

1 ANDRÉ BIROTTE JR.  
United States Attorney

JS—6

2 SANDRA R. BROWN  
3 Assistant United States Attorney  
4 Chief, Tax Division  
5 DARWIN THOMAS  
6 Ca. Bar No. 80745  
7 Assistant United States Attorney  
8 Federal Building, Room 7211  
9 300 North Los Angeles Street  
10 Los Angeles, California 90012  
11 Telephone: (213) 894-2740  
12 Facsimile: (213) 894-0115  
13 Email: darwin.thomas@usdoj.gov

14 BRIAN H. CORCORAN  
15 Member, DC Bar, No. 456976  
16 Trial Attorney, Tax Division  
17 U.S. Department of Justice  
18 Post Office Box 7238  
19 Washington, D.C. 20044  
20 Telephone: (202) 353-7421  
21 Facsimile: (202) 514-6770  
22 Email: Brian.H.Corcoran@usdoj.gov

23 Attorneys for the United States of America

24 UNITED STATES DISTRICT COURT  
25 CENTRAL DISTRICT OF CALIFORNIA  
26 WESTERN DIVISION

27 United States of America,  
28 Plaintiff,  
vs.

Gwenn Wycoff and Frank Ozak,  
Defendants.

} Case No. **2:10-cv-05856-JHN -PLA**  
} **\*AMENDED\***  
} **STIPULATED ORDER**  
} **OF PERMANENT INJUNCTION**

1           The United States has filed a complaint for permanent injunction under 26  
2 U.S.C. (“I.R.C.”) §§ 7402(a) and 7408 against Gwenn Wycoff and Frank Ozak  
3 (hereinafter “Defendants”). The parties have agreed to the terms of this Stipulated  
4 Order of Permanent Injunction, and the Defendants consent to be bound by its  
5 terms and to its entry without further notice. The Defendants waive the entry of  
6 findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules  
7 of Civil Procedure. The parties understand that this Order constitutes the final  
8 judgment in this matter, waive the right to appeal from this judgment, and agree to  
9 bear their respective costs, including any attorneys’ fees or other expenses of this  
10 litigation. Nothing in this Order shall constitute an admission of liability by the  
11 Defendants of any of the matters alleged in the Complaint (including but not  
12 limited to the issue of whether *The Art of Passing the Buck* is owned or controlled  
13 by the individual Defendants).

14           The parties understand and agree that entry of this Stipulated Order of  
15 Permanent Injunction neither precludes the Internal Revenue Service (the “IRS”)  
16 from assessing penalties against the Defendants for violations of the Internal  
17 Revenue Code, nor precludes the Defendants from contesting any such penalties.

18           The parties further understand and agree that the Court has jurisdiction over  
19 this matter for the purposes of implementing and enforcing this Order, and  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 understand that if they violate its terms, they may be subject to civil and criminal  
2 sanctions for contempt of court.

3  
4 **ORDER**

5 1. IT IS HEREBY ORDERED that pursuant to 26 U.S.C. §§ 7402 and  
6 7408, the Defendants and their representatives, associates, agents, servants, and  
7 employees are enjoined from directly or indirectly:  
8

9 (A) Organizing or selling tax shelters, plans, or any other  
10 arrangements that advise or assist taxpayers to attempt to evade the  
11 assessment or collection of such taxpayers' correct federal tax;  
12

13 (B) Engaging in any other activity subject to penalty under 26  
14 U.S.C. § 6700, *i.e.* organizing or selling a plan or arrangement and  
15 making a statement regarding the excludability of income or securing  
16 of any other tax benefit, by participating in the plan that they know or  
17 have reason to know is false or fraudulent as to any material matter,  
18 including but not limited to any false statements about the tax benefits  
19 or effects of trusts;  
20

21 (C) Engaging in any activity subject to penalty under 26 U.S.C. §  
22 6701, *i.e.* aiding or assisting in, procuring, or advising with respect to  
23 the preparation or presentation of a federal tax return, refund claim, or  
24 other document, knowing or having a reason to believe that it will be  
25  
26  
27  
28

