

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF FLORIDA  
FORT LAUDERDALE DIVISION

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, ) Case No. 0:20-cv-62492-WPD  
 )  
 v. )  
 )  
 WENDELL DEVALLON, )  
 )  
 BERARD DOMINIQUE, and )  
 )  
 TAX TIME GROUP INC., )  
 )  
 Defendants. )  
\_\_\_\_\_)

**PERMANENT INJUNCTION AND DISGORGEMENT AWARD AGAINST WENDELL DEVALLON, BERARD DOMINIQUE, AND TAX TIME GROUP INC.**

Having considered the record in this case and the parties' Joint Motion to Approve and Enter Stipulated Judgment against Wendell Devallon, Berald Dominique, and Tax Time Group Inc. [DE 88], and good cause being shown, the Court **GRANTS** the parties' Joint Motion [DE 88].

The Court finds:

1. The United States of America filed a complaint for permanent injunction under 26 U.S.C. §§ 7402(a), 7407, and 7408 against Defendants.
2. Defendants admit that, for purposes of this injunction, the Court has jurisdiction pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. § 7402(a).
3. Defendants, without admitting any allegations in the Complaint for Permanent Injunction, waive the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, consent to the entry of this permanent injunction, and agree to be bound by its terms.

4. Defendants further understand and agree that:
  - a. The attached permanent injunction will be entered under Fed. R. Civ. P. 65 and will result in the entry, without further notice, of a final judgment in this matter;
  - b. Defendants waive the right to appeal from the permanent injunction;
  - c. The parties will bear their own costs, including any attorney's fees or other expenses of this litigation;
  - d. The Court will retain jurisdiction over this matter for the purpose of implementing and enforcing the permanent injunction;
  - e. If Defendants violate the permanent injunction, they may be subject to civil and criminal sanctions for contempt of court;
  - f. In addition to the specific directives in the permanent injunction, Defendants have an obligation to preserve all pertinent documents in their possession, including tax returns, informational returns, correspondence, working papers, or any other documents connected to their tax preparation activities, whether stored electronically or on paper, as required by the Internal Revenue Code;
  - g. The United States may conduct full post-judgment discovery to monitor compliance with the permanent injunction; and
  - h. Entry of the permanent injunction resolves only this civil action, and neither precludes the government from pursuing any other current or future civil or criminal matters or proceedings, nor precludes Defendants from contesting their liability in any matter or proceeding.

**I. IT IS HEREBY ORDERED AND ADJUDGED**, pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408, that Defendants and any other person or entity working in concert or participation with them directly or indirectly are **PERMANENTLY ENJOINED** from directly or indirectly:

- A. Preparing, assisting in the preparation of, or directing the preparation of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than themselves or their spouse, children, parents, or siblings;
- B. Filing, assisting in the filing of, or directing the filing of federal tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents, for any entity or person other than themselves or their spouse, children, parents, or siblings;
- C. Owning, managing, assisting, or working at a business that prepares or assists in the preparation of tax returns, amended returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;
- D. Transferring, selling, or assigning their customer lists and/or other customer information;
- E. Selling or receiving income from any franchise agreements related to the preparation of tax returns, amended returns, or other tax-related documents

or forms, including any electronically submitted tax returns or tax-related documents, except as expressly permitted below;

F. Teaching or instructing any other person how to prepare tax returns, amended, returns, or other tax-related documents or forms, including any electronically submitted tax returns or tax-related documents;

G. Engaging in any activity subject to penalty under 26 U.S.C. §§ 6694, 6695, and 6701; and

H. Engaging in conduct that substantially interferes with the proper administration and enforcement of the tax laws.

**II. IT IS FURTHER ORDERED** that Defendants shall completely divest themselves of all ownership interest in any entity providing tax return preparation services to customers. Defendants shall remove Tax Time Group’s website (<https://www.taxtimegroup.com>), and all of Tax Time Group’s social media pages (including, but not limited to, Facebook, Instagram, etc.) from the internet within 10 days of the Court’s entry of the permanent injunction in this case. Defendants may request relief from this requirement solely for the transfer of full rights and control over the Tax Time Group website and social media pages to a third-party purchaser as described in Section III, below. Relief from the requirements of this Section shall be at the sole discretion of the United States.

