

United States District Court

DISTRICT OF

Arizona

UNITED STATES OF AMERICA,

SUMMONS IN A CIVIL CASE

CASE NUMBER:

Plaintiff(s),

v.

BEVERLY J. HILL and
DARRELL J. HILL,
individually and doing business as
SUPERIOR CLAIMS MANAGEMENT,

Defendant(s).

CV '05 0877 PHX DGC

2005 MAR 16 10:10

TO: (Name and Address of Defendant)

Darrell J. Hill
922 S. Longmore, Apt. #138
Mesa, Arizona 85202-4352

YOU ARE HEREBY SUMMONED and required to file with the Clerk of this Court and serve upon

PLAINTIFF'S ATTORNEY (name and address)

Stephen J. Schaeffer
Tax Division
U.S. Department of Justice
P. O. Box 7238
Ben Franklin Station
Washington, DC 20044

an answer to the complaint and motion for preliminary injunction which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

RICHARD H. WEARE

3/23/05

CLERK

DATE



BY DEPUTY CLERK

RETURN OF SERVICE

Service of the Summons, Complaint, Motion for Preliminary Injunction and its related Memorandum, Declarations, and Sample Order was made by me ⁽¹⁾

DATE

NAME OF SERVER (Print)

TITLE

Check one box below to indicate appropriate method of service

- Service personally upon the defendant. Place where served: _____

- Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein.
Name of person with whom the summons and complaint were left: _____
- Returned unexecuted: _____

- Other (Specify): _____

STATEMENT OF SERVICE OF FEES

TRAVEL

SERVICE

TOTAL

DECLARATION OF SERVER

I declare under penalty of perjury the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on _____
Date

Signature of Server

Address of Server

1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

1 PAUL K. CHARLTON
United States Attorney

MAR 23 2005

2 STEPHEN J. SCHAEFFER
3 Trial Attorney, Tax Division
4 United States Department of Justice
5 Post Office Box 7238, Ben Franklin Station
6 Washington, D.C. 20044
Missouri Bar #56833
Telephone: (202) 307-2240
Fax: (202) 514-6770

7 Attorneys for Plaintiff United States of America

8
9 IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA
10 PHOENIX DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 BEVERLY J. HILL and
15 DARRELL J. HILL,
individually and doing business as
SUPERIOR CLAIMS MANAGEMENT,

16 Defendants.

CV 05-087-TAX-LGC
No.

COMPLAINT FOR
PERMANENT INJUNCTION
AND OTHER RELIEF

17
18 The plaintiff, the United States of America, complains and alleges against the
19 defendants, Beverly J. Hill and Darrell J. Hill, individually and doing business as Superior
20 Claims Management, as follows:

21 1. This is a civil action brought by the United States pursuant to sections 7402(a),
22 7407, and 7408 of the Internal Revenue Code (26 U.S.C.) ("I.R.C.") to restrain and enjoin
23 the defendants, Beverly J. Hill and Darrell J. Hill, and all those in active concert or
24 participation with them from:

- 25 (a) Acting as a federal tax return preparer or requesting, assisting in or
26 directing the preparation and/or filing of federal tax returns for any
27 person or entity other than themselves, or appearing as a
28 representative on behalf of any person or organization whose tax
liabilities are under examination or investigation by the Internal
Revenue Service;

- 1 (b) Understating customers' tax liabilities as penalized by I.R.C. § 6694;
2 (c) Failing to list a tax identification number or to sign tax returns for
3 which either defendant is a tax-return preparer as penalized by I.R.C.
4 § 6695;
5 (d) Engaging in activity subject to penalty under I.R.C. § 6701,
6 including preparing or assisting in the preparation of a document
7 related to a matter material to the internal revenue laws that includes
8 a position that they know would result in an understatement of
9 another person's tax liability; and
10 (e) Engaging in other conduct that interferes with the administration and
11 enforcement of the internal revenue laws.

12 Jurisdiction

13 2. This action has been authorized and requested by the Chief Counsel of the
14 Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at
15 the direction of a delegate of the Attorney General of the United States, pursuant to the
16 provisions of I.R.C. §§ 7402, 7407, and 7408.

17 3. Jurisdiction is conferred on this Court by Sections 1340 and 1345 of Title 28,
18 United States Code, and I.R.C. §§ 7402(a), 7407, and 7408.

19 Defendants

20 4. Defendants Beverly J. Hill and Darrell J. Hill, a married couple, reside in Mesa,
21 Arizona, within this judicial district.

22 5. Beverly J. Hill and Darrell J. Hill registered Superior Claims Management as a
23 trade name with the Arizona Secretary of State. The state lists them as owners of the
24 trade name.
25
26
27
28

Defendants' activities

1
2 6. Defendants, operating under the business name of Superior Claims
3 Management, prepare and file frivolous federal income tax returns or claims for refund
4 for others.

5 7. They falsely advertise on their website, www.getmytaxesback.com, that "wage
6 earnings are not 'taxable profit'" and that most citizens have been overpaying taxes their
7 entire lives. They fraudulently boast that they can "put your past taxes in your bank" by
8 filing returns that reduce reported income to zero.

9 8. Defendants have prepared and filed with the IRS at least 253 customer federal
10 income tax returns since 2002 that fail to include wage income reported on information
11 returns, such as Form W-2. The last known such return was filed in November 2004.
12 The returns fraudulently request refunds of over \$1.2 million in total.

13 9. Defendants attach a five- or six-page supplement to each tax return that sets
14 forth out-of context quotations from various state and federal court cases to assert falsely
15 that wage income does not fall under the definition of income that is taxable under the
16 Internal Revenue Code. In particular, the supplement stated, "The Supreme Court of the
17 United States had already established that my wages for my labor was/ and is not
18 income!"

19 10. Defendants improperly sign their names on their customers' returns in lieu of
20 their customers' signatures and attach an executed power of attorney to the return.
21 Defendants fail to complete the information required of preparers on the tax forms,
22 including listing their or their trade name as preparer and listing their taxpayer ID.

23 11. Defendants charge their customers 25% of any tax refund paid to the
24 customers.

25 12. The IRS has thus far discovered 253 fraudulent returns prepared and filed by
26 defendants, and 21 refunds that have been erroneously issued based on fraudulent returns
27

1 and claims prepared and filed by the defendants. The approximate total of these
2 erroneous refunds is \$200,000.

3 **Harm to the public**

4 13. Defendants' preparation of false and fraudulent tax returns, to the extent that
5 the IRS does not detect them and issues erroneous refunds, has resulted in customers
6 receiving substantial tax refunds to which they are not legally entitled. The average tax
7 refund requested on the 253 returns discovered by the IRS is over \$4,700.

8 14. The United States is harmed because defendants' customers are not reporting
9 and paying their correct tax liabilities. Although the IRS has not issued most of the
10 refunds requested by the Hills, it has issued at least 21 erroneous refunds for an
11 approximate total of \$200,000. The taxes requested by all returns detected by the IRS is
12 over \$1.2 million.

13 15. The United States is also harmed because the IRS is forced to devote its
14 limited resources to identifying defendants' customers and recovering any erroneous
15 refunds that are issued. Given these limited resources, identifying and recovering all
16 revenues lost from defendants' preparation of false and fraudulent returns may be
17 impossible.

18 16. For defendants' customers that it has identified, the IRS must review and
19 respond to correspondence, request that they change their positions by filing correct
20 returns, assess penalties, and audit them to determine the correct tax liability. This effort
21 is required for each return filed.

22 17. In addition to the harm caused by their preparation of tax returns that
23 understate their customers' tax liabilities, the Hills' activities undermine public
24 confidence in the administration of the federal tax system and encourage noncompliance
25 with the internal revenue laws.

26 18. Defendants' customers have been harmed because they have paid defendants
27 fees in the form of a percentage of any refund received to prepare tax returns that
28

1 understate their correct federal income tax liabilities. The customers then end up having
2 to pay back taxes plus interest and penalties. Some customers could under some
3 circumstances also face criminal prosecution.

4
5 **Count I**

6 **Injunction under I.R.C. § 7407 for violation of I.R.C. §§ 6694 and 6695**

7 19. The United States incorporates by reference the allegations in paragraphs 1
8 through 18.

9 20. Section 7407 of the Internal Revenue Code authorizes a district court to enjoin
10 an income tax preparer from:

- 11 (a) engaging in conduct subject to penalty under I.R.C. § 6694 (which
12 penalizes a tax return preparer who prepares or submits a return that
13 contains an unrealistic position);
14 (b) engaging in conduct subject to penalty under I.R.C. § 6695 (which
15 penalizes a tax return preparer who fails to furnish an identifying
16 number or to keep a list of customers or copies of tax returns and
17 turn over the list or copies to the IRS upon request);
18 (c) misrepresenting their experience or education as a tax return
19 preparer; or
20 (d) engaging in any other fraudulent or deceptive conduct that
21 substantially interferes with the proper administration of the internal
22 revenue laws,

23 if the court finds that injunctive relief is appropriate to prevent the recurrence of such
24 conduct. Additionally, if the court finds that a preparer has continually or repeatedly
25 engaged in such conduct, and the court finds that a narrower injunction (*i.e.*, prohibiting
26 only that specific enumerated conduct) would not be sufficient to prevent that person's
27 interference with the proper administration of the internal revenue laws, the court may
28 enjoin the person from further acting as a federal income tax return preparer.

