to the United States Internal Revenue Service, including, but not limited to:

a. Setting up, managing, or maintaining bank or brokerage accounts for the above described persons or entities where the accounts have no business purpose;

b. Setting up, maintaining, or transferring assets, on behalf of the above described persons or entities, to entities, including corporations or trusts, that have no economic substance or business purpose;

c. Setting up, managing, or maintaining nominee bank or brokerage accounts for and the above described persons or entities;

d. Issuing credit cards to the above described business entities that have no economic substance or business purpose; and

e. Providing asset protection, asset planning, and/or asset management services to any of the above described persons or entities, other than for his own account or family members.

(3) Controlling, managing, and/or assisting in the control or management of income belonging to any U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a) (other than for his own account or family members) by any means, including, but not limited to:

a. Setting up, managing, or maintaining bank or brokerage accounts for U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C.

§ 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a);

b. Serving as a trustee or protector for any trust whose beneficiary is a U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a), other than a trust whose beneficiary is a close family member of the defendant;

c. Investing in foreign or domestic securities on behalf of U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a);

(4) Telling U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a),that transferring their assets or business interests to nominees or entities that lack economic substance or a business purpose will result in income that does not have to be reported on federal income tax returns;

(5) Telling any U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a),that placing their assets in a trust in which the beneficial owner retains control allows the beneficial owner to avoid federal tax requirements;

(6) Assisting U.S. businesses to create the false appearance of operating in a foreign country, including providing U.S. businesses with:

a. encrypted email;

b. confidential facsimile services;

c. web design;

d. e-commerce services;

e. offshore mailing addresses;

f. mail forwarding; or

g. a foreign phone and/or fax number;

(7) Preparing or helping to prepare documents for U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a),to create the false appearance that they have relinquished control of their assets, including their interests in active U.S. businesses, which affect the determination of any U.S. tax liability;

(8) Engaging in any other conduct subject to penalty under IRC § 6700, including making statements, which he knows or has reason to know is false about the securing of any tax benefit by reason of participating in any plan or arrangement, to any U.S. citizens, U.S. resident aliens as defined under I.R.C. § 7701(b), former U.S. citizens subject to U.S. taxes under I.R.C. § 877, any corporation organized under the laws of the United States, any state or the District of Columbia, any U.S. trust or U.S. estate as defined under I.R.C. § 7701(a)(30)(E), any foreign person or entity that has income effectively connected with U.S. business activity as defined under

I.R.C. §§ 864, 871(b) and 882, or any foreign person or entity that receives U.S. source income which is subject to U.S. tax under I.R.C. §§ 871(a) and 881(a);

(9) Engaging in any activity subject to penalty under I.R.C. § 6701, including advising with respect to, preparing, or assisting in the preparation of a document related to a material matter under the internal revenue laws of the United States that he knows will, if used, result in an understatement of another person's tax liability;

(10) Engaging in conduct designed or intended to, obstruct or delay any United States Internal Revenue Service investigation or audit; and

(11) Engaging in any other conduct subject to penalty under any penalty provision of the United States Internal Revenue Code, or engaging in any other conduct that interferes with the administration and enforcement of the United States Internal Revenue laws.

IT IS FURTHER ORDERED that the Court retains jurisdiction to enforce this Order.

Agreed to on ~~November~~ December 1, 2010 by:

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DONE AND ORDERED this 14th day of December, 2010.

UNITED STATES DISTRICT JUDGE