**III. IT IS FURTHER ORDERED** Defendants shall have 180 days from the date of this agreement to sell to a third party the “Tax Time Group” brand, as well as existing licensing and franchising agreements and rights held by Tax Time Group

Inc. Such third-party purchaser must not be (i) a current or former employee or contractor of Tax Time Group Inc., Tax Time Technology Inc., Tax Time Network, or Destiny Challenge (a/k/a Destiny Challenge); (ii) a current or former licensee or franchisee of Tax Time Group Inc., Tax Time Technology Inc., Tax Time Network, or Destiny Challenge (a/k/a Destiny Challenge); (iii) a family member of Defendants Wendell Devallon or Berald Dominique; or (iv) a nominee of someone described in (i), (ii), or (iii). The sale must comply with the following requirements:

- A. The purchaser must be in good standing with the IRS, which means that neither the purchaser nor any officers, agents, employees, franchisees, licensees, or contractors of the purchaser are or have been subject to discipline by the IRS or a defendant in a lawsuit filed by the Department of Justice. The purchaser must be approved by the United States in writing prior to the closing of the sale.
- B. The purchaser cannot operate any tax preparation or filing business at any of the following addresses:
  - i. 995 SW 71st Avenue, North Lauderdale, FL 33068, (also known as 995 Rock Island Road, North Lauderdale, FL 33068);
  - ii. 999 SW 71st Avenue, North Lauderdale, FL 33068;
  - iii. 1675 S State Rd 7 North Lauderdale, FL 33068;
  - iv. 1109 East Orange Street, Lakeland, FL 33801;
  - v. 1929 NW 9th Avenue, Fort Lauderdale, FL 33311;
  - vi. 42900 18th Avenue S, St. Petersburg, FL 33705;

- vii. 548 Avenue G SE, Winter Haven, FL 33880;
  - viii. 6327 W Commercial Boulevard, Tamarac, FL 33319; or
  - ix. 8118 North University Drive, Tamarac, FL 33321.
- C. Defendants are not permitted to transfer, sell, or assign information related to any previous Tax Time Group customers.
- D. For two years following the purchase, the purchaser cannot employ, either as a W-2 employee or as an independent contractor, any individual who has been employed, either as a W-2 employee or an independent contractor, by Tax Time Group Inc. or Tax Time Technology Inc. at any time since 2018.
- E. For two years following the purchase, the purchaser cannot enter into any new licensing or franchising agreements with any individual who has been employed, either as a W-2 employee or as an independent contractor, by Tax Time Group Inc. or Tax Time Technology Inc. at any time since 2018. The purchaser is not prohibited from renewing any existing licensing or franchising agreements entered into by Tax Time Group Inc.
- F. Defendants are barred from directly or indirectly having any involvement with the operations of the purchaser.
- G. Defendants are barred from directly or indirectly profiting from the transaction or from the purchaser's future operations in any way other than through the sale proceeds.
- H. The proceeds of the sale, up to the balance owed for disgorgement, the amount of which is set forth below, shall be paid to the United States.

- I. Before completion of the sale, Defendants must give the purchaser a copy of this Order, and as a condition of the sale, the purchaser must agree to abide by the requirements of Paragraphs III(A), (B), (D), and (E), above.

The deadline to conduct the sale may be extended, at the United States' sole discretion, by up to an additional 90 days without further Court order.

- IV. **IT IS FURTHER ORDERED** that in the event Defendants are unable to consummate, within the agreed timeframe, a sale that complies with Section III, a receiver may be appointed by the United States to sell the assets of Tax Time Group Inc., including all licensing and franchising agreements. The receiver may also sell the "Tax Time Group" brand in the event the receiver determines it has any value. The receivership sale must meet all the criteria and comply with all the terms outlined in Section III. The receiver shall be paid from the proceeds of the sale. The remaining proceeds of such sale, up to the balance owed for disgorgement, shall be paid to the United States. The receiver will be appointed upon a motion filed by the United States certifying that Defendants were unable to consummate a compliant sale within the timeframe set forth above.

