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CLERK, U.S. DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA, FLORIDA

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v. Case No. 8:01-cv-331-T-23TGW

JOSEPH N. SWEET, individually
and as trustee of EDM ENTERPRISES;
and EDM ENTERPRISES, a Trust,

Defendants.
_____/

O R D E R

On May 18, 2001, the Clerk entered default (Doc. 14) against the defendants pursuant to Rule 55(a), Federal Rules of Civil Procedure. By an order of January 30, 2002 (Doc. 40), the Court denied the defendants' motion to set aside default (Doc. 29) and ordered the defendants to show cause in writing, on or before February 13, 2002, why the Court should not grant the United States' motion for default judgment and permanent injunction (Doc. 9). As of the date of this order, neither defendant has filed a response to the Court's January 30, 2002, order or requested an extension of time to do so. Therefore, upon consideration, the United States' motion for default judgment and permanent injunction (Doc. 9), which stands unopposed, is **GRANTED**. Accordingly, it is **ORDERED** that:

41

1. The Clerk is directed to enter judgment in favor of the plaintiff, the United States of America, and against the defendants, EDM Enterprises, a trust ("EDM"), and Joseph N. Sweet (a/k/a Joseph Nelson Sweet), individually and as trustee of EDM Enterprises ("Sweet"), pursuant to 26 U.S.C. §§ 7402 and 7408;

2. EDM and Sweet have engaged in conduct subject to penalty under section 6700 of the Internal Revenue Code, 26 U.S.C. § 6700, which conduct entitles the United States to injunctive relief pursuant to section 7408 of the Internal Revenue Code, 26 U.S.C. § 7408.

3. EDM and Sweet have engaged in conduct that interferes with the enforcement of the internal revenue laws, which conduct entitles the United States to injunctive relief pursuant to section 7402(a) of the Internal Revenue Code, 26 U.S.C. § 7402(a).

4. Both EDM and Sweet (either individually or doing business through any entity) and their representatives, agents, servants, employees, attorneys, and others acting in concert with any of them, are immediately and permanently enjoined from directly or indirectly:

   (a) Organizing, promoting, marketing, or selling the tax shelter, plan, or arrangement entitled "GOOD NEWS for FORM 1040 Filers: Your Compliance is Strictly VOLUNTARY! BAD NEWS for the IRS!

Everything You Ever Needed to Know About the Income Tax That the IRS Is Afraid You'll Find Out" or any other abusive tax shelter, plan, or arrangement that incites taxpayers to attempt to violate the internal revenue laws of the United States or unlawfully evade the assessment or collection of federal tax liability;

(b) Organizing, promoting, marketing, or selling "Unincorporated Business Trust Organizations" (a/k/a "UBTOs") or any other abusive tax shelter, plan, or arrangement that incites taxpayers to attempt to violate the internal revenue laws of the United States or unlawfully evade the assessment or collection of federal tax liability;

(c) Inciting other individuals or entities to understate their federal tax liability, avoid filing federal tax returns, or avoid paying federal taxes based upon:

(1) the false representation that wages do not constitute taxable income;

(2) the false representation that the federal income tax is unconstitutional as a direct tax not apportioned among the states;

(3) the false representation that the Internal Revenue System is not legally authorized to collect taxes;

(4) the false representation that the filing of federal income tax returns or the payment of federal taxes, including income taxes, is voluntary;

(5) the false representation that federal income tax laws apply only to persons having foreign earned income;

(6) the false representation that the Internal Revenue Service is the collection arm of the Federal Reserve System, a system of private banking corporations;

(7) the false representation that the filing of an income tax return is not required because personal income is not taxable;

(8) the false representation that individuals are exempt from internal revenue laws that require withholding of federal income and social security taxes;

(9) the false representation that income earned by a trust on trust property is not subject to federal income tax;

(10) any false or fraudulent representation or claim regarding deductions, credits, or exclusions of income for purposes of avoiding federal tax liability.

d. Providing forms or assisting any individual or entity in the preparation of IRS forms (including without limitation, Forms SS-4, W-4, 1040, 1040X), returns, declarations, or affidavits that falsely or fraudulently purport to exempt a taxpayer from federal income taxes or entitle the taxpayer to excessive withholding allowances.

e. Engaging in conduct subject to penalty under section 6700 of the Internal Revenue Code, 26 U.S.C. § 6700.

f. Engaging in conduct that interferes with the administration and enforcement of the internal revenue laws of the United States.

5. EDM and Sweet shall, within **thirty days** of the date of this order, provide a copy of this order by U.S. Mail or hand delivery to all individuals and entities who previously purchased from EDM or Sweet either (1) the tax shelter, plan, or arrangement entitled "GOOD NEWS for FORM 1040 Filers: Your Compliance is Strictly VOLUNTARY! BAD NEWS for the IRS! Everything You Ever Needed to Know About the Income Tax That the IRS Is Afraid You'll Find Out"; or (2) "Unincorporated Business Trust Organizations" (a/k/a "UBTOs").

6. EDM and Sweet shall, within **thirty days** of the date of this order, provide counsel for the United States with copies of all records in the possession or control of EDM or Sweet that identify persons or entities that have previously purchased from EDM or Sweet either (1) the tax shelter, plan, or arrangement entitled "GOOD NEWS for FORM 1040 Filers: Your Compliance is Strictly VOLUNTARY! BAD NEWS for the IRS! Everything You Ever Needed to Know About the Income Tax That the IRS Is Afraid You'll Find Out"; or (2) "Unincorporated Business Trust Organizations" (a/k/a "UBTOs").

This action is concluded. The Clerk is directed to (1) terminate any pending motions and (2) close the file.

ORDERED in Tampa, Florida, on February 20th, 2002.

STEVEN D. MERRYDAY
UNITED STATES DISTRICT JUDGE

cc: U.S. Magistrate Judge
Courtroom Deputy
Counsel of Record

F I L E C O P Y

Date Printed: 02/21/2002

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