21. Defendants have prepared at least 253 federal income tax returns that included
false or fraudulent statements regarding the excludibility of income from taxation. In so
doing, defendants understated their customers' federal taxable income and asserted

1 positions which they knew or reasonably should have known were unrealistic under
2 I.R.C. § 6694.

3 22. On these returns, defendants have failed to list their or their trade name as
4 preparers and failed to list a related taxpayer ID on their customers' returns in violation of
5 I.R.C. § 6695.

6 23. Defendants' actions, as described above, fall within I.R.C. § 7407(b)(1)(A)
7 and (D), and are, thus, subject to being enjoined under I.R.C. § 7407.

8 24. If they are not enjoined, defendants are likely to continue to file tax returns
9 that include false or fraudulent statements regarding the excludibility of income from
10 taxation and to file tax returns that fail to list their or their trade name as preparer and fail
11 to list a related taxpayer ID.

12 13 **Count II**

14 **Injunction under I.R.C. § 7408 for violation of I.R.C. § 6701**

15 25. The United States incorporates by reference the allegations in paragraphs 1
16 through 24.

17 26. I.R.C. § 7408 authorizes a court to enjoin persons who have engaged in any
18 conduct subject to penalty under I.R.C. § 6701 if the court finds that injunctive relief is
19 appropriate to prevent the recurrence of such conduct.

20 27. I.R.C. § 6701 imposes a penalty on any person who prepares or assists in the
21 preparation of a return, affidavit, or other document that the person knows or has reason
22 to believe will be used in connection with any material matter arising under the internal
23 revenue laws, and that the person knows would result in an understatement of tax
24 liability.

25 28. Defendants prepare returns and other documents that they file for their
26 customers. They, thus, know or have reason to believe, that the returns they prepared
27

1 would be used in connection with material matters arising under the internal revenue
2 laws.

3 29. Defendants know that the returns and other documents they prepare will result
4 in understatements of their customers' tax liabilities because they knowingly omit wage
5 income from the returns and they know that the internal revenue laws require wage
6 income to be included on the returns.

7 30. If they are not enjoined, defendants are likely to continue to prepare returns
8 understating their customers' tax liabilities.

9 **Count III**

10 **Injunction under I.R.C. § 7402(a) for unlawful** 11 **interference with the enforcement of the internal revenue laws**

12 31. The United States incorporates by reference the allegations of paragraphs 1
13 through 30.

14 32. Section 7402 of the Internal Revenue Code authorizes a court to issue orders
15 of injunction as may be necessary or appropriate for the enforcement of the internal
16 revenue laws.

17 33. Defendants, through their actions as described above, have engaged in conduct
18 that substantially interferes with the enforcement of the internal revenue laws.

19 34. The federal income tax returns that defendants prepared for their customers
20 improperly and illegally understated their customers' federal income tax liabilities.

21 35. If defendants are not enjoined from engaging in fraudulent and deceptive
22 conduct, such as preparing false or fraudulent tax returns, the United States will suffer
23 irreparable injury from revenue losses caused by defendants.

24 36. While the United States will suffer irreparable injury if defendants are not
25 enjoined, defendants will not be harmed by being compelled to obey the law.

1 37. The public interest would be advanced by enjoining defendants because an
2 injunction, backed by the Court's contempt powers if needed, will stop their illegal
3 conduct and the harm the conduct is causing to the United States Treasury.

4 38. If defendants are not enjoined, they are likely to continue to interfere with the
5 enforcement of the internal revenue laws.

6
7 WHEREFORE, the plaintiff, the United States of America, respectfully prays as
8 follows:

9 A. That the Court find that Beverly J. Hill and Darrell J. Hill, individually and
10 doing business as Superior Claims Management, have continually and repeatedly engaged
11 in conduct subject to penalty under I.R.C. §§ 6694 and 6695 and have continually and
12 repeatedly engaged in other fraudulent or deceptive conduct substantially interfering with
13 the administration of the tax laws, and that a narrower injunction prohibiting only this
14 specific misconduct would be insufficient;

15 B. That the Court find that Beverly J. Hill and Darrell J. Hill, individually and
16 doing business as Superior Claims Management, have engaged in conduct subject to
17 penalty under I.R.C. § 6701, and that injunctive relief under I.R.C. § 7408 is appropriate
18 to prevent a recurrence of that conduct;

19 C. That the Court find that Beverly J. Hill and Darrell J. Hill, individually and
20 doing business as Superior Claims Management, have engaged in conduct that interferes
21 with the enforcement of the internal revenue laws, and that injunctive relief is appropriate
22 to prevent the recurrence of that conduct pursuant to the Court's inherent equity powers
23 and I.R.C. § 7402(a);

24 D. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter a
25 permanent injunction prohibiting Beverly J. Hill and Darrell J. Hill, individually and
26 doing business as Superior Claims Management, and all those in active concert or
27 participation with them from:

- 1 (1) Acting as a federal tax return preparer or requesting, assisting in or
2 directing the preparation and/or filing of federal tax returns for any
3 person or entity other than themselves, or appearing as a
4 representative on behalf of any person or organization whose tax
5 liabilities are under examination or investigation by the Internal
6 Revenue Service;
- 7 (2) Understating customers' tax liabilities as prohibited by I.R.C.
8 § 6694;
- 9 (3) Failing to list a tax identification number or to sign tax returns for
10 which either defendant is a tax-return preparer as prohibited by
11 I.R.C. § 6695;
- 12 (4) Engaging in activity subject to penalty under I.R.C. § 6701,
13 including preparing or assisting in the preparation of a document
14 related to a matter material to the internal revenue laws that includes
15 a position that they know would result in an understatement of
16 another person's tax liability; and
- 17 (5) Engaging in other conduct that interferes with the administration and
18 enforcement of the internal revenue laws.

19 E. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter an
20 injunction requiring Beverly J. Hill and Darrell J. Hill within fifteen days to contact by
21 United States Mail and, if an e-mail address is known, by e-mail, all persons for whom
22 they prepared a federal tax return to inform them of the Court's findings concerning the
23 falsity of the defendants' prior representations and enclose a copy of the permanent
24 injunction against them;

25 F. That the Court, pursuant to I.R.C. §§ 7402(a), 7407, and 7408, enter an
26 injunction requiring Beverly J. Hill and Darrell J. Hill to produce to counsel for the
27 United States within fifteen days a list that identifies by name, social security number,
28 address, e-mail address, and telephone number and tax period(s) all persons for whom
they prepared federal tax returns or claims for refund since January 1, 2002;

G. That this Court, pursuant to I.R.C. §§ 7402(a) and 7408, enter an injunction
requiring defendants and their representatives, agents, servants, employees, attorneys, and
those persons in active concert or participation with them, to remove within eleven days
from their websites including, www.getmytaxesback.com, all materials advertising their

1 services as income tax preparers or consultants and all false and fraudulent statements
2 concerning the meaning and application of the internal revenue laws, including (but not
3 limited to) any statements that income from wages is not includible in taxable income, to
4 display prominently at the top of the first page of the website a complete copy of the
5 permanent injunction in not less than 12-point type, and to maintain the website for one
6 year with a complete copy of the Court's permanent injunction so displayed throughout
7 that time;

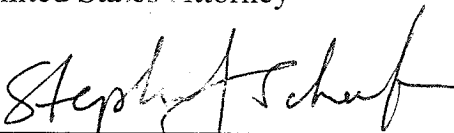
8 H. That the Court retain jurisdiction over Beverly J. Hill and Darrell J. Hill,
9 individually and doing business as Superior Claims Management, and over this action for
10 the purpose of enforcing any permanent injunction entered against defendants;

11 I. That the United States be entitled to conduct discovery for the purpose of
12 monitoring defendants' compliance with the terms of any permanent injunction entered
13 against them; and

14 J. That this Court grant the United States such other and further relief, including
15 costs, as is just and equitable.

16
17 DATED this 21st day of March, 2005.

18
19 PAUL K. CHARLTON
United States Attorney

20
21 
22 _____
STEPHEN J. SCHAEFFER
23 Trial Attorney, Tax Division
United States Department of Justice
24 Post Office Box 7238
Washington, D.C. 20044
Missouri Bar #56833
25 Telephone: (202) 307-2240
26 Fax: (202) 514-6770

27 Attorneys for Plaintiff United States of America

1 PAUL K. CHARLTON
United States Attorney

MAR 2 8 2005

2 STEPHEN J. SCHAEFFER
3 Trial Attorney, Tax Division
4 United States Department of Justice
5 Post Office Box 7238, Ben Franklin Station
6 Washington, D.C. 20044
Missouri Bar #56833
Telephone: (202) 307-2240
Fax: (202) 514-6770

7 Attorneys for Plaintiff United States of America

8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE DISTRICT OF ARIZONA
10 PHOENIX DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 BEVERLY J. HILL and
15 DARRELL J. HILL,
individually and doing business as
SUPERIOR CLAIMS MANAGEMENT,

16 Defendants.

) No.

