

IN THE UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF OHIO

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Case No. 15-cv-473
	)	
v.	)	Judge Michael R. Barrett
	)	
THOMAS L. APPLGATE II,	)	
TEXTILE LOGISTICS, LLC, and	)	
RESISTFLAME ACQUISITION COMPANY,	)	
	)	
Defendants.	)	
_____	)	

**ORDER**

**IT IS ORDERED, ADJUDGED AND DECREED:** that all terms of the Amended Stipulation and Consent Judgment are enforceable against the parties, for which this Court retains jurisdiction.

**ORDER AND EXECUTED** Cincinnati, Ohio, on this 25th day of May 2016.

*/s/ Michael R. Barrett*

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Honorable Michael R. Barrett  
UNITED STATES DISTRICT JUDGE  
Southern District of Ohio

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UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	Case No. 15-cv-473
	)	
v.	)	Judge Michael R. Barrett
	)	
THOMAS L. APPLGATE II,	)	
TEXTILE LOGISTICS, LLC, and	)	
RESISTFLAME ACQUISITION COMPANY,	)	
	)	
	)	
Defendants.	)	
_____	)	

**AMENDED STIPULATION AND CONSENT TO JUDGMENT**

The United States of America, by its attorney; Thomas L. Applegate II (“Mr. Applegate”), individually, Textile Logistics, LLC (“Textile”), and Resistflame Acquisition Company (“Resistflame”), (collectively, the “Parties”) do hereby stipulate and agree that the Court shall enter a judgment against:

1. Mr. Applegate in the total amount of \$1,477,464.40, as of July 9, 2015, plus interest and other statutory additions accruing on and after July 9, 2015, pursuant to 26 U.S.C. §§ 6601, 6621 and 6622, and 28 U.S.C. § 1961(c), comprised of:

- (a) Federal income taxes for the years of 2003 to 2006, inclusive, in the amount of \$501,415.14 (as of July 9, 2015); and
- (b) Trust fund recovery penalties pursuant to the provisions of 26 U.S.C. § 6672 arising out of taxes withheld from the wages of employees of Resistflame for the tax periods ending: March 2005 (1<sup>st</sup> quarter), June 2005 (2<sup>nd</sup> quarter), September 2005 (3<sup>rd</sup> quarter), December 2005 (4<sup>th</sup> quarter), June 2006 (2<sup>nd</sup> quarter), September 2006 (3<sup>rd</sup> quarter), March 2007 (1<sup>st</sup> quarter), June 2007 (2<sup>nd</sup> quarter), September 2007 (3<sup>rd</sup> quarter) and December 2007 (4<sup>th</sup> quarter), in the amount of \$976,049.26.

2. Textile in the total amount of \$47,960.12, as of July 9, 2015, for employment (Form 941) taxes for the tax periods ending March 2011 (1<sup>st</sup> quarter), June 2011 (2<sup>nd</sup> quarter), September 2011 (3<sup>rd</sup> quarter), December 2011 (4<sup>th</sup> quarter), March 2012 (1<sup>st</sup> quarter), June 2012 (2<sup>nd</sup> quarter), September 2012 (3<sup>rd</sup> quarter), and December 2012 (4<sup>th</sup> quarter), plus interest and other statutory additions accruing on and after July 9, 2015, pursuant to 26 U.S.C. §§ 6601, 6621 and 6622, and 28 U.S.C. § 1961(c).

3. Resistflame, in the total amount of \$2,410,208.62, as of July 9, 2015, plus interest and other statutory additions accruing on and after July 9, 2015, pursuant to 26 U.S.C. §§ 6601, 6621 and 6622, and 28 U.S.C. § 1961(c), comprised of:

