

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

SALLY HAND-BOSTICK., et al.,

Defendants.

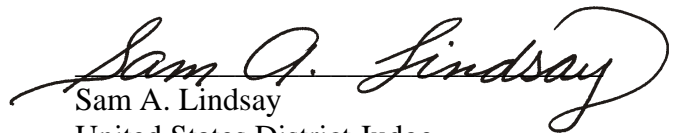
§
§
§
§
§
§
§
§

Civil Action No. **3:09-CV-1075-L**

ORDER

Before the court is the government’s Motion to Approve and Enter Stipulated Permanent Injunctions as to Defendants Timothy Adams and Edward Adams, filed April 26, 2010. The government has reached an agreement with these Defendants as to entry of a stipulated permanent injunction against them. Accordingly, the court **grants** the Motion to Approve and Enter Stipulated Permanent Injunctions as to Defendants Timothy Adams and Edward Adams and will enter permanent injunctions as to these Defendants by separate documents.

It is so ordered this 27th day of April 2010.


Sam A. Lindsay
United States District Judge

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA)
)
 Plaintiff,)
)
 v.)
)
)
 SALLY HAND-BOSTICK, et al.)
)
 Defendants.)

Case Number: 09-cv-1075-L

MOTION TO APPROVE AND ENTER STIPULATED PERMANENT INJUNCTIONS
AS TO DEFENDANTS TIMOTHY ADAMS AND EDWARD ADAMS

The United States has filed a complaint in which it seeks, in part, a permanent injunction under 26 U.S.C. §§ 7402(a), 7407, and 7408 against the above-named defendants. The United States alleges, in part, that the defendants have promoted a tax-fraud scheme that is designed to enable customers to claim false or fraudulent federal income tax credits, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) § 45K (formerly I.R.C. § 29), for the purported sale of fuel from nonconventional sources (“FNS”), leading to an understatement of the customers’ tax liabilities.

On March 30, 2010, defendants Timothy Adams and Edward Adams stipulated to the entry of a permanent injunction against them under 26 U.S.C. §§ 7402(a), 7407, and 7408. The United States requests that the Court approve and enter the stipulated permanent injunctions as to defendants Timothy Adams and Edward Adams, attached as Exhibits A & B.

Dated: April 26, 2010.

Respectfully submitted,

JAMES T. JACKS
United States Attorney

s/ Shana M. Starnes
SHANA M. STARNES
Pennsylvania Bar 201317
Trial Attorney, Tax Division
555 4th St, NW
Washington, D.C. 20044
Telephone: (202) 616-1707
Email: shana.m.starnes@usdoj.gov

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the foregoing has been made upon the parties by filing it with the Clerk of Court using the CM/ECF service, this 26th day of April 2010.

s/ Shana M. Starnes
SHANA M. STARNES
Pennsylvania Bar 201317
Trial Attorney, Tax Division
555 4th St, NW
Washington, D.C. 20044
Telephone: (202) 616-1707
Email: shana.m.starnes@usdoj.gov

**IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
v.)	Civil No. 3:09-cv-01075-L
)	
SALLY HAND-BOSTICK, et al.,)	
)	
Defendants.)	

**STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANT EDWARD W. ADAMS**

The United States has filed a complaint in which it seeks, in part, a permanent injunction under 26 U.S.C. §§ 7402(a), 7407, and 7408 against the above-named defendants. The United States alleges, in part, that the defendants have promoted a tax-fraud scheme that is designed to enable customers to claim false or fraudulent federal income tax credits, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) § 45K (formerly I.R.C. § 29), for the purported sale of fuel from nonconventional sources (“FNS”), leading to an understatement of the customers’ tax liabilities.

Defendant Edward W. Adams has answered in this cause, and he generally denies that he knowingly participated in any fraud, scheme or other malfeasance. Specifically, Edward W. Adams contends that, despite due diligence, he was not aware of the allegedly illegitimate nature of any FNS tax credits at the time such credits were claimed by his customers. Edward W. Adams further contends that certain facts disclosed to him

**STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANT EDWARD W. ADAMS -- Page 1 of 6**

1044374 v.1
0529/00110



for the first time during this litigation, the IRS's official position on the stated tax credits, and his desire and willingness to comply with all federal and state laws, as well as the applicable standard of care for tax preparers, have led him to agree to the following stipulations and order.