) UNITED STATES' MOTION FOR
PRELIMINARY INJUNCTION

) MEMORANDUM AND
AFFIDAVITS OF KUXHAUSEN,
HENLINE, AND GOYETTE
SEPARATELY SUBMITTED IN
SUPPORT

17
18 The United States, pursuant to Fed. R. Civ. P. 65(a) and Sections 7402, 7407, and 7408 of
19 the Internal Revenue Code (26 U.S.C.) ("I.R.C."), moves to preliminarily enjoin Beverly J. Hill
20 and Darrell J. Hill, individually, and doing business as Superior Claims Management, and all
21 those in active concert or participation with them, from:

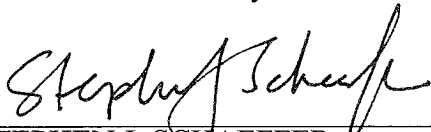
- 22 (1) Acting as a federal tax return preparer or requesting, assisting in or directing the
23 preparation and/or filing of federal tax returns for any person or entity other than
24 themselves, or appearing as a representative on behalf of any person or
25 organization whose tax liabilities are under examination or investigation by the
26 Internal Revenue Service;
- 27 (2) Understating customers' tax liabilities as penalized by I.R.C. § 6694;
- 28

- 1 (3) Failing to list a tax identification number or to sign tax returns for which either
2 defendant is a tax-return preparer as penalized by I.R.C. § 6695;
3 (4) Engaging in activity subject to penalty under I.R.C. § 6701, including preparing or
4 assisting in the preparation of a document related to a matter material to the
5 internal revenue laws that includes a position that they know would result in an
6 understatement of another person's tax liability; and
7 (5) Engaging in other conduct that interferes with the administration and enforcement
8 of the internal revenue laws.

9 The grounds for this motion are fully set forth in the Memorandum of Points and
10 Authorities in support of this motion and in the Declarations of Kurt Kuxhausen, Shauna
11 Henline, and Marion L. Goyette, filed herewith and incorporated herein by reference.

12 A proposed form of preliminary injunction is enclosed.

13
14 PAUL K. CHARLTON
United States Attorney

15
16 
17 _____
STEPHEN J. SCHAEFFER
18 Trial Attorney, Tax Division
United States Department of Justice

19 Attorneys for Plaintiff United States of America
20
21
22
23
24
25
26
27
28

1 PAUL K. CHARLTON
United States Attorney

2 STEPHEN J. SCHAEFFER
3 Trial Attorney, Tax Division
4 United States Department of Justice
5 Post Office Box 7238, Ben Franklin Station
6 Washington, D.C. 20044
Missouri Bar #56833
Telephone: (202) 307-2240
Fax: (202) 514-6770

7 Attorneys for Plaintiff United States of America

8 IN THE UNITED STATES DISTRICT COURT
9 FOR THE DISTRICT OF ARIZONA
10 PHOENIX DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 BEVERLY J. HILL and
15 DARRELL J. HILL,
individually and doing business as
SUPERIOR CLAIMS MANAGEMENT,

16 Defendants.

CV '05 0877 TIR DGC
No.

MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT OF
UNITED STATES' MOTION FOR
PRELIMINARY INJUNCTION

17
18 Pursuant to Fed. R. Civ. P. 65(a), the United States moves for a preliminary
19 injunction against defendants Beverly J. Hill and Darrell J. Hill, individually, and doing
20 business as Superior Claims Management. The IRS has identified 253 frivolous "zero-
21 income" filed federal income tax returns that the Hills prepared for customers during the
22 past three years. The Hill-prepared returns fraudulently request refunds totaling more than
23 \$1.2 million. While most of the known fraudulent returns have been detected before
24 erroneous refunds were issued, the Hills' misconduct has led to erroneous tax refunds to
25 customers totaling approximately \$200,000.

26 Every day that the Hills continue to operate leads to further irreparable injury. The
27 injury is greatest during tax-filing season, but through their filing of amended returns
28 seeking a refund of prior taxes, defendants inflict harm year-round. Thus, defendants

1 should be enjoined quickly from preparing any federal income tax returns for others, and
2 from assisting or advising others in preparing tax returns. In addition, defendants should
3 be required to post the preliminary injunction on their website,
4 www.getmytaxesback.com, and remove all false and fraudulent statements relating to
5 their scheme.

6 **FACTS**

7 Defendants prepare tax returns for the public.¹ They promise to get “back” taxes
8 previously paid or withheld from paychecks.² They boast that they can “put your past
9 taxes in your bank.”³ To accomplish this, defendants prepare and file original or amended
10 federal income tax returns that omit customers’ wage income from taxable income
11 reported on the return.⁴ To support their actions, they attach a five- or six-page
12 supplement that sets forth quotations from various state and federal court cases to assert
13 that wage income is not “taxable profit” and does not fall under the definition of income
14 that is taxable under the Internal Revenue Code.⁵ In particular, the supplement falsely
15 states, “The Supreme Court of the United States had already established that my wages
16 for my labor was/ and is not income!”⁶ Defendants falsely assert on their website that
17 most citizens have been overpaying taxes their entire lives.⁷

21 ¹ Declaration of Marion L. Goyette, ¶¶ 6, 7, 8.

22 ² *Id.* ¶ 9.

23 ³ *Id.* ¶ 8.

24 ⁴ Declaration of Revenue Agent Kurt Kuxhausen, ¶¶ 5, 6.

25 ⁵ *Id.* ¶ 7.

26 ⁶ *Id.*

27 ⁷ Declaration of Marion L. Goyette, ¶ 11.

1 Defendants charge their customers 25% of any tax refund paid to them.⁸ The
2 defendants also require customers to give them a power of attorney to represent the
3 customers before the IRS.⁹ Defendants hold themselves out as experts in tax law and
4 instruct their customers to contact them in the event that federal agents “circumvent”
5 them “in order to disallow [the] claim, confuse the issue, and defer prompt reimbursement
6 proceedings.”¹⁰ Defendants describe themselves as “your personal representative” to “fix
7 it all.”¹¹ Defendants falsely state that asserting their arguments to the IRS cannot cause
8 their customers any harm.¹²

9 The defendants, a married couple, operate their business as Superior Claims
10 Management and sell their scheme on the website www.getmytaxesback.com. This
11 website is registered to defendants.¹³ As of the date of this memorandum, the website is
12 active.¹⁴ They registered Superior Claims Management as a trade name with the Arizona
13 Secretary of State.¹⁵ The state lists them as owners of the trade name.¹⁶

14 The IRS has discovered 253 income tax returns that the defendants prepared and
15 filed for customers in which the defendants assert and apply their frivolous arguments
16 that wage income is not taxable.¹⁷ These identified returns fraudulently request over
17

18 ⁸ *Id.* ¶ 14.

19 ⁹ *Id.* ¶ 13.

20 ¹⁰ *Id.* ¶¶ 6, 13.

21 ¹¹ *Id.* ¶ 7.

22 ¹² *Id.* ¶ 10.

23 ¹³ *Id.* ¶ 5.

24 ¹⁴ *Id.* ¶ 3.

25 ¹⁵ *Id.* ¶ 4.

26 ¹⁶ *Id.*

27 ¹⁷ Declaration of Shauna Henline, ¶ 6.

1 \$1.2 million in tax refunds.¹⁸ The last such return detected was filed in November 2004.¹⁹

2 Although the IRS has not issued most of the refunds the Hill-prepared returns requested,
3 it has issued at least 21 erroneous refunds totaling approximately \$200,000.²⁰ For all of
4 the fraudulent Hill returns that are filed the IRS must review and respond to
5 correspondence, request that the customers change their positions by filing a correct
6 return, assess penalties, and audit the customers to determine the correct tax liability.²¹
7 This activity takes about four hours of effort per return and, in this case, has thus far cost
8 the IRS an estimated \$48,000.²²

9 Each defendant has signed and filed these fraudulent tax returns on behalf of
10 customers.²³ Defendants fail to identify themselves on the income tax forms as the tax
11 preparers.²⁴ Although they attach a copy of the power of attorney, defendants do not list
12 their name or the name of the business as preparers.²⁵ They do not list their taxpayer
13 identification number anywhere on the returns or attachments.²⁶

14 Included in these 253 returns are both defendants' own income tax returns.²⁷ The
15 IRS refused to process defendants' own returns and did not issue the fraudulently
16

17
18 ¹⁸ *Id.* ¶ 8.

19 ¹⁹ *Id.* ¶ 6.

20 ²⁰ *Id.* ¶ 14.

21 ²¹ *Id.* ¶ 16.

22 ²² *Id.*

23 ²³ Declaration of Revenue Agent Kurt Kuxhausen, ¶ 5.

24 ²⁴ *Id.* ¶ 8.

25 ²⁵ *Id.*

26 ²⁶ *Id.*

27 ²⁷ *Id.* ¶ 9.

1 requested refunds.²⁸ In December 2002, Beverly Hill, filing as Beverly Lee, filed 1996,
2 1998, 1999, and 2000 federal income tax returns for herself that listed no income and
3 sought a refund of all withheld tax.²⁹ Also in December 2002, Darrell Hill filed his own
4 1998, 1999, and 2000 federal income tax returns listing no income and claiming a refund
5 of all withheld tax.³⁰

6 In February 2004, the IRS notified defendants that it had begun an investigation of
7 their activities and requested that they meet with Revenue Agent Kurt Kuxhausen.³¹ The
8 IRS also requested that they provide certain documents.³² They did not attend the
9 meeting and failed to provide the requested information.³³

11 ARGUMENT

12 The evidence submitted with this motion establishes that the Court should
13 immediately enjoin defendants under §§ 7407, 7408, and 7402 from preparing any federal
14 tax returns for others and from interfering with the administration or enforcement of
15 internal revenue laws.

