

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

-vs.-

Case no. 2:11-cv-14783

CARLOS BROWN, individually and  
doing business as EXPRESS FINANCE  
AND PROCESSING SERVICES,

Defendant.

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**ORDER OF PERMANENT INJUNCTION AGAINST CARLOS BROWN**

Now before the Court is the Plaintiff's Motion to Approve and Enter the Stipulated Permanent Injunction against Carlos Brown (docket no. 9). Accordingly, judgment is hereby entered in favor of the Plaintiff, United States of America, and against Defendant Carlos Brown.

Pursuant to the terms of the stipulated permanent injunction,

**IT IS HEREBY ORDERED** that Defendant Carlos Brown, and those persons in active concert or participation with him, are enjoined pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402, 7407, and 7408, effective from entry of the Court's order, from directly or indirectly:

- (1) preparing federal income tax returns (including his own) that claim fabricated income-tax withholding and refunds based on the "redemption" theory and amounts shown in Forms 1099-OID issued to his and his customers' creditors;
- (2) filing, providing forms for, or otherwise aiding and abetting the filing of frivolous Forms 1040, Forms 1040X, Forms 1099 or other IRS forms for himself or others;
- (3) Engaging in activity subject to penalty under 26 U.S.C. § 6694;

- (4) Engaging in conduct subject to penalty under 26 U.S.C. § 6701, including preparing and filing or advising with respect to tax returns and other documents that understate the tax liabilities of others;
- (5) Engaging in any other activity subject to penalty under the Internal Revenue Code;
- (6) Engaging in conduct that substantially interferes with the proper administration and enforcement of the internal revenue laws.

**IT IS FURTHER ORDERED** that Carlos Brown shall contact by mail to the last known address all persons for whom he prepared a federal tax return utilizing a Form 1099-OID or based on the “redemption” theory since 2008 to inform them of the falsity of Brown’s prior representations regarding the Form 1099-OID arrangement and the “redemption” theory and provide a copy of this Order of Permanent Injunction. Carlos Brown shall mail the copies within 15 days of the date of this Order and, within 5 days thereafter, file with the Court a sworn certificate stating that he has complied with this requirement.

**IT IS FURTHER ORDERED** that Carlos Brown shall, within 15 days of the date of this Order, provide to the United States a list of all persons for whom he has prepared and/or filed federal tax returns utilizing a Form 1099-OID or based on the “redemption” theory since 2008.

**IT IS FURTHER ORDERED** that the United States is permitted to engage in post-judgment discovery to ensure compliance with the terms of this permanent injunction.

**IT IS FURTHER ORDERED** that the Court shall retain jurisdiction over Carlos Brown and over this action to implement and enforce this Order of Permanent Injunction.

s/Robert H. Cleland  
**ROBERT H. CLELAND**  
**UNITED STATES DISTRICT JUDGE**

**Dated: June 7, 2012**

**I hereby certify that a copy of the foregoing document was mailed to counsel of record and/or pro se parties on this date, June 7, 2012, by electronic and/or ordinary mail.**

s/Lisa Wagner  
**Case Manager and Deputy Clerk**  
**(313) 234-5522**