- (a) Employment (Form 941) taxes for the tax periods ending March 2005 (1<sup>st</sup> quarter), June 2005 (2<sup>nd</sup> quarter), September 2005 (3<sup>rd</sup> quarter), December 2005 (4<sup>th</sup> quarter), June 2006 (2<sup>nd</sup> quarter), September 2006 (3<sup>rd</sup> quarter), March 2007 (1<sup>st</sup> quarter), June 2007 (2<sup>nd</sup> quarter), September 2007 (3<sup>rd</sup> quarter), December 2007 (4<sup>th</sup> quarter), March 2008 (1<sup>st</sup> quarter), June 2008 (2<sup>nd</sup> quarter), September 2008 (3<sup>rd</sup> quarter), December 2008 (4<sup>th</sup> quarter), March 2009 (1<sup>st</sup> quarter), June 2009 (2<sup>nd</sup> quarter), September 2009 (3<sup>rd</sup> quarter), December 2009 (4<sup>th</sup> quarter), March 2010 (1<sup>st</sup> quarter), June 2010 (2<sup>nd</sup> quarter), September 2010 (3<sup>rd</sup> quarter), and December 2010 (4<sup>th</sup> quarter), in the amount of \$2,115,155.61;
- (b) Federal corporate income taxes (Form 1120) for the 2008 year in the amount of \$1,278.66;
- (c) Employer's annual federal unemployment (Form 940) taxes during the years of 2005, 2007, 2008, 2009, and 2010 in the amount of \$163,664.20, and
- (d) Trust fund recovery penalty (26 U.S.C. § 6672) for the period ending December 2007 (4<sup>th</sup> quarter) in the amount of \$130,110.15.

The Parties further agree that the Court shall issue a permanent injunction ordering Textile, Resistflame, and Applegate, to do the following:

A. Deposit withheld FICA and income taxes, as well as the employer's share of FICA taxes and FUTA taxes, in accordance with the Electronic Federal Tax Payment System (EFTPS);

B. Sign and deliver affidavits to the revenue officer, or to such other person or location as the Internal Revenue Service may deem appropriate, on the 1st day of each month, stating that the requisite employment tax deposits were timely made;

C. Timely file all Textile's employment (Form 941) and unemployment (Form 940) tax returns with the Service, at such location as the Service may deem appropriate;

D. Timely file all Resistflame's employment (Form 941) and unemployment (Form 940) tax returns with the Service, at such location as the Service may deem appropriate;

E. Timely pay all required outstanding liabilities due on each return required to be filed;


F. Enjoining the defendants (individually and doing business under any other name or using any other entity) from assigning any property or making any disbursements after the date of the injunction until amounts required to be withheld from wages of employees of Resistflame and Textile (or any successor entities) after the date of the injunction are deposited with the Service in accordance with the regulations governing deposits, and until any amounts due on any employment tax returns filed after the date of the injunction are paid to the same;

G. Notify the Service within 30 days if, within the next five years from the date of entry of the injunction order, Mr. Applegate comes to own, manage, or work for any other business entity;

MOREOVER, the Parties Stipulate and Agree that the Court shall enter judgment in favor of the United States and against the defendants, individually, awarding the United States its costs incurred in prosecuting this action.

Each party shall bear its own costs and attorney's fees.

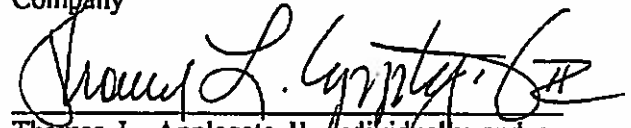
Plaintiff,  
The United States of America

  
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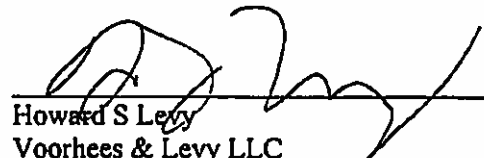
Dated: March \_\_\_\_, 2016

May 16, 2016

Defendants,  
Thomas L. Applegate II, individually, Textile  
Logistics, LLC and Resistflame Acquisition  
Company

  
Thomas L. Applegate II, individually and on  
behalf of Textile Logistics, LLC and  
Resistflame Acquisition Company

Dated: March \_\_\_\_, 2016

  
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Dated: March \_\_\_\_, 2016 5/18/16