16 **I. Because they have continually and repeatedly asserted unrealistic positions on**
17 **returns they prepared and have failed to identify themselves properly on the**
18 **returns, defendants should be enjoined under I.R.C. § 7407 from preparing**
19 **any federal income tax returns.**

20 Section 7407 authorizes a court to enjoin a person from acting as an income tax
21 return preparer if that person has continually or repeatedly: (1) engaged in conduct subject

22 ²⁸ *Id.*

23 ²⁹ *Id.*

24 ³⁰ *Id.*

25 ³¹ *Id.* ¶ 10.

26 ³² *Id.*

27 ³³ *Id.* ¶ 11.

1 to penalty under § 6694, which prohibits the preparation or submission of a return
2 containing an unrealistic position, (2) engaged in conduct subject to penalty under § 6695,
3 which mandates that a return preparer sign returns and include his identifying number;
4 (3) misrepresented his eligibility to practice before the IRS, or otherwise misrepresented
5 his experience or education as a return preparer; or (4) engaged in any other fraudulent or
6 deceptive conduct substantially interfering with the proper administration of the tax laws.
7 In addition, the court must find that a narrower injunction prohibiting only specific
8 misconduct would be insufficient.³⁴ Because I.R.C. § 7407 expressly authorizes the
9 issuance of an injunction, the Government does not need to prove the traditional
10 requirements for equitable relief.³⁵

11 A. Defendants have continually and repeatedly engaged in conduct subject to penalty
12 under I.R.C. § 6694.

13 A return preparer is subject to penalty under I.R.C. § 6694 if (1) the preparer
14 submits a return that contains an understatement of liability; (2) the understatement is
15 based on a position taken for which there was not a realistic possibility of being
16 sustained; (3) the preparer knew or should have known of such position; and (4) the
17 position is either frivolous or not disclosed as provided in the law.³⁶

18 In this case, the evidence establishes that defendants prepared and submitted tax
19 returns for their customers. Both defendants have signed their names on customer
20 returns. They are, thus, income tax return preparers. Further, these returns omit wage
21 income. Omitting income understates taxable income which, thus, understates tax
22 liability.

23 _____
24 ³⁴ 26 U.S.C. (I.R.C.) § 7407.

25 ³⁵ See *United States v. Estate Pres. Servs.*, 202 F.3d 1093, 1098 (9th Cir. 2000);
26 *United States v. DeAngelo*, No. SA CV 03-251-GLT (MLGx), 2003 WL 23311522,
at *1 (C.D. Cal. Apr. 14, 2003).

27 ³⁶ I.R.C. § 6694(a).

1 On each return, defendants set forth their position that wage income is not “taxable
2 profit” and, thus, does not fall under the definition of income that is taxable under the
3 Internal Revenue Code. However, it is well settled that wages and other compensation
4 for services “from *whatever* source derived” constitute taxable income.³⁷ The Ninth
5 Circuit has specifically deemed this argument “frivolous.”³⁸ There is no realistic
6 possibility that this argument would be sustained by any court.

7 With respect to their knowledge, defendants knew that their advice and those
8 documents would be used to understate their customers’ correct tax liabilities.
9 Defendants presented their arguments to the IRS when they filed their own income tax
10 returns. They know that the IRS did not process their returns or provide them with the
11 refund of their tax withholdings as requested. The failure of their own arguments when
12 requesting their refunds further indicates that they knew the returns they prepared were
13 fraudulent and would understate their customers’ tax liabilities. Further, a modicum of
14 research by defendants would reveal that the belief that money received as wages need
15 not be included in taxable income simply rehashes discredited positions. Thus,
16 defendants knew or should have known that there was not a realistic possibility that their
17 arguments would be sustained.

18
19
20 ³⁷ *Id.* § 61(a) (emphasis added). *See, e.g., United States v. Romero*, 640 F.2d 1014,
21 1016 (9th Cir. 1981) (“Compensation for labor or services, paid in the form of wages
22 or salary, has been universally held by the courts of this republic to be income, subject
23 to the income tax laws currently applicable.”); *United States v. Buras*, 633 F.2d 1356,
24 1361 (9th Cir. 1980) (“Treas. Reg. § 1.61-2(a)(1) clearly includes wages within the
25 definition of income.”). *See also United States v. Connor*, 898 F.2d 942, 943 (3d Cir.
26 1990) (“Every court which has ever considered the issue has unequivocally rejected
27 the argument that wages are not income.”); *Coleman v. Commissioner*, 791 F.2d 68,
28 70 (7th Cir. 1986) (“These are tired arguments. The code imposes a tax on all
income.”); *Funk v. Commissioner*, 687 F.2d 264, 265 (8th Cir. 1982) (“Taxpayers’
argument that wages received for services are not taxable as income is clearly
frivolous.”).

³⁸ *Gattuso v. Pecorella*, 773 F.2d 709, 710 (9th Cir. 1984) (“Taxpayers’ claim that
their wages are not income is frivolous.”).

1 These activities are continual and repeated. The IRS has discovered 253 income
2 tax returns setting forth these positions to understate tax liability. The IRS continues to
3 receive returns from defendants despite rejecting the same arguments presented on earlier
4 returns. As stated above, the IRS has even rejected these arguments on the Hills'
5 personal returns. The IRS also continues to receive returns from defendants despite
6 beginning their investigation of the Hills and contacting them directly about the
7 investigation. These actions of the IRS, however, do not deter defendants who continue
8 to file frivolous returns. The last return detected by the IRS was filed in November 2004.

9 B. Defendants have continually and repeatedly engaged in conduct subject to penalty
10 under I.R.C. § 6695.

11 A return preparer is subject to penalty under I.R.C. § 6695 if the preparer fails to
12 sign a return or furnish an identifying number on it, unless the preparer shows that the
13 failure was due to a reasonable cause and not due to willful neglect.³⁹

14 Defendants have violated § 6695 by failing to sign returns as preparers and failing
15 to furnish their identifying numbers. They have done this on hundreds of returns and
16 likely do so to obstruct the ability of the IRS to flag their fraudulent returns. The number
17 of returns that they have filed also prevents defendants from claiming any reason other
18 than willful neglect.

19 C. Defendants have continually and repeatedly interfered substantially with the
20 administration of the tax laws

21 Finally, defendants' tax scheme substantially interferes with the administration of
22 the tax laws.⁴⁰ Defendants' customers are not paying the correct amount of tax to the
23 United States Treasury. Further, the IRS is forced to devote its limited resources to
24 identifying and attempting to recover revenue lost as a result of the defendants' activities,

25
26 ³⁹ I.R.C. § 6695(b), (c).

27 ⁴⁰ *See id.* § 7407(b)(1)(D).

1 thereby reducing the level of service that the IRS can give to other taxpayers. With
2 respect to the returns discovered by the IRS, IRS employees must devote about four hours
3 per return to review and respond to correspondence, request that they change their
4 positions by filing a correct return, assess penalties, and audit them to determine the
5 correct tax liability. The IRS estimates that it has thus far spent \$48,000 on
6 administrative costs working with the returns filed by defendants.

7 D. Because an injunction prohibiting only these violations would be insufficient to
8 prevent defendants from interfering with the proper administration of the tax laws,
defendants should be barred from the preparation of any tax returns.

9 The Government requests that defendants be enjoined not merely from the
10 violations described above, but from preparing any tax returns because a narrower
11 injunction prohibiting only specific misconduct would likely not deter defendants from
12 their abusive return-preparation activities. It could not be clearer that defendants should
13 not be in the return-preparation business. They advertise only their meritless theories and
14 prepare and file only "zero-income" returns. This tax return business is no business, but
15 merely a means for defendants to attempt to receive money from the Treasury by fraud.
16 There is no assurance that if they are merely barred from one frivolous practice they will
17 not come up with another scheme and falsely claim that they believe it is appropriate.
18 The IRS cannot be expected to use its scarce resources to find and review every document
19 prepared or filed by preparers who have repeatedly displayed their willingness to
20 disregard federal tax laws and who wreak so much havoc.⁴¹

21
22
23
24
25
26
27 ⁴¹ See *United States v. Savoie*, 594 F. Supp. 678, 685 (W.D. La. 1984) ("And in light
of Savoie's unyielding opposition to the current tax structure, we hardly need to
explain that an injunction against conduct listed in subsection (b)(1) would be
insufficient to safeguard tax administration from Savoie's interference.")

1 **II. A preliminary injunction should issue under I.R.C. § 7408 before defendants**
2 **engage in further conduct subject to penalty under I.R.C. § 6701.**

3 This Court has authority to grant the requested preliminary injunction under I.R.C.
4 § 7408 to enjoin defendants from conduct subject to penalty under I.R.C. § 6701 if the
5 Government proves that the defendants engaged in the conduct and that injunctive relief
6 is appropriate to prevent the recurrence of such conduct.⁴² Because I.R.C. § 7408
7 expressly authorizes the issuance of an injunction, the Government does not need to prove
8 the traditional requirements for equitable relief.⁴³ The record submitted with this motion
9 makes the showing required for the preliminary injunction.