1 used in connection with any material matter arising under the internal  
2 revenue laws, and knowing that if so used it would result in an  
3 understatement of another person's tax liability; and  
4

5 (D) Directly or indirectly organizing, promoting, marketing, or  
6 selling any plan or arrangement that advises or encourages taxpayers  
7 to attempt to violate internal revenue laws or unlawfully evade the  
8 assessment or collection of their federal tax liabilities.  
9

10  
11 2. Pursuant to 26 U.S.C. §§ 7402 and 7408, and subject to Paragraph 3  
12 below, the Defendants are enjoined from:

13  
14 (A) selling, creating for sale, or participating in the creation or sale of  
15 any type of trust for a third party, including acting as a trustee or  
16 protector for a third party's trust. The Defendants may create or use  
17 trusts for themselves so long as the trust does not have the effect of or  
18 is employed to violate the law in any means or fashion set forth in  
19 Paragraph 1 above; and  
20

21  
22 (B) selling or distributing any promotional materials, or making any  
23 statements, regarding trusts containing (i) false commercial speech  
24 regarding the internal revenue laws, or (ii) speech likely to aid or abet  
25 others to violate the internal revenue laws; and  
26  
27  
28

1           3. Pursuant to 26 U.S.C. §§ 7402 and 7408, and except as otherwise set  
2 forth below, the Defendants are enjoined from acting in any advisory or  
3 participatory capacity in any way for any trusts created by or for any of their  
4 customers, themselves, or any other parties in the past ten years and in which they  
5 have assisted in the creation or management in any way during that time. The  
6 Defendants may provide advice and assistance to the trusts identified on Schedule  
7 A attached hereto up until November 30, 2011, so long as (a) that advice has  
8 nothing to do with federal income taxation or any federal income tax return filing,  
9 and (b) the purpose of that advice is solely to assist the identified trusts in winding  
10 down their affairs; and  
11  
12  
13  
14

15           4. Pursuant to 26 U.S.C. §§ 7402 and 7408, the Defendants are enjoined  
16 from filing, providing forms for, assisting in the preparation of, or otherwise aiding  
17 and abetting the filing of Forms 1040 or 1041 for themselves or others relating in  
18 any way to any trusts, including the notarization or signing of certificates of  
19 service or similar documents in connection with such tax returns; and  
20  
21

22           5. Within ten days of the entry of this Order, the Defendants shall cause  
23 to be posted on the “www.passingbucks.com” website a copy of this Order, and  
24 shall certify to this Court in writing that they have done so within 30 days of the  
25 date of this Order. This requirement shall also apply to any websites the  
26 Defendants shall obtain, initiate, or begin the operation of while this Order remains  
27  
28

1 in effect. The Order shall remain posted on the website(s) for one year from the  
2 date of its entry; and  
3

4 6. Pursuant to 26 U.S.C. § 7402, the Defendants are hereby required to  
5 contact by mail or e-mail all persons (a) who have purchased from them any  
6 products, services, advice, or publications associated with the tax scheme described  
7 in the underlying complaint, and (b) all individuals who have purchased a copy of  
8 either Volume of *The Art of Passing the Buck* in the past five years (where the  
9 Defendants can reasonably ascertain the mailing or e-mail addresses of such  
10 purchasers) and provide such individuals with a copy of this Order. The  
11 Defendants shall also provide a copy of this Order in whatever fashion is most  
12 expeditious to all of their employees, affiliates, or associates (including but not  
13 limited to existing Trustees relating to any trusts associated with the Defendants in  
14 any way, such as the Trustees of the Charles Arthur Enterprises Trust). The  
15 Defendants shall certify to this Court in writing that they have done so within 30  
16 days of the date of this Order; and  
17

18 7. Pursuant to 26 U.S.C. § 7402, the Defendants shall with respect to the  
19 two-volume publication *The Art of Passing the Buck* (a) cause to be removed from  
20 all existing unsold copies or copies to be published in the future the end-pages of  
21 each separate volume (as reproduced in Schedule B appended to this Order)  
22 advertising their services and/or the services of “Charles Arthur Enterprises,” (b)  
23  
24  
25  
26  
27  
28

