

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF OKLAHOMA**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Case No. : CIV-15-1380-D
)	
AMERICAN PROFESSIONAL)	
SERVICES, INC., LARRY D. WATSON,)	
and KARLEN J. WATSON,)	
)	
Defendants.)	
_____)	

JUDGMENT

This matter comes before the Court upon Plaintiff’s Motion for Default Judgment [Doc. No. 8]. For good cause shown, the following is hereby ORDERED, ADJUDGED, and DECREED:

1. Plaintiff’s Motion is GRANTED.
2. Defendants American Professional Services, Inc., Larry D. Watson, and Karlen J. Watson were properly served with a summons and complaint.
3. No answer or other defense has been filed by Defendants and the time within which they may respond to the complaint has expired.
4. Defendants Larry D. Watson and Karlen J. Watson are over the age of 18, not incompetent, and are not on active duty in the military.

5. The Clerk of Court entered defaults [Doc. No. 7] against Defendants American Professional Services, Inc., Larry D. Watson, and Karlen J. Watson on February 25, 2016.

6. Defendants American Professional Services, Inc., Larry D. Watson, and Karlen J. Watson are in default, and Plaintiff is entitled to default judgment in its favor and against each of the Defendants.

7. As to Count I of the Complaint, default judgment is entered in favor of the United States and against Defendant American Professional Services, Inc. in the amount of \$2,247,625.72, plus such statutory interest from June 2, 2016 until fully paid, for the following Form 941 liabilities:

Tax Period	Balance Thru June 2, 2016
3 rd Q. 2005	\$14,990.14
4 th Q. 2005	\$85,005.89
1 st Q. 2006	\$71,500.01
2 nd Q. 2006	\$85,454.84
3 rd Q. 2006	\$95,704.99
4 th Q. 2006	\$107,249.63
1 st Q. 2007	\$118,461.01
2 nd Q. 2007	\$108,104.57
3 rd Q. 2007	\$96,279.00
4 th Q. 2007	\$103,352.86
1 st Q. 2008	\$107,445.30
2 nd Q. 2008	\$99,125.41
3 rd Q. 2008	\$93,210.23
4 th Q. 2008	\$80,775.53

1 st Q. 2009	\$81,051.20
2 nd Q. 2009	\$83,738.61
3 rd Q. 2009	\$81,218.61
4 th Q. 2009	\$71,617.90
1 st Q. 2010	\$56,184.37
2 nd Q. 2010	\$60,814.91
3 rd Q. 2010	\$56,390.17
4 th Q. 2010	\$54,950.85
1 st Q. 2011	\$48,246.10
2 nd Q. 2011	\$40,180.64
3 rd Q. 2011	\$36,064.05
4 th Q. 2011	\$620.29
1 st Q. 2012	\$18,447.81
2 nd Q. 2012	\$18,173.40
3 rd Q. 2012	\$13,653.79
4 th Q. 2012	\$11,806.17
1 st Q. 2013	\$12,389.00
2 nd Q. 2013	\$17,730.80
3 rd Q. 2013	\$15,723.22
4 th Q. 2013	\$40,885.46
1 st Q. 2014	\$37,737.47
2 nd Q. 2014	\$42,005.11
3 rd Q. 2014	\$42,387.10
4 th Q. 2014	\$38,949.28
	\$2,247,625.72

8. As to Count II of the Complaint, default judgment is entered in favor of the United States and against Defendant American Professional Services, Inc. in the amount of \$56,793.49, plus such statutory interest from June 2, 2016 until fully paid, for the following Form 940 liabilities:

Tax Period	Balance Thru June 2, 2016
2005	\$2,592.32
2006	\$359.91
2007	\$7,697.02
2008	\$8,165.78
2009	\$6,850.84
2010	\$4,971.66
2011	\$2,741.71
2012	\$23,414.25
	\$56,793.49

9. As to Count III of the Complaint, default judgment is entered in favor of the United States and against Defendant American Professional Services, Inc. in the amount of \$141,742.26, plus such statutory interest from June 2, 2016 until fully paid, for the following penalties (26 U.S.C. § 6721):

Tax Period	Balance Thru June 2, 2016
2005	\$77,150.34
2010	\$64,591.92
	\$141,742.26