10 A. Defendants have engaged in conduct subject to penalty under I.R.C. § 6701.

11 I.R.C. § 6701 imposes a penalty if (1) the defendants aided or assisted in the
12 preparation of any portion of a tax return, claim for refund, or other document; (2) they
13 knew or had reason to believe that the document would be used in connection with any
14 material matter arising under the internal revenue laws; and (3) they knew that the
15 document, if used, would result in an understatement of another person's tax liability.⁴⁴

16 In this case, the evidence establishes that defendants prepared and filed tax returns
17 for their customers. Both defendants have signed their names on customer returns
18 omitting wage income. This clearly meets the first requirement of aiding and assisting in
19 the preparation of a tax return. This also demonstrates the second requirement that
20 defendants knew that the filed returns would be used in connection with a material matter,
21 namely the determination of their customers' tax liabilities.

22 With regard to the third requirement of the § 6701 penalty, defendants knew that
23 their advice and those documents would be used to understate their customers' correct tax

24 _____
25 ⁴² I.R.C. § 7408.

26 ⁴³ *Estate Pres. Servs.*, 202 F.3d at 1098.

27 ⁴⁴ I.R.C. § 6701(a).

1 liabilities. As stated above, wages and other compensation for services “from *whatever*
2 source derived” constitute taxable income. Defendants knew that the IRS rejected their
3 arguments that wage income should not be included in taxable income because the IRS
4 rejected the returns that they prepared including their own income tax returns and did not
5 provide them with the refund of their tax withholdings as requested. The failure of their
6 own arguments when requesting their refunds further indicates that they knew the returns
7 they prepared were fraudulent and would understate their customers’ tax liabilities. Thus,
8 their conduct is subject to penalty under § 6701.

9
10 B. Injunctive relief is appropriate to prevent the recurrence of defendants’ violations
11 of I.R.C. § 6701.

12 The need for immediate injunctive relief in order to prevent future violations of
13 § 6701 is readily apparent here. Through their website and possibly through other means,
14 defendants encourage persons throughout the country to put into practice their discredited
15 theories. The Ninth Circuit has identified the following factors as relevant in determining
16 the need for an injunction under § 7408:

17 (1) the gravity of the harm caused by the offense; (2) the extent of the defendant’s
18 participation; (3) the defendant’s degree of scienter; (4) the isolated or recurrent
19 nature of the infraction; (5) the defendant’s recognition (or non-recognition) of his
20 own culpability; and (6) the likelihood that defendant’s occupation would place
21 him in a position where future violations would be anticipated.⁴⁵

22 Defendants’ actions cause grave harm to customers who enlisted defendants to
23 prepare tax returns that understate their income tax liabilities and potentially subject the
24 customers to additional interest and penalties. The United States is harmed because
25 defendants’ customers are not paying the correct amount of tax to the United States
26 Treasury. Moreover, given the limited resources of the IRS, identifying and recovering
27 all revenues lost from the returns filed by defendants may be impossible, resulting in a
28 permanent loss to the United States Treasury. The public is harmed because the IRS is

⁴⁵ *Estate Pres. Servs.*, 202 F.3d at 1105 (addressing the likelihood of future violations of I.R.C. § 6700).

1 forced to devote its limited resources to identifying and attempting to recover revenue lost
2 as a result of the defendants' activities, thereby reducing the level of service that the IRS
3 can give to other taxpayers. Further, as stated above, IRS employees must devote about
4 four hours per return filed by defendants. The IRS estimates that it has thus far spent
5 \$48,000 on administrative costs working with the returns filed by defendants.

6 Second, the extent of defendants' participation is broad. They are the driving force
7 behind Superior Claims Management and the website. They personally prepare and file
8 all of the tax returns on behalf of their customers.

9 Third, with regard to scienter, defendants promote themselves as knowledgeable
10 about the law, when they actually attempt to wrench tax provisions out of context to
11 promote a willful misreading of the law. That the defendants promote their frivolous
12 arguments despite the consistent and repeated rejection of their arguments by the courts
13 and by the IRS also demonstrates scienter. Further, their requirement that customers give
14 defendants a power of attorney to represent them before the IRS and delivery of their
15 instructions to customers in the event that federal agents "circumvent" them "in order to
16 disallow [the] claim, confuse the issue, and defer prompt reimbursement proceedings"
17 demonstrates their knowledge of the absurdity of their plans.

18 Fourth, the conduct is recurrent. The IRS has discovered amended tax returns
19 submitted as recently as November 2004, months after the IRS contacted them about their
20 activities. The website was active as of the date of filing this memorandum. This
21 provides defendants access to anyone with a computer. Further, given that defendants
22 remain in business and could collect large fees for any refunds issued by the IRS, future
23 violations are anticipated.

24 Thus, because defendants have prepared tax returns that they filed with the IRS
25 and knew that the returns would result in an understatement of their customers' tax
26 liabilities in violation of § 6701, and because an injunction is necessary to prevent future
27 violations of § 6701, they should be enjoined from these activities under I.R.C. § 7408.

1 **III. A preliminary injunction and other equitable relief should issue based on**
2 **I.R.C. § 7402 to prevent defendants from engaging in activities that interfere**
3 **with the enforcement of the internal revenue laws.**

4 This Court is authorized by I.R.C. § 7402 to issue an injunction “as may be
5 necessary or appropriate for the enforcement of the internal revenue laws.”⁴⁶ That statute
6 manifests “a Congressional intention to provide the district courts with a full arsenal of
7 powers to compel compliance with the internal revenue laws,”⁴⁷ and “has been used to
8 enjoin interference with tax enforcement even when such interference does not violate
9 any particular tax statute.”⁴⁸ The legislative history accompanying § 7408 explicitly states
10 that “the court will continue to have full authority [under § 7402] and will continue to
11 possess the great latitude inherent in equity jurisdiction to fashion appropriate equitable
12 relief.”⁴⁹

13 Although § 7402 is a statutory-injunction section, one court has required a showing
14 of the traditional equitable factors.⁵⁰ We nevertheless contend that these factors need not
15 be considered because I.R.C. § 7402 specifically authorizes injunctions that are
16 “necessary or appropriate” to enforce the internal revenue laws. In any event, the
17 Government can easily satisfy the equitable-factors test here. The Ninth Circuit’s
18 equitable-factors test blends the four factors considered by other circuits into two: “the
19

20 ⁴⁶ I.R.C. § 7402.

21 ⁴⁷ *Brody v. United States*, 243 F.2d 378, 384 (1st Cir. 1957). See *United States v.*
First Nat’l City Bank, 568 F.2d 853 (2d Cir. 1977).

22 ⁴⁸ *United States v. Ernst & Whinney*, 735 F.2d 1296, 1300 (11th Cir. 1984). See
23 *United States v. Kaun*, 633 F. Supp. 406, 409 (E.D. Wis. 1986) (“federal courts have
24 routinely relied on [§ 7402(a)] to preclude individuals . . . from disseminating their
rather perverse notions about compliance with the Internal Revenue laws or from
promoting certain tax avoidance schemes”), *aff’d*, 827 F.2d 1144 (7th Cir. 1987).

25 ⁴⁹ S. Rep. No. 97-494, at 269 (1982), *reprinted in* 1982 U.S.C.C.A.N. 781, 1017.

26 ⁵⁰ *Ernst & Whinney*, 735 F.2d at 1301 (“the decision to issue an injunction under
27 § 7402(a) is governed by the traditional factors shaping the district court’s use of the
equitable remedy.”)

1 likelihood of the movant's success on the merits and the relative balance of potential
2 hardships to the plaintiff, defendant, and public."⁵¹

3 Here, injunctive relief under § 7402 is appropriate to prevent defendants from
4 selling services that interfere with tax enforcement. Their program interferes with the
5 enforcement of the internal revenue laws by providing incomplete statements of their
6 customers' income on their returns and, thus violating the internal revenue laws. For the
7 reasons discussed above, the Government can likely show this interference.

8 Regarding the balance of hardships, defendants harm their customers by claiming
9 tax refunds for them based on frivolous positions. This subjects customers to repayment
10 of any erroneous refund they receive and to interest and possible penalties. Defendants'
11 activities harm the Government by undermining public confidence in the fairness of the
12 federal tax system and inciting violations of the internal revenue laws. While their
13 activities cause this harm to the public and their customers, defendants will not be harmed
14 by being compelled to obey the law.

15 Injunctive relief under § 7402 to prevent defendants from engaging in the
16 preparation of "zero-income" tax returns is therefore necessary and appropriate to prevent
17 defendants from continuing to disrupt the federal tax system. The Government also
18 requests that the Court, under the broad authority of I.R.C. § 7402(a), order defendants to
19 furnish the Government with the identities of those persons for whom they prepared
20 federal tax returns or claims for refund and to notify those customers of the Court's ruling
21 in this matter. The Government also requests that the Court order defendants to remove
22 advertising for their false and fraudulent services from their website, and post a copy of
23 the preliminary injunction on their website.⁵² These actions are necessary to publicize the
24

25 ⁵¹ *Alaska v. Native Village of Venetie*, 856 F.2d 1384, 1388-89 (9th Cir. 1988).

26 ⁵² The Ninth Circuit has affirmed the requirement by a district court that defendants
27 post an injunction order to the website where they sell their tax preparation services
28 and products. *United States v. Schiff*, 379 F.3d 621, 631 (9th Cir. 2004).

