

1 GEORGE S. CARDONA  
Acting United States Attorney

JS-6

2 GRAYSON A. HOFFMAN  
3 Member, Virginia Bar, 73726  
4 Trial Attorney, Tax Division  
5 U.S. Department of Justice  
6 Post Office Box 7238  
7 Ben Franklin Station  
8 Washington, D.C. 20044  
9 Telephone: (202) 616-2904  
10 Facsimile: (202) 514-6770  
11 Email: [Grayson.A.Hoffman@usdoj.gov](mailto:Grayson.A.Hoffman@usdoj.gov)

8 GAVIN L. GREENE (SBN 230807)  
9 Assistant United States Attorney  
10 Room 7211 Federal Building  
11 300 North Los Angeles Street  
12 Los Angeles, CA 90012  
13 Telephone: (213) 894-4600  
14 Facsimile: (213) 894-0115  
15 Email: [Gavin.Greene@usdoj.gov](mailto:Gavin.Greene@usdoj.gov)

12 Attorneys for Plaintiff, United States

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

17 UNITED STATES OF AMERICA,  
18 Plaintiff,

19 v.

20 SUSAN GUAN, individually, and  
21 SRN FINANCIAL SERVICES, INC.,  
22 Defendants.

Civil No. 2:09-cv-07816

**Order of Permanent  
Injunction  
Against Susan Guan**

23 \_\_\_\_\_ )  
24 Plaintiff United States of America and defendant Susan Guan  
25 ("defendant"), stipulate as follows:

26 Defendant waives the entry of findings of fact and conclusions of law  
27 under Rules 52 and 65 of the Federal Rules of Civil Procedure.

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

4 Defendant consents to the entry of this Stipulated Judgment of Permanent  
5 Injunction without further notice and agrees to be bound by its terms.

6 Defendant further understands and agrees that the Court will retain jurisdiction  
7 over this matter for the purpose of implementing and enforcing this injunction,  
8 and understands that if she violates this injunction, she may be found to be in  
9 contempt of court and may be sanctioned or imprisoned. The parties agree that  
10 entry of this permanent injunction neither precludes the Internal Revenue  
11 Service from assessing penalties against defendant for asserted violations of the  
12 Internal Revenue Code ("IRC"), nor precludes defendant from contesting any  
13 such penalties.

#### 14 **ORDER**

15 **IT IS HEREBY ORDERED** pursuant to 26 U.S.C. §§ 7402, 7407, and  
16 7408 that defendant Susan Guan and her representatives, agents, servants,  
17 employees, attorneys, independent contractors, anyone in active concert or  
18 participation with him, are **PERMANENTLY ENJOINED** from directly or  
19 indirectly;

- 20 (1) Preparing or filing, or assisting in, or directing the  
21 preparation or filing of any federal income tax return,  
22 amended return, IRS Form 1099, 1099-OID, 1096, Schedule  
23 B, or any other tax-related documents or forms for any other  
24 person or entity;
- 25 (2) Engaging in any other activity subject to penalty under the  
26 Internal Revenue Code;
- 27 (3) Engaging in other conduct that substantially interferes with  
28 the proper administration and enforcement of the internal

1 revenue laws;

2 (4) Organizing or selling tax shelters, plans or arrangements that  
3 advise or assist taxpayers to attempt to evade the assessment  
4 or collection of such taxpayers' correct federal tax;

5 (5) Engaging in any other activity subject to penalty under 26  
6 U.S.C. § 6700, including organizing or selling a plan or  
7 arrangement and making a statement regarding the  
8 excludability of income or securing of any other tax benefit  
9 by participating in the plan that defendant knows or has  
10 reason to know is false or fraudulent as to any material  
11 matter;

12 (6) Engaging in any other activity subject to penalty under 26  
13 U.S.C. § 6701;

14 (7) Directly or indirectly organizing, promoting, marketing, or  
15 selling any plan or arrangement that advises or encourages  
16 taxpayers to attempt to violate internal revenue laws or  
17 unlawfully evade the assessment or collection of their  
18 federal tax liabilities, including promoting, selling, or  
19 advocating the use of the "commercial redemption" theory  
20 and false Forms 1099-OID based on the false claims that:  
21 i. Taxpayers can draw on the Treasury of the United  
22 States to pay their tax debt or other debt using IRS  
23 Forms 1099, 1099-OID, Schedule B, tax returns, or  
24 other false IRS documents;  
25 ii. Taxpayers can issue false Forms 1099-OID on behalf  
26 of a creditor and report the amount on the false Form  
27 1099 as federal income taxes withheld on their behalf;  
28 and

1                   iii. Taxpayers have an account with the Treasury  
2                   Department from which they can draw funds through  
3                   a process that is often called “redemption” or  
4                   “commercial redemption”;

5                   (8) Preparing her own federal income tax returns or amended  
6                   returns claiming false income tax withholding and refunds,  
7                   whether or not they are based on amounts shown in false  
8                   Forms 1099-OID issued to creditors, false Forms Schedule  
9                   B, or other IRS forms or documents;

10                  (9) Otherwise aiding and abetting the filing of frivolous Forms  
11                  1040, 1040X, 1099, 1099-OID, and Schedules B for herself  
12                  or others; and,

13                  (10) Representing anyone before the IRS.

14                  **IT IS FURTHER ORDERED** that within 10 days defendant contact by  
15                  mail (and also by e-mail, if an address is known) all persons who have  
16                  purchased any products, services or advice associated with the false or  
17                  fraudulent tax scheme described in this order, enclosing a copy of the injunction  
18                  against defendant, and file a certificate with the Court within 14 days stating  
19                  under penalty of perjury that she has done so.  
20  
21  
22  
23  
24  
25  
26  
27  
28

1           **IT IS FURTHER ORDERED** that defendant provide to counsel for the  
2 United States within 10 days a list of all persons for whom she has prepared  
3 federal income tax returns, amended returns, or other tax-related documents,  
4 and all persons who have purchased any products, services or advice from  
5 defendant, since January 1, 2006.  
6  
7  
8  
9  
10

11           SO ORDERED this 16<sup>th</sup> day of November, 2009.  
12  
13  
14  
15  
16

17           

18           \_\_\_\_\_  
19           VALERIE B. FAIRBANK  
20           UNITED STATES DISTRICT JUDGE  
21  
22  
23  
24  
25  
26  
27