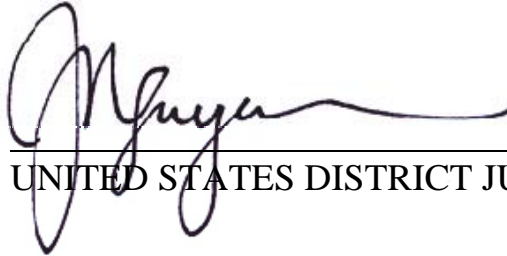
1 cause to be mailed or e-mailed to all purchasers of either volume of *The Art of*  
2 *Passing the Buck* since its publication (where the Defendants can reasonably  
3 ascertain the mailing or e-mail addresses of such purchasers) a notification (in the  
4 form appended to this Order as Schedule C) indicating that the purchaser should  
5 not rely on either volume of the work in determining the purchaser's federal  
6 income tax liability, but should instead seek appropriate professional assistance, (c)  
7 cause a copy of the notification described in Paragraph 7(b) and appended as  
8 Schedule C to this Order to be inserted or included with all copies of *The Art of*  
9 *Passing the Buck* sold after the date of this Order, and (d) certify to this Court in  
10 writing that they have performed the obligations of Paragraph 7(a) - (b) within 30  
11 days of the date of this Order; and

12  
13  
14  
15  
16 8. Pursuant to 26 U.S.C. § 7402, the Defendants shall cause to be  
17 cancelled or taken out of service the e-mail address  
18 ["trustservices@passingbucks.com,"](mailto:trustservices@passingbucks.com) and shall certify to this Court in writing that  
19 they have done so within 30 days of the date of this Order; and  
20

21  
22 9. IT IS HEREBY ORDERED that the Court retains jurisdiction to  
23 enforce this Order, and that for the purposes of monitoring compliance with its  
24 terms, the parties may conduct discovery using the formal procedures described in  
25 Fed. R. Civ. P. 30, 31, 33, 34, 36, and 45, or as otherwise provided in the Federal  
26 Rules of Civil Procedure, or permitted by this Court.  
27  
28

1  
2 IT IS SO ORDERED.

3 DATED: September 08, 2011

4  
5   
UNITED STATES DISTRICT JUDGE

6 Presented by:

7  
8 ANDRÉ BIROTTE JR.

9 United States Attorney

SANDRA R. BROWN

10 Assistant United States Attorney

11 Chief, Tax Division

DARWIN THOMAS

12 Assistant United States Attorney

13  
14 /s/ Brian H. Corcoran

15 BRIAN H. CORCORAN

16 Trial Attorney, Tax Division

17 Attorneys for United States of America

18 Seen and Agreed:

19  
20 \_\_\_\_\_  
21 Gwenn Wycoff

22 \_\_\_\_\_  
23 Frank Ozak



1  
2 IT IS SO ORDERED.

3  
4 DATED: September \_\_, 2011

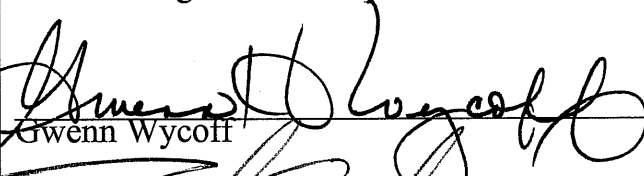

5 UNITED STATES DISTRICT JUDGE  
6

7 Presented by:

8 ANDRÉ BIROTTE JR.  
9 United States Attorney  
10 SANDRA R. BROWN  
11 Assistant United States Attorney  
12 Chief, Tax Division  
13 DARWIN THOMAS  
14 Assistant United States Attorney

15 /s/ Brian H. Corcoran  
16 BRIAN H. CORCORAN  
17 Trial Attorney, Tax Division  
18 Attorneys for United States of America

19 Seen and Agreed:

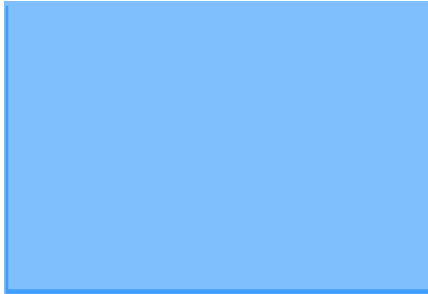
20   
21 Gwenn Wycoff  
22   
23 Frank Ozak  
24  
25  
26  
27  
28

## Schedule A

CV10-5856-JHN (PLAx)

Stipulated Order of Permanent Injunction

(redacted by party agreement)



SCHEDULE B

The Art of Passing the Buck - Volume I

**The Art of Passing the Buck**

Volume II

*Trust Blueprints*

Volume I covered what and why.

