

IN THE UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF MICHIGAN  
EASTERN DIVISION

UNITED STATES OF AMERICA,	)	
	)	Case No. 16-cv-10720
Plaintiff,	)	
	)	Hon. Avern Cohn
v.	)	
	)	
WIND, SURF & SAIL POOLS, INC.,	)	
KERRY D. DUGGAN, and	)	
KATHERINE MCLEOD DUGGAN,	)	
	)	
Defendants.	)	
_____	)	

**STIPULATED ORDER FOR INJUNCTION**

Upon consideration of this *Stipulated Order for Injunction* that is agreed to by the plaintiff United States of America and the defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan and Katherine McLeod Duggan, and which is filed to satisfy Count I of the United States’ complaint (Docket No. 1), and the Court being otherwise fully advised and finding that an injunction is necessary or appropriate,

**IT IS HEREBY ORDERED** that:

1. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are required to deposit withheld employee income tax, withheld employee Federal Insurance Contributions Act (FICA) tax, and employer FICA tax in an appropriate federal depository bank, in accord with federal deposit regulations, *e.g.*, via the Electronic Federal Tax Payment System (EFTPS).

2. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are required to deposit federal unemployment taxes in an appropriate federal depository bank, in accord with federal deposit regulations,, *e.g.*, via EFTPS.

3. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are required to sign and deliver written notification to Revenue Officer Christopher Smith, via facsimile, mail or personal delivery at 38275 W. 12 Mile Rd., Farmington Hills, MI 48331, or to some other person or location designated by the IRS, no later than the 20th day of each month, verifying that the requisite deposits of withheld income tax, withheld FICA tax, employer FICA tax, and any unemployment tax have been made in a timely manner.

4. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are required to timely file all employment (Form 941), unemployment (Form 940), and corporate (Form 1120) tax returns that come due after the date of the injunction and provide copies of the filed returns to Revenue Officer Christopher Smith, via facsimile, mail or personal delivery at 38275 W. 12 Mile Rd., Farmington Hills, MI 48331, or to some other person or location designated by the IRS.

5. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are required, within 60 days of the date of this order, to

file the past-due employment tax returns (Forms 941) for the quarterly periods ending on September 30, 2013, June 30, 2014, September 30, 2015, and December 31, 2015, unemployment tax returns (Forms 940) for the tax years 2002, 2003, 2014, and 2015, as well as corporate tax returns (Forms 1120) for the tax years 2012, 2013, 2014, and 2015. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan must provide copies of the filed returns to Revenue Officer Christopher Smith, via facsimile, mail or personal delivery at 38275 W. 12 Mile Rd., Farmington Hills, MI 48331, or to some other person or location designated by the IRS.

6. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are required to timely pay all outstanding tax liabilities due on each return required to be filed herein for liabilities that come due after the date of this injunction. Because this order is meant to ensure that the defendant Wind, Surf & Sail Pools, Inc. complies with its future federal tax obligations, the defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan shall not be in contempt of this order if they do not fully pay the liabilities identified on the past-due tax returns that are required to be filed under paragraph 5 above. However, nothing in this order absolves the defendant Wind, Surf & Sail Pools, Inc. from its legal obligation to pay its tax liabilities reported on

the past-due tax returns that are required to be filed under paragraph 5 above or in any way constrains the government from taking collection action.

7. The defendants Wind, Surf & Sail Pools, Inc., Kerry D. Duggan, and Katherine McLeod Duggan are enjoined from assigning any property of the defendant Wind, Surf & Sail Pools, Inc., or making any payments or distributions from the assets of the defendant Wind, Surf & Sail Pools, Inc. after the injunction is issued until the employment taxes, as well as withholding liabilities, unemployment taxes, and corporate income taxes, accruing after issuance of the injunction, are first paid to the IRS.

8. The defendants Kerry D. Duggan and Katherine McLeod Duggan must provide written notification to IRS Revenue Officer Christopher Smith, via facsimile, mail or personal delivery at 38275 W. 12 Mile Rd., Farmington Hills, MI 48331, or some other person or location designated by the IRS, within 30 days, in the event that they operate, manage, or acquire an ownership interest in any other business entity pending the final resolution of this case.

9. This order shall moot the *Plaintiff United States' Motion for Preliminary Injunction* (Docket No. 2).

10. This order shall remain in effect for five years from the date that it is entered or otherwise superseded by another order of this Court.

**SO ORDERED.**

Dated: April 11, 2016

s/Avern Cohn  
AVERN COHN  
United States District Judge

**AGREED BY:**

FOR WIND, SURF & SAIL POOLS,  
INC., KERRY D. DUGGAN, and  
KATHERINE McLEOD DUGGAN,  
Defendants

FOR THE UNITED STATES OF  
AMERICA, Plaintiff

By:

(with consent) /s/ Joseph Falcone  
JOSEPH FALCONE (P25727)  
Joseph Falcone, P.C.  
3000 Town Center, Suite 2370  
Southfield, MI 48075  
(248) 357-6610  
jf@lawyer.com

By:

/s/ Carl L. Moore  
CARL L. MOORE  
Trial Attorney, Tax Division  
U.S. Department of Justice  
P.O. Box 55  
Washington, D.C. 20044  
202-307-5892 (v)  
Carl.L.Moore@usdoj.gov