

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No. 3:08-cv-00136-RV-EMT
)	
PINNACLE QUEST INTERNATIONAL et al.,)	
)	
Defendants.)	

**STIPULATED JUDGMENT OF PERMANENT INJUNCTION
AGAINST DEFENDANT DOUGLAS HAGERTY**

Plaintiff United States of America and Defendant Douglas Hagerty (“Hagerty”) stipulate as follows:

1. The United States filed a complaint against Hagerty alleging that Hagerty is or was a member of the Executive Council of Pinnacle Quest International (PQI), an organization the United States alleged participates in the sale of tax-fraud products.

Findings of Fact

2. Hagerty was a member of PQI’s Executive Council.
3. The Executive Council was responsible for administering and operating PQI, including determining what other individuals or entities (“vendors”) PQI would allow to present goods or services to PQI customers at PQI-hosted conferences.
4. PQI’s vendors included: Southern Oregon Resource Center Educational Services (“SORCE”), IMF Decoder, and Bill Benson.
5. PQI promoted tax fraud schemes and products offered for sale by its vendors, including SORCE, IMF Decoder, and Bill Benson.

6. PQI and members of its Executive Council made false statements about the tax benefits to be derived from the products it made available to PQI's customers.

7. Hagerty understands that this Stipulated Judgment of Permanent Injunction constitutes the final judgment in this matter, and Hagerty waives any and all right to file an appeal from this judgment.

8. Hagerty consents to the entry of this Stipulated Judgment of Permanent Injunction without further notice and agrees to be bound by its terms. Hagerty further understands and agrees that the Court will retain jurisdiction over this matter for the purpose of implementing and enforcing this injunction, and understands that if he violates this injunction, he may be found to be in contempt of court and may be sanctioned or imprisoned.

9. Hagerty has received a copy of this Court's Order of Preliminary Injunction (Dkt. No. 47) and a copy of this Stipulated Judgment of Permanent Injunction, which bears his signature.

ORDER

Accordingly, in light of the foregoing, the Court hereby FINDS, ORDERS, and DECREES:

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. ("I.R.C.") §§ 7402(a) and 7408(a);

2. Hagerty has consented to the entry of this Stipulated Judgment of Permanent Injunction and agrees to be bound by its terms;

3. Pursuant to I.R.C. §§ 7402(a) and 7408, Hagerty, individually and through any other name or entity, his representatives, agents, servants, employees, attorneys, and anyone in active concert or participation with him, are permanently enjoined from directly or indirectly:

(1) Organizing, promoting, marketing, or selling (or assisting in the organization, promotion, marketing, or sale of) any tax shelter, plan, or arrangement, including but not limited to those described above and in the Plaintiff's Complaint for Permanent Injunction, or any other tax shelter, plan or arrangement that incites or assists customers to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities or unlawfully claim improper tax refunds;

(2) engaging in activity subject to penalty under 26 U.S.C. § 6700, including making, in connection with the organization or sale of any plan or arrangement, any statement about the securing of any tax benefit that Hagerty knows or has reason to know is false or fraudulent as to any material matter;


(3) assisting in the organization, promotion, marketing, or sale of any plan or arrangement that assists others in establishing bogus entities to hide assets from the federal government; and/or

(4) engaging in conduct subject to penalty under any provision of the Internal Revenue Code, or engaging in any other conduct that interferes with the proper administration and enforcement of the internal revenue laws

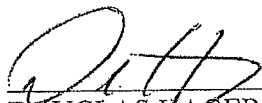
4. The United States shall be entitled to conduct discovery to monitor Hagerty's compliance with the terms of this Stipulated Judgment of Permanent Injunction.

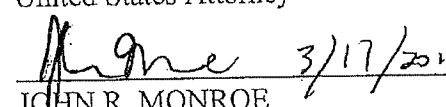
5. This Court shall retain jurisdiction over this matter and Hagerty for the purpose of enforcing this permanent injunction.

SO ORDERED, this 29th day of March, 2010.


ROGER VINSON,
SENIOR UNITED STATES DISTRICT JUDGE

Consented and Agreed to:

 3-8-2011
DOUGLAS HAGERTY
Defendant

PAMELA C. MARSH
United States Attorney
 3/17/2011
JOHN R. MONROE
IA Bar No. 0008881
Trial Attorney, Tax Division
U.S. Department of Justice
PO Box 7238
Ben Franklin Station
Washington, D.C. 20044
Telephone: (202) 307-0638
Facsimile: (202) 514-6770
E-mail: john.r.monroe@usdoj.gov

HARRIS J. PHILLIPS
Massachusetts BBO #: 675603
Trial Attorney, Tax Division
U.S. Department of Justice
Telephone: (202) 616-1906
E-mail: harris.j.phillips@usdoj.gov