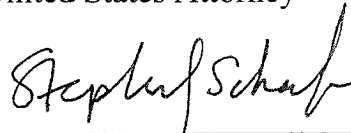
1 false and fraudulent nature of their program. The Government also seeks to bar
2 defendants from representing customers before the IRS or in the courts, and to enjoin
3 them from encouraging or abetting noncompliance with the IRS during the examination
4 of customers' tax returns.

5 CONCLUSION

6 Defendants prepare and file tax returns that are blatantly false or fraudulent in
7 every respect. They are currently soliciting new customers in the midst of the 2004 tax-
8 filing season. They also offer their services to file amended returns for prior years and
9 have filed amended returns as recently as November 2004. These activities have caused
10 and are causing substantial harm to current and future customers through fees paid to
11 defendants and by subjecting customers to potential penalties despite defendants' false
12 statements that no harm can befall their customers. In addition to the growing actual and
13 potential financial losses to the federal treasury, these activities also place an
14 administrative burden on the courts and the IRS, which in turn harms the vast majority of
15 American taxpayers who file accurate tax returns and pay what they lawfully owe.
16 Immediate action is needed to enjoin defendants preliminarily now to prevent further
17 harm while the case is litigated and to enjoin defendants thereafter permanently.

18
19 DATED this 21st day of March, 2005.

20
21 PAUL K. CHARLTON
United States Attorney

22 

23 _____
24 STEPHEN J. SCHAEFFER
Trial Attorney, Tax Division
United States Department of Justice

25 Attorneys for Plaintiff United States of America
26
27
28

1 PAUL K. CHARLTON
United States Attorney

2 STEPHEN J. SCHAEFFER
3 Trial Attorney, Tax Division
4 United States Department of Justice
5 Post Office Box 7238, Ben Franklin Station
6 Washington, D.C. 20044
Missouri Bar #56833
Telephone: (202) 307-2240
Fax: (202) 514-6770

MAR 28 2005

7 Attorneys for Plaintiff United States of America

8
9 IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA
10 PHOENIX DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 BEVERLY J. HILL and
15 DARRELL J. HILL,
individually and doing business as
SUPERIOR CLAIMS MANAGEMENT,

16 Defendants.

EW 05 0877 FAX DGC

DECLARATION OF
KURT KUXHAUSEN

17
18 1. I, Kurt Kuxhausen, am over the age of 18 and am competent to testify to the
19 contents of this declaration.

20 2. I am a duly commissioned Revenue Agent employed in the ATAT Group of
21 the Small Business / Self Employed Division of the Internal Revenue Service in Grand
22 Junction, Colorado.

23 3. I have been employed as a Revenue Agent with the Internal Revenue
24 Service since 1984.

25 4. In my capacity as a Revenue Agent, I am conducting an investigation into
26 the return-preparation business of Beverly J. Hill and Darrell J. Hill. The IRS initiated
27 the investigation because it discovered that the Hills individually and doing business as
28 Superior Claims Management had been preparing individual income tax returns and

1 amendments to individual income tax returns that omit wage income from the calculation
2 of taxable income.

3 5. The IRS has discovered income tax returns filed by Beverly J. Hill or
4 Darrell J. Hill for themselves and others in which they omit wage income from the
5 taxable income reported on the return.

6 6. The returns filed include both original and amended income tax returns.

7 7. On these returns, the Hills asserted arguments that wage income is not
8 taxable. They attached a five- or six-page supplement that sets forth quotations from
9 various state and federal court cases to assert that wage income is not "taxable profit" and
10 does not fall under the definition of income that is taxable under the Internal Revenue
11 Code. In particular, the supplement states, "The Supreme Court of the United States had
12 already established that my wages for my labor was/ and is not income!" (Examples of
13 returns filed by the Hills are attached to this declaration as Exhibits A, B, C, and D.)

14 8. The Hills fail to identify themselves on the income tax forms as tax
15 preparers. They sign their names in lieu of the customers and attach a copy of the power
16 of attorney executed by their customers. The Hills, however, do not list their name or the
17 name of the business as preparers. They fail to list their taxpayer identification number
18 anywhere on the document.

19 9. Included in these returns are the personal income tax returns of both
20 Beverly J. Hill and Darrell J. Hill. Like the other returns, the IRS refused to process these
21 personal returns and did not issue the requested refunds. In December 2002, Beverly Hill,
22 filing as Beverly Lee, filed income tax returns for tax years 1996, 1998, 1999, and 2000
23 that listed no income and sought a refund of all tax withholdings. Also in December
24 2002, Darrell Hill filed income tax returns for tax years 1998, 1999, and 2000 that listed
25 no income and sought a refund of all tax withholdings. The IRS did not issue any of the
26 requested refunds.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

10. On February 11, 2004, the IRS sent separate identical letters to Beverly J. Hill and Darrell J. Hill that notified them that the IRS had begun an investigation to determine whether they should be enjoined and/or penalized for this activity and that requested a meeting with them on March 23, 2004. The letter also contained a request for certain documents including the tax returns prepared as well as a list of clients.

11. The Hills did not attend the meeting and failed to provide the requested information. As of the date of this declaration, they have not directly provided any information to the IRS with respect to its investigation.

I declare under penalty of perjury that the foregoing is true and correct.

DATED this 18 day of March, 2005.



KURT KUXHAUSEN
Internal Revenue Agent
Internal Revenue Service

United States



of America

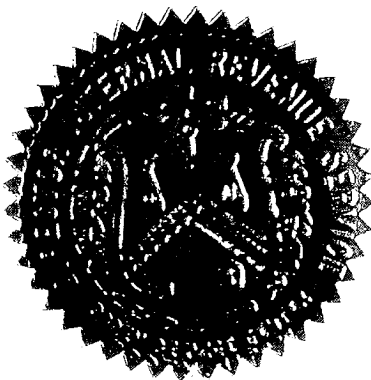
Department of the Treasury
Internal Revenue Service

Date: August 25, 2004

CERTIFICATE OF OFFICIAL RECORD

I certify that the annexed: Is a true copy of a Form 1040X, Amended U. S. Individual Income Tax Return and attachments dated April 11, 2003, for Carol Loftin, Taxpayer Identification Number 1390, for tax year 1999 consisting of 13 pages.

under the custody of this office.



IN WITNESS WHEREOF, I have hereunto set my hand, and caused the seal of this office to be affixed, on the day and year first above written.

By the direction of the Secretary of the Treasury:

Susan D. Petersen

Timothy A. Towns, Field Director
Ogden Compliance Services

By: Susan D. Petersen

Exam SC Support Operations Manager



This return is for calendar year ▶ **1999**, or fiscal year ended ▶

Please print or type	Your first name and initial CAROL L.	Last name LOFTIN	Your social security number 1390
	If a joint return, spouse's first name and initial N/A	Last name N/A	Spouse's social security number ---
	Home address (no. and street) or P.O. box if mail is not delivered to your home C/O SUPERIOR CLAIMS MGMT, d.b.a DARRELL J. HILL & BEVERLY J. HILL		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 2 of the instructions. P.O. BOX 40475 MESA, AZ 85274-0475		Phone number (480) 664-1430
			For Paperwork Reduction Act Notice, see page 6.

- A** If the name or address shown above is different from that shown on the original return, check here **Yes** **No**
- B** Has the original return been changed or audited by the IRS or have you been notified that it will be? **Yes** **No**
- C** Filing status. Be sure to complete this line. **Note.** You cannot change from joint to separate returns after the due date.
- On original return ▶ Single Married filing jointly Married filing separately Head of household Qualifying widow(er)
- On this return ▶ Single Married filing jointly Married filing separately Head of household* Qualifying widow(er)
- * If the qualifying person is a child but not your dependent, see page 2.

Use Part II on the back to explain any changes		A. Original amount or as previously adjusted (see page 2)	B. Net change—amount of increase or (decrease)—explain in Part II	C. Correct amount
Income and Deductions (see pages 2-6)				
	1 Adjusted gross income (see page 3)	44663	-38409	6254
	2 Itemized deductions or standard deduction (see page 3)	6350	0	6350
	3 Subtract line 2 from line 1	38313	-38409	-96
	4 Exemptions. If changing, fill in Parts I and II on the back	5500	0	5500
	5 Taxable income. Subtract line 4 from line 3	32813	-38409	-5596
Tax Liability	6 Tax (see page 4). Method used in col. C TAX TABLE	4924	-4924	0
	7 Credits (see page 4)	0	0	0
	8 Subtract line 7 from line 6. Enter the result but not less than zero	4924	0	0
	9 Other taxes (see page 4)	625	0	625
	10 Total tax. Add lines 8 and 9	5549	0	625
Payments	11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see page 4	8375	0	8375
	12 Estimated tax payments, including amount applied from prior year's return	0	0	0
	13 Earned income credit (EIC)	0	0	0
	14 Additional child tax credit from Form 8812-2003	0	0	0
	15 Credits from Form 2439, Form 1066, or Form 8885	0	0	0
	16 Amount paid with request for extension of time to file (see page 4)	0	0	0
	17 Amount of tax paid with original return plus additional tax paid after it was filed	0	0	0
	18 Total payments. Add lines 11 through 17 in column C	8375	0	8375
Refund or Amount You Owe				
	19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS			2826
	20 Subtract line 19 from line 18 (see page 5)			5549
	21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 5			0
	22 If line 10, column C, is less than line 20, enter the difference			4924
	23 Amount of line 22 you want refunded to you			4924
	24 Amount of line 22 you want applied to your estimated tax	24	0	0

Sign Here
Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See page 2. Keep a copy for your records.