- V. **IT IS FURTHER ORDERED** that Defendants Wendell Devallon and Berald Dominique shall be permitted to market and sell software licenses for the proprietary tax preparation software programs offered by TaxSlayer (TaxSlayer Pro) and Wolters Kluwer (TaxWise) subject to the following restrictions:

- A. Defendants shall report the following information to the IRS: (i) the name of each entity Defendants use and maintain to sell and market software; (ii) a complete list of all of Defendants' software licensee customers, including

the names of the owners/operators of each tax preparation firm; and (iii) all EFINs and PTINs used by each of Defendants' customer licensees and their firms to prepare tax returns. These reports shall be due on a quarterly basis, with disclosures due to the IRS on January 1, April 1, July 1, and October 1 of each year beginning on February 1, 2022. The reports must be sent to the individual designated by the United States;

- B. Defendants shall not have access to any tax-related information or personal data regarding any customer of any software licensee;
- C. The fees Defendants charge licensees for use and access to any tax software product shall be based on a flat-rate monthly or annual licensing fee, and may bear no relation to the number of returns prepared or the content of the returns;
- D. Defendants are barred from acting as a service bureau for any person or entity involved in the preparation of tax returns, and shall not hold, process, or access, through a financial institution or otherwise, any funds derived from a software licensees' preparation of tax returns for customers, other than the flat-rate fees described in Paragraph V(C), above;
- E. Defendants are barred from maintaining accounts with Santa Barbara Tax Products Group or MetaBank N.A.;
- F. Defendants shall execute and maintain a copy of a written contract with each customer to whom Defendants license tax software;



- G. Defendants shall make any contract for a tax software license between Defendants and any of their software licensee customers available to the United States upon request;
- H. Defendants are prohibited from marketing or selling any tax preparation software other than the tax software programs identified in this Section, unless expressly approved in writing by the United States; and
- I. Defendants' ability to market and sell tax software, as authorized under this Section, shall be terminated if Defendants fail to comply with any provision of this agreement. A determination of noncompliance with this agreement shall be at the sole discretion of the United States. Defendants may seek relief from the United States' determination of Defendants' noncompliance by requesting a hearing before the Court.

**VI. IT IS FURTHER ORDERED** that Defendants shall disgorge to the United States \$353,000. This consists of \$211,000 for violations of the Court's preliminary injunction (ECF Nos. 19, 52, 60) and \$142,000 for conduct predating the filing of the complaint. Defendants are jointly and severally liable for this amount. This disgorgement agreement incorporates and amends the parties' prior contempt-related payment agreement. (ECF No. 60). Defendants shall pay the agreed disgorgement amount as follows:

- A. All sale proceeds, up to the remaining balance due, shall be paid to the United States as required by Section III, above; and
- B. Starting February 1, 2022, and continuing until the disgorgement balance is satisfied in full, Defendants shall make monthly payments to

the United States of \$1,500 and annual payments to the United States of \$20,000 (above and beyond the monthly payments). The monthly payments are due on the 1st of each month, and the annual payments are due on December 31 of each year. In the event a payment is due on a weekend or federal holiday, the deadline will be extended to the following business day. Defendants are jointly and severally liable for making each of the payments.

In the event that Defendants fail to timely pay any amount due in accordance with the terms of this agreement, the United States may, at its sole discretion, declare the entire unpaid balance of the disgorgement amount due and payable immediately. It may also take post-judgment discovery under Federal Rule of Civil Procedure 69 regarding Defendants' income and assets and any other potential sources of payment. Furthermore, in the event that Defendants fail to comply with these payment terms, they may face sanctions for contempt of court. The United States may invoke the Court's inherent equitable authority to enforce the disgorgement amount in the event of contempt.

**VII. IT IS FURTHER ORDERED** that Defendants shall, at their own expense:

- A. Send by email or U.S. Mail a copy of the final injunction entered against them in this action—as well as a copy of the Complaint setting forth the allegations as to how Defendants negligently, recklessly, or fraudulently prepared federal income tax returns—to all individuals on a list to be provided to Defendants by the United States;

