

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH CAROLINA
ANDERSON DIVISION

UNITED STATES OF AMERICA,)	Civil Action No. 8:17-1130-BHH
)	
Plaintiff,)	
)	
v.)	
)	
MATTRESS DIRECT ONLINE LLC and)	
MICHAEL WADE,)	
)	
Defendants.)	
_____)	

DEFAULT JUDGMENT AND PERMANENT INJUNCTION

This action comes before the Court on the United States of America's Motion for Default Judgment Against Mattress Direct Online LLC and Michael Wade under Federal Rule of Civil Procedure 55(b). The Clerk entered default against Defendants on June 8, 2017, and Plaintiff filed the current motion, supported by a memorandum of law and the declaration of Revenue Officer Tabitha Long. This Court has jurisdiction pursuant to 26 U.S.C. § 7402(a) and 28 U.S.C. §§ 1340 and 1345. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b) and 1396 as the district in which Defendants reside and in which the tax liabilities have accrued. After reviewing the entirety of the record and finding that Defendants have engaged and are engaging in conduct interfering with the enforcement of the internal revenue laws, and that injunctive relief under 26 U.S.C. § 7402(a) and the Court's inherent equity powers is appropriate to stop the conduct by Mattress Direct Online LLC and Michael Wade,

IT IS ORDERED AND ADJUDGED, that Plaintiff's Motion for Default Judgment Against Mattress Direct Online LLC and Michael Wade is hereby GRANTED. The Clerk

shall enter Final Default Judgment against Mattress Direct Online LLC and Michael Wade.

IT IS FURTHER ORDERED AND ADJUDGED that, pursuant to 26 U.S.C. § 7402(a), a permanent injunction is hereby issued against Mattress Direct Online LLC and Michael Wade. Such relief will serve the public good and is appropriate to prevent continued violations of the internal revenue laws by Mattress Direct Online LLC and Michael Wade which have caused and will continue to cause the United States to suffer irreparable harm, including but not limited to the loss of tax revenue, which outweighs any harm suffered by Mattress Direct Online LLC or Michael Wade.

IT IS FURTHER ORDERED AND ADJUDGED that Michael Wade (individually and doing business under any other name or using any other entity), Mattress Direct Online LLC, and their representatives, agents, servants, employees, attorneys, successors in interest and assigns, and anyone in active concert or participation with them, are hereby prohibited from failing to withhold from their employees and pay over to the Internal Revenue Service (“IRS”) all employment taxes, including federal income and Federal Insurance Contribution Act (“FICA”) taxes, required by law.

IT IS FURTHER ORDERED AND ADJUGED that Mattress Direct Online LLC and Michael Wade are hereby required to segregate and hold separate and apart from all other funds all monies withheld from employees or collected from others for taxes under any internal revenue laws of the United States and to deposit the monies so withheld and collected, as well as the employer’s share of FICA taxes, in an appropriate federal depository bank in accordance with the federal deposit regulations.

IT IS FURTHER ORDERED AND ADJUDGED that Mattress Direct Online LLC and Michael Wade are hereby required to deposit Federal Unemployment Tax Act (“FUTA”) taxes in an appropriate federal depository bank each quarter in accordance with the federal deposit regulations.

IT IS FURTHER ORDERED AND ADJUGED that Michael Wade, for a period of five years, is hereby required to sign and deliver affidavits to the IRS at 1835 Assembly Street, MDP 36, Columbia, South Carolina 29201, or to such other specific location as directed by the IRS, no later than the twentieth day of each month, stating that the requisite withheld income, FICA, and FUTA tax deposits were timely made.

IT IS FURTHER ORDERED AND ADJUDGED that Mattress Direct Online LLC and Michael Wade shall timely file all Form 941 and 940 tax returns with the IRS.

IT IS FURTHER ORDERED AND ADJUDGED that Mattress Direct Online LLC and Michael Wade shall timely pay all required outstanding liabilities due on each tax return required to be filed.

IT IS FURTHER ORDERED AND ADJUDGED that Mattress Direct Online LLC and Michael Wade and their representatives, agents, servants, employees, attorneys, successors in interest and assigns, and anyone in active concert or participation with them, are hereby prohibited from assigning any property or rights to property or making any disbursements before paying all required outstanding liabilities due on each tax return required to be filed going forward from the date of this injunction.

IT IS FURTHER ORDERED AND ADJUDGED that Michael Wade shall notify the IRS in the future of any new company he may come to own, manage, or work for in the next five years.

IT IS FURTHER ORDERED AND ADJUDGED that this Court shall retain jurisdiction over this case to ensure compliance with this Default Judgment and Permanent Injunction and that the United States is authorized to make post-judgment discovery to ensure compliance with this Default Judgment and Permanent Injunction.

AND IT IS SO ORDERED.

/s/Bruce Howe Hendricks
United States District Judge

October 31, 2017
Greenville, South Carolina