

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
Case No. 9:24-cv-80416-MIDDLEBROOKS**

UNITED STATES OF AMERICA,

Plaintiff,

v.

GREGORY J. SALGADO, and
GMJ REAL INVESTMENTS INC.
d/b/a CUBA SALGADO TAX &
REAL ESTATE,

Defendants.

**PERMANENT INJUNCTION AND ORDER OF
DISGORGEMENT AGAINST DEFENDANTS**

THIS CAUSE is before the Court on the Parties' Joint Motion to Approve and Enter Stipulated Permanent Injunction against Defendants. (DE 18). Having considered the Stipulation for Entry of Permanent Injunction against Gregory J. Salgado (DE 18-2), individually and doing business as GMJ Real Investments Inc d/b/a Cuba Salgado Tax & Real Estate ("Defendant"), and good cause being shown, the Court finds that:

- A. The United States filed a complaint against Mr. Salgado, individually and through his businesses, for permanent injunction under 26 U.S.C. ("I.R.C.") §§ 7402(a), 7407, and 7408.
- B. Defendants, admit that, for the sole purpose of this permanent Injunction, the Court has jurisdiction pursuant to 28 U.S.C. §§ 1340 and 1345 and I.R.C. § 7402(a).
- C. Mr. Salgado, without admitting any allegations in the United States' complaint, waives the entry of findings of fact and conclusions of law under Rules 52 and 65 of the Federal Rules of Civil Procedure, consents to the entry of this permanent

Injunction, and agrees to be bound by its terms.

D. Defendants further understand and agree that:

1. 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;
2. Defendants waive the right to appeal from the permanent Injunction;
3. The parties will bear their own costs, including any attorney's fees or other expenses of this litigation;
4. The Court will retain jurisdiction over this matter for the purpose of implementing and enforcing the permanent Injunction;
5. If Defendants violate the permanent Injunction, they may be subject to civil and criminal sanctions for contempt of court;
6. 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;
7. The United States may conduct full post-judgment discovery to monitor compliance with the permanent Injunction;
8. Entry of the permanent Injunction resolves only this civil action, and neither precludes the United States from pursuing any other current or future administrative, civil, or criminal matters or proceedings, nor

precludes Mr. Salgado from contesting his liability in any matter or proceeding.

I. IT IS HEREBY ORDERED AND ADJUDGED, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, that Mr. Salgado, any entity through which he conducts business, and all persons and entities in active concert or participation with him, are **PERMANENTLY ENJOINED** from

- 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;
- 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;
- C. Using, maintaining, renewing, obtaining, transferring, selling, or assigning any Preparer Tax Identification Number (“PTIN”) or Electronic Filing Identification Number (“EFIN”);
- D. Using a PTIN, EFIN, or any other federally issued identification number that belongs to another to file or remit federal tax returns;
- E. Owning, operating, managing, profiting from, working in, providing capital or loans to, receiving fees or remuneration from, controlling, licensing, consulting with, franchising, or volunteering at a business that prepares or assists in the preparation of tax returns, amended tax returns, or other tax-related documents or forms, including any electronically

submitted tax returns or tax-related documents;

- F. Transferring, selling, or assigning their customer lists and/or other customer information;
- G. Training, instructing, teaching, creating, or providing guides, memoranda, directions, instructions, or manuals, pertaining to the preparation of federal tax returns;
- H. 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;
- I. Engaging in activity subject to penalty under I.R.C. §§ 6694, 6695, and/or 6701;
- J. Engaging in conduct that substantially interferes with the proper administration and enforcement of tax laws.

II. IT IS FURTHER ORDERED that Mr. Salgado, at his own expense, is required:

- A. To send, within 14 days of entry of this injunction, by United States mail, and if an email address is known, by email, a letter (subject to approval by the United States) advising of the final injunction entered against him in this action and including a link to Defendants' website which will have a copy of the permanent injunction and Complaint in this action, to each person for whom Mr.