Volume II distills decades of Trust experience to tell you how to:

- Structure your Trust properly
- Transfer assets into your Trust
- Educate heirs and Beneficiaries in the proper use of your Trust
- Make your Trust successful
- Create effective Minutes
- Properly issue and exchange Trust Certificates—explained in detail
- Avoid legal problems—you don't want a scam Trust
- Deal effectively with governments and financial institutions

Includes Sample Formats and Forms

*For more information visit:*

[www.passingbucks.com/vol2](http://www.passingbucks.com/vol2)

*Or contact:*

**Charles Arthur Enterprises**

22845 Ventura Blvd., No. 10

Woodland Hills, CA 91367

818-574-6122

### Need Help With Your Trust?

**We offer:**

- **Review of your existing Trust Indenture**
- **Trust Mentoring on how to:**
  - Organize your Trust
  - Choose a Protector
  - Handle difficult Beneficiaries
  - Deal with financial institutions
- **Consulting on:**
  - Structuring your Trust
  - Managing your Trust
  - Keeping your Trust up to date
  - Making your Trust successful
- **Lectures and Classes**
  - Legal Cases / Court Decisions Affecting Your Trust
  - Effective Trust Administration
  - Trust Woes and What To Do About Them

*For more information, contact:*

**Charles Arthur Enterprises**

22845 Ventura Blvd., No. 10

Woodland Hills, CA 91367

818-574-6122

trustservices@passingbucks.com

## **Need Help With Your Trust?**

**We offer:**

- **Review of your existing Trust Indenture**
- **Trust Mentoring on how to:**
  - Organize your Trust
  - Choose a Protector
  - Handle difficult Beneficiaries
  - Deal with financial institutions
- **Consulting on:**
  - Structuring your Trust
  - Managing your Trust
  - Keeping your Trust up to date
  - Making your Trust successful
- **Lectures and Classes**
- **Legal Cases / Court Decisions Affecting Your Trust**
- **Effective Trust Administration**
- **Trust Woes and What To Do About Them**

*For more information, contact:*

**Charles Arthur Enterprises**

12228 Venice Blvd., No. 303

Los Angeles, CA 90066

818-574-6122

trustservices@passingbucks.com

### Already Have a Trust?

Here is What We Can do for You:

Bimonthly update service.

★ *Policies and Procedures:*

- ☆ Three *Policies and Procedures* to keep your Trust updated.
- ☆ These *Policies and Procedures* will have your Trust name on them, ready for your Board of Trustees to approve and incorporate into your Trust.
- ☆ A generic version of *Policies and Procedures* is also available.

★ *Memos:*

- ☆ Three *Memos* include commentary about Trust history, newspaper articles, court cases and miscellaneous information about inheritance.
- ☆ Periodic Trust- related articles written by our staff.

★ *Current Events:*

- ☆ Legal and other related information sent via email from time to time.

*For cost and more information on this valuable service, contact:*

**Charles Arthur Enterprises**  
12228 Venice Blvd., No. 303  
Los Angeles, CA 90066  
818-574-6122  
trustservices@passingbucks.com

**SCHEDULE C**

TO ALL PURCHASERS OF EITHER VOLUME  
OF *THE ART OF PASSING THE BUCK*:

**Under no circumstances** should you rely on the content of either volume of *The Art of Passing the Buck* in determining a trust's federal income tax liability, whether that trusts presently exists or is to be created in the future. For all such matters, you should instead seek appropriate professional assistance (*e.g.* from an attorney, certified public accountant, or otherwise properly licensed and reputable tax return preparer).