Your signature: *Beverly Hill* Date: *4/11/03*
Spouse's signature: _____ Date: _____

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____
Firm's name (or yours if self-employed), address, and ZIP code: _____
Check if self-employed EIN: _____
Phone no. () _____

SEE ATTACHMENT (B) FORM 56 FIDUCIARY RELATIONSHIP
SEE ATTACHMENT (C) NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE

Part I Exemptions. See Form 1040 or 1040A instructions.

If you are **not changing your exemptions**, do not complete this part.
 If claiming **more exemptions**, complete lines 25-31.
 If claiming **fewer exemptions**, complete lines 25-30.

	A. Original number of exemptions reported or as previously adjusted	B. Net change	C. Correct number of exemptions
25 Yourself and spouse Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.	25		
26 Your dependent children who lived with you	26		
27 Your dependent children who did not live with you due to divorce or separation	27		
28 Other dependents	28		
29 Total number of exemptions. Add lines 25 through 28	29		
30 Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.	30		

Tax year	Exemption amount	But see the instructions for line 4 on page 3 if the amount on line 1 is over:
2002	\$3,000	\$103,000
2001	2,900	99,725
2000	2,800	96,700
1999	2,750	94,975

31 Dependents (children and other) not claimed on original (or adjusted) return:

(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 5)	No. of your children on line 31 who:
				<input type="checkbox"/>	<ul style="list-style-type: none"> lived with you <input type="checkbox"/> did not live with you due to divorce or separation (see page 5) <input type="checkbox"/> Dependents on line 31 not entered above <input type="checkbox"/>
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See page 2 of the instructions. Also, check here

LINE (1) SEE ATTACHMENT D: "WAGES ARE NOT TAXABLE INCOME"

LINE ATTACHMENT A: FORM 8453 E-FILE, 1040 (1999)

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.

If you did not previously want \$3 to go to the fund but now want to, check here
 If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here



SEE ATTACHMENT (B) FORM 56 FIDUCIARY RELATIONSHIP
 SEE ATTACHMENT (C) NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE

IRS e- file Authentication Worksheet

DCN 00-862628

- 0

Taxpayer Name CAROL L. LOFTIN

Spouse Name _____

Purpose: (1) To record the pen and ink signature of the taxpayer/spouse as certification of figures from the taxpayer's IRS e- filed return and the use of the self- selected Personal Identification Number as his/her signature for purposes of the current filing. (2) To record the pen and ink signature of the Paid Preparer/ Electronic Return Originator (ERO) as certification of the use of the Personal Identification Number as his/her signature for purposes of the current filing.

COPY

A. Series Form 1040 entries for the year January 1- December 31, 1999

1. Total income (Form 1040, line 22; Form 1040A, line 14; Form 1040EZ, line 4)	1.	<u>44,663</u>
2. Total tax (Form 1040, line 53; Form 1040A, line 28; Form 1040EZ, line 10)	2.	<u>5,549</u>
3. Federal income tax withheld (Form 1040, line 54; Form 1040A, line 29a; Form 1040EZ, line 7)	3.	<u>8,375</u>
4. Refund (Form 1040, line 62a; Form 1040A, line 31a; Form 1040EZ, line 11a)	4.	<u>2,826</u>
5. Amount owed (Form 1040, line 64; Form 1040A, line 33; Form 1040EZ, line 12)	5.	<u> </u>

ONLY

B. Certification of Taxpayer/Spouse Personal Identification Number

Taxpayer's Personal Identification Number 28101

I, Taxpayer, hereby certify that the above Series Form 1040 entries are consistent with my Individual Income Tax Return for the tax year January 1- December 31, 1999. I, Taxpayer, further certify that the numeric characters recorded above are my Personal Identification Number, which is my signature for my IRS e- filed return and Consent to Disclosure.

COPY ONLY - DO NOT FILE

02/03/2000

(Taxpayer Pen and Ink Signature)

(Date)

Spouse's Personal Identification Number _____

DO NOT

I, Taxpayer spouse, hereby certify that the above Series Form 1040 entries are consistent with my Individual Income Tax Return for the tax year January 1- December 31, 1999. I, Taxpayer spouse, further certify that the numeric characters recorded above are my Personal Identification Number, which is my signature for my IRS e- filed return and Consent to Disclosure.

COPY ONLY - DO NOT FILE

(Spouse Pen and Ink Signature)

(Date)

C. Certification of Paid Preparer/ERO Personal Identification Number

Paid Preparer/ERO's Personal Identification Number 86262895114

I, Paid Preparer/ERO, hereby certify that the above numeric characters are my Personal Identification Number, which is my signature on the IRS return documented on this IRS e- file Authentication Worksheet. I, Paid Preparer/ERO, further certify that the above taxpayer(s) signed the Form 1040, documented on this IRS e- file Authentication Worksheet, in the presence of me or a representative of my office.

02/03/2000

(Paid Preparer/ERO Pen and Ink Signature)

(Date)

SEE ATTACHMENT (B) FORM 56 FIDUCIARY RELATIONSHIP
SEE ATTACHMENT (C) NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE

	1999	1998
INCOME		
7. Wages, salaries, tips.....	38,409	44,894
8a. Taxable interest income.....	0	0
9. Ordinary dividend income.....	0	0
10. State/local tax refunds.....	0	0
11. Alimony received.....	0	0
12. Business income (loss).....	0	0
13. Capital gain (loss).....	0	0
14. Other gains (losses).....	0	0
15b. Taxable IRA dist.....	0	0
16b. Taxable pensions.....	6,254	0
17. Rents, partnerships, etc.....	0	0
18. Farm income (loss).....	0	0
19. Unemployment comp.....	0	0
20b. Taxable soc. security.....	0	0
21. Other income.....	0	0
22. Total income.....	44,663	44,894

ADJUSTMENTS		
23. IRA deduction.....	0	0
24. Student loan interest deduction.....	0	0
25. Medical Savings deduction.....	0	0
26. Moving Expense.....	0	0
27. Self-empl. tax deduct.....	0	0
28. Self-empl. health ins.....	0	0
29. KEOGHs, SEPs, and SIMPLEs.....	0	0
30. Sav. withdrawal penalty.....	0	0
31a. Alimony paid.....	0	0
32. Total adjustments.....	0	0

ADJUSTED GROSS INCOME		
33. Line 22 less line 32.....	44,663	44,894

TAXABLE INCOME		
36. Itemized deductions.....		
Medical expenses.....	0	0
Taxes.....	1,232	2,483
Deductible interest.....	0	0
Contributions.....	0	0
Casualty.....	0	0
Miscellaneous deduct.....	0	0
Total itemized.....	1,232	2,483
36. Standard deduction.....	6,350	6,250
38. Exemptions.....	5,500	5,400
39. Taxable income.....	32,813	33,244

TAX COMPUTATION		
Tax from Tax Table (99)	Tax Table (98)...	
40. Tax before credits.....	4,924	4,984
	0	0
	4,924	4,984

CREDITS		
41. Child care.....	0	0
42. Elderly or the disabled.....	0	0
43. Child tax credit.....	0	0
44. Education credits.....	0	0
45. Adoption credit.....	0	0
46. Foreign tax credit.....	0	0

49. Tax after credits.....	4,924	4,984
OTHER TAXES		
50. Self-employment tax.....	0	0
51. Alt.minimum tax.....	0	0
52. Soc.sec.tax on tips.....	0	0
53. Tax on IRA & other plans.....	625	0
54. Advanced EIC payments.....	0	0
55. Household Employment taxes.....	0	0
Miscellaneous taxes.....	0	0
56. Total tax.....	5,549	4,984
PAYMENTS		
57. Federal withholding.....	8,375	6,965
58. Estimated payments.....	0	0
59a. Earned income credit.....	0	0
60. Additional child tax credit.....	0	0
61. Amount paid w/ exten.....	0	0
62. Excess FICA withheld.....	0	0
63. Other payments.....	0	0
64. Total payments.....	8,375	6,965
REFUND		
65. Overpayment.....	2,826	1,981
66a. Refund due.....	2,826	1,981
67. Applied to next year estimates.....	0	0
AMOUNT DUE		
68. Amount owed with return.....	0	0
69. Penalty for underpay tax.....	0	0
OTHER COMPUTATIONS		
Net invest.inc.for F4952.....	0	0
Alt.Min.Taxable Income.....	44,663	44,894
Total tax pref.& adjmts.....	6,350	6,250
Marginal Tax Bracket.....	15%	15%
Filing status.....	Head of Household	Head of Household

2000 ESTIMATED TAXES

Due 04/17/2000	0	Due 06/15/2000	0
Due 09/15/2000	0	Due 01/15/2001	0

**ATTACHMENT (b)
Notice Concerning Fiduciary Relationship**

OMB No. 1545-0013

Department of the Treasury
Internal Revenue Service

(Internal Revenue Code sections 6036 and 6903)

Part I Identification

Name of person for whom you are acting (as shown on the tax return) **CAROL LOFTIN** Identifying number **1390** Decedent's social security no. **---**