Salgado prepared federal income tax returns or any other federal tax forms after January 1, 2019. Defendants will keep the copy of the permanent

injunction and the Complaint on the website in a prominent location for one year from the entry Court's order;

- B. To turn over to the United States a list with the name, address, telephone number, email address, and social security number or other taxpayer identification number of each customer for whom Mr. Salgado prepared returns after January 1, 2019, to the extent that this information is in the possession, custody, or control of Mr. Salgado or anyone acting on Mr. Salgado's behalf;
- C. To prominently post, within 14 days of entry of this injunction, a copy of the Injunction in Mr. Salgado's place of business where tax returns were prepared by Mr. Salgado, his wife, or any other employees. He shall keep the Injunction posted there until all business signage has been removed and the lease has been terminated;
- D. To post, within 14 days of entry of this injunction and in prominent location, on all social media accounts and websites used to advertise Mr. Salgado's tax preparation services, a statement that they have been permanently enjoined from the preparation of tax returns; to set all business email addresses used for Mr. Salgado's tax preparation services to auto-reply to all received emails with a statement that they have been permanently enjoined from the preparation of tax returns; and to change the voicemail message on all business phones used for Mr. Salgado's tax preparation services to a statement that they have been permanently enjoined from the preparation of tax returns. Mr. Salgado will maintain the posts required by this paragraph on their social media accounts

and websites for one year, after which they will close the accounts and websites. In the alternative, Mr. Salgado may immediately close all business social media accounts, business phones, offices, and email accounts. Once closed, the business social media accounts, business phones, office, and email accounts shall no longer be required to carry the posts and messages described herein. However, Defendants will keep the copy of the injunction and the Complaint on the business's website in a prominent location for one year from the entry Court's order. With regard to the office, Mr. Salgado shall keep the Injunction posted as described in paragraph II.C of the Injunction until all business signage has been removed and the lease has been terminated;

- E. To file a sworn statement with the Court evidencing compliance with the foregoing directives within 45 days of entry of the final injunction in this action; and
- F. To keep records of Mr. Salgado's compliance with the foregoing directives, which may be produced to the Court, if requested, or the United States pursuant to paragraph V, *infra*.

III. IT IS FURTHER ORDERED that:

- A. Any and all PTINs held by, assigned to, or used by Mr. Salgado, individually or through his businesses, pursuant to I.R.C. § 6109, as well as any and all EFINs held by, assigned to, or used by Mr. Salgado, individually or through his businesses, are hereby revoked without further proceedings;
- B. Pursuant to I.R.C. §§ 7402(a) and 7407, Mr. Salgado, individually and

through his businesses, shall permanently close within 30 days all tax return preparation stores, tax preparation training businesses, and tax preparation software businesses that he currently owns directly or through any entity, and shall not thereafter open or reopen any tax return preparation stores, tax preparation training businesses, or tax preparation software businesses; and

- C. Pursuant to I.R.C. § 7402(a), Mr. Salgado, and all persons and entities in active concert or participation with him, are prohibited from assigning, transferring, or selling a list of tax preparation or tax preparation software customers or any other customer information pertaining to any business through which Mr. Salgado those acting at his direction have prepared a tax return.

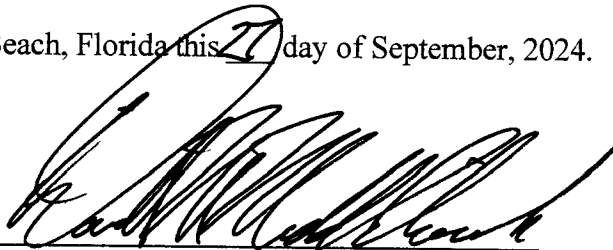
IV. IT IS FURTHER ORDERED, pursuant to I.R.C. § 7402(a), Mr. Salgado and the business he controls (GMJ Real Investments Inc. d/b/a Cuba Salgado Tax & Real Estate) are required to disgorge to the United States \$85,000 of the unlawful profits that they have obtained (in the form of fees charged to customers) for the preparation of federal tax returns that make grossly incompetent, negligent, reckless, and/or fraudulent claims. In the event that Defendants fail to timely pay any amount due in accordance with the terms of their settlement agreement, the United States may take post-judgment discovery under Federal Rule of Civil Procedure 69 regarding Mr. Salgado's income and assets and any other potential sources of payment. The United States may invoke the Court's inherent equitable authority to enforce the disgorgement amount in the event of contempt.

V. IT IS FURTHER ORDERED that the United States may monitor Mr. Salgado's compliance with the injunction and may engage in post-judgment discovery in

accordance with the Federal Rules of Civil Procedure;

- VI. IT IS FURTHER ORDERED** that the Court shall retain jurisdiction over Mr. Salgado and this action to enforce any injunction entered.

SIGNED in Chambers in West Palm Beach, Florida this 21 day of September, 2024.

A handwritten signature in black ink, appearing to read "Donald M. Middlebrooks", written over a horizontal line.

Hon. Donald M. Middlebrooks
United States District Judge

CC: Counsel of Record