10. As to Count IV of the Complaint, default judgment is entered in favor of the United States and against Defendant Larry D. Watson in the amount of \$706,890.38, plus such statutory interest from June 2, 2016 until fully paid, for the following trust fund recovery penalties (26 U.S.C. § 6672):

Tax Period	Balance Thru June 2, 2016
4 th Q. 2005	\$14,374.61
1 st Q. 2006	\$21,481.74
2 nd Q. 2006	\$26,760.27
3 rd Q. 2006	\$30,183.83

4 th Q. 2006	\$34,932.46
1 st Q. 2007	\$39,504.96
2 nd Q. 2007	\$39,376.32
3 rd Q. 2007	\$32,724.56
4 th Q. 2007	\$35,885.27
1 st Q. 2008	\$37,723.84
2 nd Q. 2008	\$35,131.91
3 rd Q. 2008	\$32,638.97
4 th Q. 2008	\$28,760.08
1 st Q. 2009	\$29,385.49
2 nd Q. 2009	\$30,875.20
3 rd Q. 2009	\$30,295.94
4 th Q. 2009	\$26,424.96
1 st Q. 2010	\$20,361.07
2 nd Q. 2010	\$22,037.33
3 rd Q. 2010	\$20,579.76
4 th Q. 2010	\$20,248.99
1 st Q. 2011	\$18,336.34
2 nd Q. 2011	\$16,897.73
3 rd Q. 2011	\$15,051.19
1 st Q. 2012	\$9,927.84
2 nd Q. 2012	\$7,290.73
3 rd Q. 2012	\$5,467.53
4 th Q. 2012	\$5,082.10
1 st Q. 2013	\$6,576.06
2 nd Q. 2013	\$7,007.53
3 rd Q. 2013	\$5,565.77
	\$706,890.38

11. As to Count V of the Complaint, default judgment is entered in favor of the United States and against Defendant Karlen J. Watson in the amount of \$708,198.64, plus such statutory interest from June 2, 2016 until fully paid, for the following trust fund recovery penalties (26 U.S.C. § 6672):

Tax Period	Balance Thru June 2, 2016
4 th Q. 2005	\$14,415.03
1 st Q. 2006	\$21,538.16
2 nd Q. 2006	\$26,830.55
3 rd Q. 2006	\$30,263.10
4 th Q. 2006	\$35,024.20
1 st Q. 2007	\$39,608.71
2 nd Q. 2007	\$39,544.93
3 rd Q. 2007	\$32,810.50
4 th Q. 2007	\$35,979.51
1 st Q. 2008	\$37,789.73
2 nd Q. 2008	\$35,224.17
3 rd Q. 2008	\$32,724.69
4 th Q. 2008	\$28,835.61
1 st Q. 2009	\$29,462.66
2 nd Q. 2009	\$30,956.29
3 rd Q. 2009	\$30,375.50
4 th Q. 2009	\$26,494.35
1 st Q. 2010	\$20,414.54
2 nd Q. 2010	\$22,095.21
3 rd Q. 2010	\$20,633.80
4 th Q. 2010	\$20,302.17
1 st Q. 2011	\$18,384.50
2 nd Q. 2011	\$16,843.07
3 rd Q. 2011	\$14,978.29
1 st Q. 2012	\$9,879.74
2 nd Q. 2012	\$7,286.65
3 rd Q. 2012	\$5,441.03
4 th Q. 2012	\$5,057.48
1 st Q. 2013	\$6,544.21
2 nd Q. 2013	\$6,973.59
3 rd Q. 2013	\$5,486.67
	\$708,198.64

12. As to the last count of the Complaint, default judgment is entered in favor of the United States and against Defendants American Professional Services, Inc., Larry

D. Watson, and Karlen J. Watson. A permanent injunction, enforceable for five (5) years from the date of this final judgment, is entered against Defendants American Professional Services, Inc. (“American Professional”), Larry D. Watson (“L. Watson”), and Karlen J. Watson (“K. Watson”) as follows:

a. Parties Covered by Injunction: This injunction binds L. Watson, K. Watson, and American Professional as well as American Professional’s officers, shareholders, agents, employees, and persons in concert or participation with them. Where the terms of the injunction require American Professional to take action, such requirement shall equally apply to any future business which L. Watson or K. Watson control, manage, or own. Additionally, where the terms of the injunction require American Professional to take action, such requirement shall equally apply to L. Watson and K. Watson insofar as they shall be required to ensure that American Professional or any future business takes the required actions.

