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**IN THE UNITED STATES DISTRICT COURT FOR THE
FOR THE DISTRICT OF ARIZONA**

UNITED STATES OF AMERICA,

Plaintiff,

v.

DENNIS H. LAWRENCE, d/b/a Legal-Ease
LLC; ALLEN VANDERWEY, d/b/a American
Living Trust Services, LLC; and JAMES G.
MORRIS, d/b/a MFE Financial Services, LLC

Defendants.

CV-05-1114-PHX-JAT

**JUDGMENT AND PERMANENT
INJUNCTION AGAINST
DEFENDANT JAMES G. MORRIS,
d/b/a MFE Financial Services, LLC**

The United States of America has filed a complaint that requests a permanent injunction prohibiting the defendant, James G. Morris, individually and doing business as MFE Financial Services, LLC; from (1) organizing, promoting and selling tax-fraud schemes under section 7408 of the Internal Revenue Code (26 U.S.C.) (“IRC”); (2) further engaging in any conduct that unlawfully interferes with the administration and enforcement of the internal revenue laws; and (3) acting as a federal income tax return preparer. Based upon the stipulations of the plaintiff, the United States of America, and defendant Morris, and for good cause shown, this Court enters the following permanent injunction against defendant James Morris in accordance with Rule 65(d) of the Federal Rules of Civil Procedure.

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2 Defendant Morris, without admitting any of the allegations in the complaint except as to
3 jurisdiction, waives the entry of findings of fact and conclusions of law under Rule 52 of the Federal
4 Rules of Civil Procedure and consents to the entry of this permanent injunction under Rule 65 of the
5 Federal Rules of Civil Procedure and 26 U.S.C. §§ 7402, 7407 and 7408. Defendant Morris further
6 waives any right that he may have to appeal from this permanent injunction. The plaintiff and
7 Morris agree that the entry of this permanent injunction neither precludes the Internal Revenue
8 Service from assessing penalties against Morris for asserted violations of the Internal Revenue Code
9 nor precludes Morris from contesting any such penalties.

10 NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

11 1. The Court has jurisdiction over this action under 28 U.S.C. §§ 1340 and 1345 and
12 under 26 U.S.C. §§ 7402, 7407 and 7408.

13 2. The Court finds that defendant Morris have neither admitted nor denied the United
14 States' allegations that he has engaged in conduct subject to penalty under §§ 6700, 6694 and/or
15 6701 of the Internal Revenue Code.

16 3. Defendant Morris and his agents, servants, employees, and all persons in active
17 concert or participation with them who receive actual notice of this Order are permanently
18 enjoined under 26 U.S.C. §§ 7402 and 7408 from:

- 19 a) Organizing or selling or otherwise promoting the "Business Trust Organization
20 Scheme" and Subchapter-S Corporation Scheme described in the complaint, or
21 any substantially similar scheme;
- 22 b) Engaging in any other activity subject to penalty under IRC § 6700, including
23 organizing or selling any plan or arrangement and making in connection
24 therewith a statement regarding the allowance of a tax deduction, the
25 excludability of income, or the securing of any other tax benefit that defendant
26 Morris knows or has reason to know is false or fraudulent as to any material
27 matter;

- 1 c) Engaging in activity subject to penalty under IRC § 6701, including preparing or
2 assisting in the preparation of a document relating to a matter material under the
3 internal revenue laws that includes a position that defendant Morris knows or has
4 reason to know will, if used, result in understatement of another person’s federal
5 tax liability;
- 6 d) Engaging in any other activity subject to penalty under any other penalty
7 provision in the Internal Revenue Code;
- 8 e) Engaging in any other conduct interfering with the administration and
9 enforcement of the internal revenue laws.
- 10 f) misrepresenting any of the terms of this Order.

11 4. Defendant Morris is permanently enjoined under IRC §§ 7402 and 7407 from

- 12 (a) Preparing any federal tax returns in accordance with the “Business Trust
13 Organization Scheme” and Subchapter-S Corporation Scheme described
14 in the complaint;
- 15 (b) Engaging in any conduct subject to penalty under IRC §§ 6694 and/or
16 6701;
- 17 (c) Preparing any federal income tax return or engaging in any conduct that
18 defendant Morris knows or has reasons to know will result in the
19 understatement of the tax liability of another person on that person’s tax
20 return.
- 21 (d) With the exception of the ten (10) individual taxpayers or entities
22 named in a list to be provided to the counsel for the United States within
23 30 days from the entry of this permanent injunction (for whom defendant
24 Morris may prepare and file Form 1120 and/or Form 1065 tax returns),
25 preparing or filing any federal income tax returns other than the following:
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- (1) IRS Form 1040 U.S. Individual Income Tax Return
- (2) IRS Form 1040A U.S. Individual Income Tax Return
- (3) IRS Form 1040EZ Income Tax Return for Single and Joint Filers with No Dependents

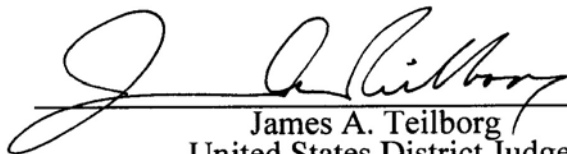
5. Defendant Morris shall provide to counsel for the United States, within 14 days after entry of this Order, a complete list of the persons for whom he prepared any federal tax return, amended return, or other paper from January 1, 2001, through the present as part of the “Business Trust Organization Scheme” and/or Subchapter-S Corporation Scheme described in the complaint, and/or any substantially similar scheme, such list to include for each such person the name, address, phone number, e-mail address, social security number or employer identification number, and the tax period(s) to which or for which each such return, amended return, or refund claim relates.

6. The United States, through its counsel, may engage in post-judgment discovery under Rules 26, 30, 33, 34 and 36 of the Federal Rules of Civil Procedure in to ensure compliance with this permanent injunction.

7. The Court will retain jurisdiction over this case for the purpose of monitoring the parties’ compliance with the terms of the permanent injunction. If anyone subject to this injunction violates any part of this injunction, the Court may find the violator to be in civil contempt of this injunction and punish the violator with a fine, incarceration, or both.

Because this Judgment is for the last remaining defendant in this case, the Clerk of the Court shall terminate this action.

DATED this 28th day of September, 2006.


James A. Teilborg
United States District Judge