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IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

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UNITED STATES of AMERICA)
)
 Plaintiff,)
)
 v.)
)
 EVERTE FARNELL)
)
 Defendant.)

MIDDLE DISTRICT OF FLORIDA
TAMPA, FLORIDA

Civil No. 8: 02-CV-1742-T-26TBM

CLERK, U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA, FLORIDA
03 APR 29 AM 9:15

FILED

STIPULATED PERMANENT INJUNCTION (Proposed)

Plaintiff, the United States, has filed a Complaint for Permanent Injunction against defendant, Everte Farnell. Farnell does not admit the allegations of the complaint except that he admits that the Court has jurisdiction over him and over the subject matter of this action. By his Consent, which has been previously filed, Farnell waives the entry of findings of fact and conclusions of law, and consents to the entry of this Permanent Injunction.

- A. The Court has jurisdiction over this action under 28 U.S.C. Sections 1340 and 1345, and under 26 U.S.C. Sections 7402 and 7408.
- B. The Court finds that Farnell has neither admitted nor denied the United States' allegations that Farnell is subject to penalty under 26 U.S.C. Sections 6700 and 6701.

Order

Therefore, the Court ORDERS that the defendant, Everte Farnell, and his representatives, employees, agents and all other persons in active concert or participation with Farnell who receive actual notice of this Order are enjoined, until the Court orders otherwise, from:

- 1. engaging in activity subject to penalty under IRC § 6700, including organizing and/or selling a plan or arrangement (including, without limitation, the U.S. Sources Argument and the Section 861 scheme) and making a statement regarding the excludability of

- income which constitutes commercial speech that they know or have reason to know is false or fraudulent as to any material matter;
2. engaging in activity subject to penalty under IRC § 6701, including preparing and/or assisting in the preparation of a document related to a matter material under the internal revenue laws that includes a position (including, without limitation, the U.S. Sources Argument and the Section 861 scheme) that they know will result in the understatement of tax liability;
 3. engaging in any other activity subject to penalty under IRC §§ 6700, or 6701;
 4. preparing federal income tax returns for other persons or entities, or engaging in conduct subject to penalty under IRC §§ 6694 and 6695;
 5. interfering in the IRS's examinations of other taxpayers by taking frivolous or groundless positions, including but not limited to making arguments during tax examinations of other taxpayers based on the Section 861 scheme, demanding that the IRS summons witnesses in administrative proceedings, and requesting that clients be allowed to cross-examine witnesses in IRS audits;
 6. engaging in other, similar conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws, including but not limited to engaging in false, deceptive or misleading commercial speech, or engaging in other false speech which is directed to incite the imminent evasion or attempted evasion of federal taxes or other violations of the federal tax laws and is likely to produce such action.

It is further **ORDERED** that Farnell shall submit to a deposition upon oral examination at the United States' request, so that the United States can monitor compliance with this injunction. No further order of the Court shall be required. In so stating, however, Farnell may raise the Fifth Amendment's privilege against self-incrimination in response to the Government's questions without violating this order. If necessary, the Court will determine whether Farnell is permitted to avail himself of the privilege after a record has been made in deposition.

It is SO ORDERED this 25 day of June, 2003.


United States District Judge

Submitted by:

Paul Ignatius Perez
United States Attorney



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