b. Withholding Requirement: American Professional shall withhold federal income taxes and Federal Insurance Contributions Act (“FICA”) taxes (which include Social Security and Medicare taxes) from the wages of American Professional’s employees when wages are paid.

c. Deposit Requirements: In accordance with federal deposit regulations, American Professional shall timely make deposits to the IRS using the Department of Treasury’s Electronic Federal Tax Payment System (“EFTPS”) of

withheld income and FICA taxes, as well as American Professional's share of FICA taxes and its Federal Unemployment Tax Act ("FUTA") taxes.

d. Reporting Requirements: Within three (3) days after American Professional makes a federal tax deposit as required by paragraph 12.c. above, American Professional shall send by facsimile to IRS Revenue Officer Advisor Kim Norman at 866-471-9603, or to such other IRS employee designated by the IRS, the receipt, deposit slip, or other proof that the tax deposit has been made, and a copy of the payroll report showing the amount that should be deposited. L. Watson and K. Watson shall also both sign and deliver by facsimile an affidavit to Norman, or to such other person or location as the IRS designates in writing, on the first day of each month, stating that L. Watson and K. Watson have personally ensured that for each pay period during the prior month, the required federal income taxes, FICA, and FUTA taxes were fully and timely deposited with the IRS.

e. Return Requirements: American Professional shall timely file with the IRS all of its Form 941, Employer's Quarterly Federal Tax Returns, and Form 940, Employer's Annual Federal Unemployment Tax Returns, tax returns at the address and in the manner identified in the Instructions for Form 941 and Instructions for Form 940, both of which are available at www.irs.gov. Within three (3) days after filing the Forms 940 and 941 with the IRS, American Professional shall fax copies of the filed Forms to Revenue Officer Advisor Norman or to such other IRS employee designated by the IRS.

f. Employment Tax Priority: From the date this permanent injunction is entered, American Professional shall be prohibited from paying its other creditors before timely paying its Form 941 and Form 940 tax liabilities as they come due.

g. Transfer Prohibition: American Professional, L. Watson, and K. Watson and those persons in concert or participation with American Professional are prohibited from transferring, disbursing, or assigning any of their money, property, or assets after the date of the injunction order if the Form 941 and Form 940 liabilities required by paragraph 12.c. of this Order have not been fully paid for any tax period.

h. Notification of New Business or Transfer of Assets: American Professional shall provide written notification by facsimile to Revenue Officer Advisor Norman, or such other IRS employee designated by the IRS within ten (10) days of the date, if American Professional (1) merges with another company, (2) stops doing business, (3) assumes a new name, (4) transfers substantially all of its physical assets to another entity or individual, or (5) transfers any of its intangible assets (including, but not limited to, customer lists or goodwill) to another individual or entity. L. Watson and K. Watson shall notify Revenue Officer Advisor Norman by facsimile, or such other IRS employee designated by the IRS, of any new company L. Watson or K. Watson may come to own, manage, control, or work for. L. Watson, and K. Watson shall notify the IRS within ten (10) days after any of those actions.

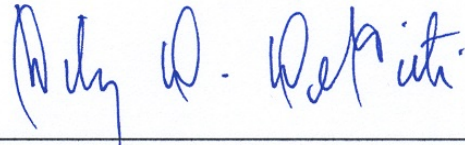
i. Past Due Returns: Within fourteen (14) days of the date of this Judgment, American Professional shall file with the IRS all past-due Form 940 and Form

941 returns for the tax periods prior to and including the first quarter of 2016. Within three (3) days after filing the Forms 940 and 941 with the IRS, American Professional shall fax copies of the filed Forms to Revenue Officer Advisor Norman or to such other IRS employee designated by the IRS.

13. The United States is permitted to engage in post-judgment discovery to ensure compliance with this permanent injunction.

14. The Court shall retain jurisdiction of this action for the purposes of implementing and enforcing this injunction and entering all additional decrees and orders necessary and appropriate for the public interest.

ENTERED this 20th day of June, 2016.



TIMOTHY D. DEGIUSTI
UNITED STATES DISTRICT JUDGE