Defendant Edward W. Adams 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. The United States and Edward W. Adams agree that no provision in this stipulated permanent injunction or the fact that Edward W. Adams is agreeing to it constitutes an admission by him of any of the allegations set forth by the United States in the first paragraph above, or in its complaint. Edward W. Adams understands that this permanent injunction constitutes the final judgment in this matter, and waives the right to appeal from this judgment.

The United States and Edward W. Adams further agree that entry of this permanent injunction neither precludes the Internal Revenue Service from assessing penalties against Edward W. Adams for asserted violations of the Internal Revenue Code nor precludes Edward W. Adams from contesting such penalties. Edward W. Adams further understands and agrees that the Court will retain jurisdiction over this matter for the purpose of implementing and enforcing this injunction and understands that if he violates the injunction, he may be subject to civil and criminal sanctions for contempt of

**STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANT EDWARD W. ADAMS -- Page 2 of 6**

court.

ORDER

IT IS ORDERED that Edward W. Adams is permanently enjoined, pursuant to Internal Revenue Code (I.R.C.) (26 U.S.C.) §§ 7402, 7407, and 7408, effective from entry of this Order from directly or indirectly:

(1) Organizing, promoting, marketing, selling, or instructing any of his employees or agents to organize, promote, market or sell FNS Credits through or in association with George Calvert, Gregory Guido, Gas Recovery Partners 2, National Tax, Inc., GP, GRP2, CH4, Green Earth, or Calvert & Associates;

(2) Advising or assisting customers, or instructing any of his agents or employees to advise or assist customers, to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;

(3) Engaging in any conduct, or instructing any of his employees or agents to engage in any conduct subject to penalty under IRC § 6700, including making gross valuation overstatements or making statements that he knows or has reason to know are false about the allowability of any deduction or credit, the excludability of any income, or the securing of any tax benefit by participating in any plan or arrangement;

**STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANT EDWARD W. ADAMS -- Page 3 of 6**

(4) Engaging in activity, or instructing any of his employees or agents to engage in activity subject to penalty under I.R.C. § 6701, including advising with respect to, preparing, or assisting in the preparation of a document related to a material matter under the internal revenue laws that he knows will, if used, result in an understatement of another person's tax liability;

(5) Engaging in any activity, or instructing any of his employees or agents to engage in any activity subject to penalty under I.R.C. § 6694, including preparing federal tax returns that assert frivolous or unrealistic positions, or willfully and recklessly understating federal tax liability; or

(6) Engaging in any other conduct, or instructing any of his employees or agents to engage in any other conduct, subject to penalty under any penalty provision of the IRC, or engaging in any other conduct that interferes with the administration and enforcement of the internal revenue laws.

IT IS FURTHER ORDERED that the Court retains jurisdiction to enforce this injunction and the United States may engage in post-judgment discovery to monitor Edward W. Adams' compliance with this injunction.

AGREED to on the 30 day of March, 2010.

STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANT EDWARD W. ADAMS -- Page 4 of 6

A. BRIAN ALBRITTON

United States Attorney

s/ Shana M. Starnes

SHANA M. STARNES

Pennsylvania Bar 201317

Trial Attorney, Tax Division

U.S. Department of Justice

Post Office Box 7238

Washington, D.C. 20044

Telephone: (202) 616-1707

Email: shana.m.starnes@usdoj.gov

ATTORNEYS FOR THE UNITED STATES OF AMERICA

HERMES SARGENT BATES, LLP

DANIEL D. TOSTRUD

Attorney in Charge

State Bar No. 20146160

daniel.tostrud@hsblaw.com

CLINT L. TAYLOR

State Bar No. 24042008

clint.taylor@hsblaw.com

901 Main Street, Suite 5200

Dallas, Texas 75202

(214) 749-6000—Telephone

(214) 749-6100—Telecopier

ATTORNEYS FOR DEFENDANTS EDWARD W. ADAMS,

TIMOTHY W. ADAMS, ELIZABETH SPINELLI, AND

SALLY HAND-BOSTICK



Edward W. Adams

1332 S. Buckner Blvd.

Dallas, Texas 75217-1701

STIPULATED PERMANENT INJUNCTION

AS TO DEFENDANT EDWARD W. ADAMS -- Page 5 of 6

SO ORDERED.

UNITED STATES DISTRICT JUDGE

**STIPULATED PERMANENT INJUNCTION
AS TO DEFENDANT EDWARD W. ADAMS -- Page 6 of 6**

1044374 v.1
0529/00110