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14 IN THE UNITED STATES DISTRICT COURT FOR THE
15 CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

16 UNITED STATES OF AMERICA)

17 Plaintiff,)

18 v.)

Civil No. 10-CV-06341-AHM (Ex)

19 WILLIAM W. ALEXANDER,)
20 RETIREMENT PLAN SERVICES, INC.,)
and LYONS PENSIONS, INC.)

21 Defendant.)

22 **ORDER FOR PERMANENT INJUNCTION**

23 The United States has filed a complaint for permanent injunction and other
24 relief under 26 U.S.C. §§ 7407, 7408 and 7402(a) against William Alexander,
25 Retirement Plan Services, Inc. and Lyons Pensions, Inc. (collectively,
26 “Defendants”). The Court entered a preliminary injunction against Defendants on
27 December 15, 2010. (Dkt. No. 9).
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1 The parties have agreed to the terms of this Order and the Defendants
2 consent to be bound by its terms and to its entry without further notice. The
3 Defendants waive the entry of findings of fact and conclusions of law under Rules
4 52 and 65 of the Federal Rules of Civil Procedure.

5 The Defendants understand and agree that the Court has jurisdiction over
6 this matter while the Order remains in place, and understand that if they violate its
7 terms, they may be subject to civil and criminal sanctions for contempt of court.
8 Defendants have entered into this stipulation for the sole purpose of reaching a full
9 and final settlement and resolution of the matters set forth in the complaint. This
10 stipulation shall not constitute nor be construed as an admission whatsoever of any
11 liability on the part of the defendant in this matter. Further, Defendants do not
12 admit nor concede any factual allegations contained in the Complaint.

13 1. **NOW, it is ORDERED** that Defendants and their representatives, agents,
14 servants, employees, and those persons in active concert or participation with them,
15 are permanently enjoined from directly or indirectly:

16 A. Marketing, preparing, selling, organizing or administering any plan or
17 arrangement that advises or assists others in violating or attempting to violate the
18 internal revenue laws or unlawfully evading the assessment or collection of their
19 federal tax liabilities;

20 B. Marketing, preparing, selling, organizing or administering any pension
21 plan, including but not limited to any defined-benefit pension plan described in a
22 plan document prepared by Industry Consultants, Inc.;

23 C. Marketing, preparing, selling, organizing or administering any welfare-
24 benefit plan, including but not limited to the Warren Group Multiple Employer
25 Welfare Benefit Plan and Trust;

26 D. Engaging in conduct subject to penalty under I.R.C. § 6700, *i.e.*, making,
27 furnishing, or causing another to make or furnish material and false or fraudulent
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1 statements regarding the allowability of certain deductions, the excludability of
2 income, or the securing of tax benefits derived from participation in any plan or
3 arrangement, which they know or have reason to know are false or fraudulent or
4 making, furnishing, or causing another to make a gross valuation overstatement as
5 to any material matter;

6 E. Providing any advice or assistance regarding the tax treatment of pension
7 plans or welfare-benefit plans, including but not limited to:

- 8 i. Advising any individual or entity to form S-corporations or any
9 other separate entities in connection with the establishment of any real
10 or purported pension plan or welfare-benefit plan;
- 11 ii. Advising any individual or entity to establish any real or purported
12 pension plan that excludes and/or discriminates against rank-and-file
13 employees or non-highly compensated employees who are employed
14 at a company that is part of the same controlled group of companies or
15 aggregated services group of companies as that individual or entity;
- 16 iii. Advising any individuals or entities that they may contribute any
17 amount of money to a defined-benefit pension plan or welfare-benefit
18 plan without regard to actuarial limits or statutory limits;
- 19 iv. Advising any individuals or entities that they can use purported
20 third-party loans to claim a deduction for purported contributions to a
21 pension plan or welfare-benefit plan and still have access to that
22 money;
- 23 v. Advising any individuals that personal expenses can be re-
24 characterized as pension plan contributions;
- 25 vi. Advising any individuals that they can stop paying themselves
26 salaries and avoid income tax and self-employment taxes by
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1 purportedly contributing money to a pension plan or welfare-benefit
2 plan and then borrowing the money back through a purported third-
3 party loan; and

4 vii. Advising any individuals or entities that filing a Form 5500 is not
5 mandatory and filing such a form increases the probability of a
6 pension plan being audited;

7 F. Providing any tax advice to any individual or entity for a fee, except that,
8 subject to provision (D), above, and all other provisions of this Order, Alexander
9 may relay marketing, promotional and/or informational materials written by a
10 company with a license from an appropriate state or federal insurance regulator
11 when those materials accompany an insurance and/or financial product that
12 Alexander is selling, or has sold to an individual or entity;

13 G. Engaging in conduct subject to penalty under I.R.C. § 6701, *i.e.*,
14 preparing or assisting in the preparation of, or advising with respect to a document
15 related to a matter material to the internal revenue laws that includes a position that
16 they know will, if used, result in an understatement of another person's tax
17 liability;

18 H. Preparing or aiding, assisting, and/or advising with respect to the
19 preparation of any federal tax return of another for a fee;

20 I. Representing others before the IRS.

21 2. **IT IS FURTHER ORDERED** that:

22 A. this Order shall constitute a final judgment and Defendants waive any
23 right to appeal;

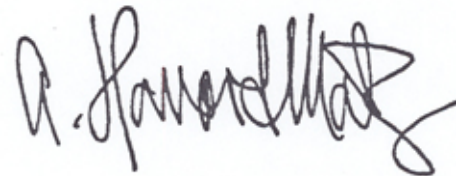
24 B. Defendants shall provide a copy of this Order by mail or e-mail to all
25 individuals and entities to whom Defendants have provided any type of tax advice
26 since January 1, 2005 and for whom Defendants have or can readily obtain a mail
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1 or e-mail address. Within thirty (30) days, Defendants must file a declaration
2 under penalty of perjury with the Court affirming compliance with this provision
3 of the Order to the best of their ability and detailing all efforts made to comply
4 with this provision;

5 C. the United States is permitted to engage in post-injunction discovery to
6 ensure compliance with this Order; and

7 D. this Court retains jurisdiction over this action for purposes of
8 implementing and enforcing this Order.

9 SO ORDERED this 12th day of April, 2011.

A handwritten signature in dark ink, appearing to read "A. Howard Matz", is written over a light gray rectangular background.

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12 **JS-6**

Hon. A. Howard Matz
United States District Judge