- B. Provide the United States a list of the names, Social Security numbers, addresses, phone numbers, and email addresses of each person for whom Tax Time Group Inc. prepared tax returns, other tax forms, or claims for refund after January 1, 2018;
- C. Immediately close to the public and discontinue all tax-related operations at any Tax Time Group office location, including, but not limited to, the offices located at 995 Rock Island Road, North Lauderdale, FL 33068 and 1675 S State Rd 7, North Lauderdale, FL 33068, and cease all operations at those offices within 14 days of entry of the order;
- D. Prominently (with dimensions of at least 11x17 inches) post for one year (i) this agreement; (ii) the Court's permanent injunction order; and (iii) any press release regarding the Court's approval of injunction issued by the Department of Justice on the entrance to any of Defendants' former office locations, to the extent Defendants maintain control and access to the premises after entry of the permanent injunction, including, but not limited to Defendants' offices at 995 Rock Island Road, North Lauderdale, FL 33068, and 1675 S State Rd 7 North Lauderdale, FL 33068. Any relief from these posting requirements shall be at the United States' sole discretion;
- E. Deliver a printed copy of the final injunction entered against them in this action— as well as a copy of the Complaint setting forth the allegations as to how Defendants negligently, recklessly, or fraudulently prepared federal income tax returns—to all current and former employees, contractors, franchisees, licensees, and vendors of Tax Time Group Inc., Tax Time Network, Destiny Challenge (a/k/a Destiny Challenge), and Tax Time Technology Inc.;

- F. Provide the United States with a list of all individuals and entities with which Tax Time Group Inc. or Tax Time Technology Inc. has had a licensing or franchising agreement at any point in 2021, as well as all preparer tax identification numbers (“PTINs”) and electronic filing numbers (“EFINs”) used by such licensees or franchisees;
- G. File a sworn statement with the Court evidencing Defendants’ compliance with the foregoing directives within forty-five (45) days of entry of the final injunction in this action;
- H. Keep records of Defendants’ compliance with the foregoing directives, which must be produced to the Court, or the United States, if requested;
- I. Keep copies of all returns, other tax forms, and claims for refund that Tax Time Group Inc. prepared after January 1, 2018, which must be produced to the United States if requested; and
- J. Immediately and permanently surrender and agree to the IRS’s revocation of any PTINs held by, assigned to, or used by Tax Time Group Inc., Wendell Devallon, Berald Dominique, Tax Time Technology Inc., and All Protect Immigration & Services Inc., as well as any EFINs held by, assigned to, or used by any of the foregoing.

**VIII. IT IS FURTHER ORDERED** that if Defendants fail to comply with any provision of this agreement, Defendants shall pay to the United States of America:

- A. Two thousand dollars (\$2,000) for each return filed or prepared by Defendants, directly or indirectly, in violation of this agreement; plus

B. The fee Defendants charge any customer to prepare or file, directly or indirectly, in violation of this agreement.


Defendants understand and agree that the \$2,000 figure specified in Paragraph (A) of this Section is not punitive. Instead, it represents reasonable compensation to the United States for monitoring Defendants' compliance with this injunction (including the resources it must devote in view of Defendants' failure to comply with the Court's Preliminary Injunction); for investigating potential violations of this injunction; and for preparing further filings with this Court to detail Defendants' violation of this injunction and to request the award. Defendants further agree that disgorgement of the fees they charge for preparing any future return is an appropriate civil sanction. Defendants further agree that the imposition of the debts set out above does not in any way limit the ability of the United States to seek, or the power of the Court to impose, any other or additional criminal or civil penalties or remedies for Defendants' violation of this injunction.

**IX. IT IS FURTHER ORDERED** that should the United States bring, and prevail in, a contempt action to enforce the terms of this agreement and the Court's permanent injunction order in this case, Defendants shall, in addition to other remedies, reimburse the United States for its attorney's fees, investigational expenses, expert witness fees, travel expenses incurred by attorneys and witnesses relating to such contempt proceedings to the extent that those expenses exceed the amount awarded under Section IX above. Any motion filed by the United States against Defendants to enforce compliance or collect

damages for violations of this agreement shall identify, with reasonable specificity, the noncompliance giving rise to the motion.

- X. IT IS FURTHER ORDERED** that the United States will be allowed full post-judgment discovery to monitor Defendants' compliance with the permanent injunction.
- XI. IT IS FURTHER ORDERED** that the Court will retain jurisdiction over this action for the purpose of implementing and enforcing the permanent injunction and any additional orders necessary and appropriate to the public interest.
- XII.** The Clerk is **DIRECTED** to **CLOSE** this case.

**DONE AND ORDERED** in Chambers at Fort Lauderdale, Broward County, Florida,  
this 3rd day of February, 2022.

  
WILLIAM P. DIMITROULEAS  
United States District Judge

Copies to:  
Counsel of record