Address of person for whom you are acting (number, street, and room or suite no.)
125 N 22 PL #56

City or town, state, and ZIP code (if a foreign address, see instructions.)
MESA, AZ 85213

Fiduciary's name
DARRELL J. HILL & BEVERLY J. HILL, d.b.a SUPERIOR CLAIMS MANAGEMENT

Address of fiduciary (number, street, and room or suite no.)
P.O. BOX 40475

City or town, state, and ZIP code **MESA, AZ 85274-0475** Telephone number (optional)
(480) 464-1430

Part II Authority

- 1 Authority for fiduciary relationship. Check applicable box:
- a(1) Will and codicils or court order appointing fiduciary (2) Date of death
 - b(1) Court order appointing fiduciary (2) Date (see instructions)
 - c Valid trust instrument and amendments
 - d Other. Describe ▶ **04/10/03: SEE ATTACHMENT NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE**
(Personal Representative)

Part III Tax Notices

- Send to the fiduciary listed in Part I all notices and other written communications involving the following tax matters:
- 2 Type of tax (estate, gift, generation-skipping transfer, income, excise, etc.) ▶ **ESTATE, GIFT, INCOME, EXCISE, ETC**
 - 3 Federal tax form number (706, 1040, 1041, 1120, etc.) ▶ **1040, 1040EZ, 1040A**
 - 4 Year(s) or period(s) (if estate tax, date of death) ▶ **'98, '99, 2000, 2001**

Part IV Revocation or Termination of Notice

Section A—Total Revocation or Termination

- 5 Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship ▶
- Reason for termination of fiduciary relationship. Check applicable box:
- a Court order revoking fiduciary authority
 - b Certificate of dissolution or termination of a business entity
 - c Other. Describe ▶ **N/A**

Section B—Partial Revocation

- 6a Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship ▶
- b Specify to whom granted, date, and address, including ZIP code.
▶ **N/A**

Section C—Substitute Fiduciary

- 7 Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary(ies) and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies) ▶

Part V Court and Administrative Proceedings

Name of court (if other than a court proceeding, identify the type of proceeding and name of agency) N/A	Date proceeding initiated N/A
Address of court N/A	Docket number of proceeding N/A
City or town, state, and ZIP code N/A	Date N/A
	Time N/A
	a.m. p.m.
	Place of other proceedings N/A

I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.

Please Sign Here		PERSONAL REPRESENTATIVE	4/11/03
		PERSONAL REPRESENTATIVE	4/11/03



AUTHORIZATION TO SIGN AND ENDORSE

Re: Client Name: CAROL LOFTIN

Date of Authorization: 4/10/03

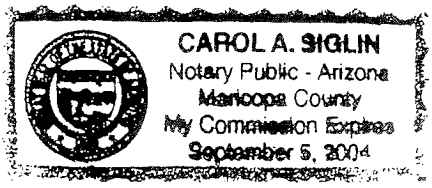
I hereby authorize my personal representative, Darrell J. Hill, or Beverly J. Hill, to sign or endorse as myself on all necessary forms, releases and refund drafts in connection with my federal and state taxation issues arising out of their duties regarding my past and present taxation matters.

Carol Loftin SSN/TIN _____ -1890 Date 4/10/03
Client (soc sec no./ tax ID no.)

State of Arizona } ss
County of Maricopa

On this 10 day of April (month), 2003 (year), before me personally appeared Carol L. Loftin, and proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed it.

My Commission Expires: Sept. 5, 2004 Carol A. Siglin
Notary Public



Despite the fact that the Supreme Court of the United States had already established that my labor for wages are not income¹ (Court Statements attached), I had been fraudulently misdirected to file Internal Revenue Service (I.R.S.) forms, and defrauded to believe that my labor for these wages were income as relates to I.R.S. forms and publications.

The Supreme Court of the United States had already established that my wages for my labor was/ and is not taxable income.

**Please reimburse my money
without delay!**

¹ PEOPLE OF STATE OF NEW YORK V. GRAVES , 300 U.S. 308 (1937)

COURT STATEMENTS

ATTACHMENT page 2 of 5

Stapler v U.S., 21 F Supp 737 AT 739 "Income within the meaning of the Sixteenth Amendment and the Revenue Act, means 'gain'... and in such connection 'Gain' means profit...proceeding from property, severed from capital, however invested or employed, and coming in, received, or drawn by the taxpayer, for his separate use, benefit and disposal... Income is not a wage or compensation for any type of labor."

* Oliver v. Halstead 86 S.E. Rep 2nd 85e9 "There is a clear distinction between 'profit' and 'wages', or a compensation for labor. Compensation for labor (wages) cannot be regarded as profit within the meaning of the law. The word 'profit', as ordinarily used, means the gain made upon any business or investment -- a different thing altogether from the mere compensation for labor."

* Helvering v Edison Bros. Stores, 133 F2d 575 "The Treasury cannot by interpretive regulations, make income of that which is not income within the meaning of the revenue acts of Congress, nor can Congress, without apportionment, tax as income that which is not income within the meaning of the 16th Amendment."

* Flora v U.S., 362 US 145, never overruled "... the government can collect the tax from a district court suitor by exercising its power of distraint... but we cannot believe that compelling resort to this extraordinary procedure is either wise or in accord with congressional intent. Our system of taxation is based upon VOLUNTARY ASSESSMENT AND PAYMENT, NOT UPON DISTRAINT" [Footnote 43] If the government is forced to use these remedies(distraint) on a large scale, it will affect adversely the taxpayers willingness to perform under our VOLUNTARY assessment system.

* Evens v Gore, 253 U.S. 245. US Supreme court, never overruled "After further consideration, we adhere to that view and accordingly hold that the Sixteenth Amendment does not authorize or support the tax in question. " (A tax on salary)

Edwards v. Keith, 231 F 110,113 "The phraseology of form 1040 is somewhat obscure ... But it matters little what it does mean; the statute and the statute alone

COURT STATEMENTS (continued)

ATTACHMENT page 3 of 5

determines what is income to be taxed. It taxes only income "derived" from many different sources; one does not "derive income" by rendering services and charging for them... IRS cannot enlarge the scope of the statute."

* McCutchin v Commissioner of IRS, 159 F2d, "The 16th Amendment does not authorize laying of an income tax upon one person for the income derived solely from another." [wages]

* Blatt Co. v U.S., 59 S.Ct. 186 "Treasury regulations can add nothing to income as defined by Congress."

* Olk v. United States, February 18, 1975, Las Vegas, Nevada. "Tips are gifts and therefore are not taxable."

* Commissioner of IRS v Duberstein, 80 S. Ct. 1190. "Property acquired by gift is excluded from gross income."

Brushaber v Union Pacific R/R, 240 U.S. 1, 17; 36 S.Ct. 236, 241. "Income has been taken to mean the same thing as used in the Corporation Excise Tax of 1909 (36 Stat. 112). The worker does not receive a profit or gain from his/her labors-merely an equal exchange of funds for services"

Central Illinois Publishing Service v. U.S., 435 U.S. 21 "Decided cases have made the distinction between wages and income and have refused to equate the two."

Anderson Oldsmobile, Inc. vs Hofferbert, 102 F Supp 902 "Constitutionally the only thing that can be taxed by Congress is "income." And the tax actually imposed by Congress has been on net income as distinct from gross income. THE TAX IS NOT,

COURT STATEMENTS (continued)

ATTACHMENT page 4 of 5

NEVER HAS BEEN, AND COULD NOT CONSTITUTIONALLY BE UPON "GROSS RECEIPTS" ..."

Conner v US, 303 F Supp 1187 Federal District Court, Houston, never overruled.
"..whatever may constitute income, therefore, must have the essential feature of gain to the recipient. This was true at the time of Eisner V Macomber, it was true under section 22(a) of the Internal Revenue Code of 1938, and it is likewise true under Section 61(a) of the IRS code of 1954. If there is not gain, there is not income, CONGRESS HAS TAXED INCOME, NOT COMPENSATION"!!!!

Bowers vs Kerbaugh-Empire Co., 271 US 174D "Income" has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the Sixteenth Amendment and in the various revenue acts subsequently passed"

Brushaber v. Union Pacific R.R. Co., 240 U.S. 1 "The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the contrary recognized the fact that taxation on income was in its nature an excise entitled to be enforced as such..."

Simms v. Ahrens, 271 SW 720 "An income tax is neither a property tax nor a tax on occupations of common right, but is an EXCISE tax...The legislature may declare as 'privileged' and tax as such for state revenue, those pursuits not matters of common right, but it has no power to declare as a 'privilege' and tax for revenue purposes, occupations that are of common right."

Eisner v. Macomber, 252 US 189 US Supreme court, never overruled >"...the definition of 'income' approved by this court is: The gain derived from capital, from labor, or from both combined, provided it be understood to include profits gained through sale or conversion of capital assets."

COURT STATEMENTS (continued)

ATTACHMENT page 5 of 5

Laureldale Cemetery Assoc. vs Matthews, 345 Pa. 239; "Reasonable compensation for labor or services rendered is not profit"

Schuster v. Helvering, 121 F 2nd 643 "Income is realized gain."

Butchers' Union Co. v. Crescent City Co., 111 U.S. 746. 1883. One of the most eloquent opinions ever delivered by the Court.. "Among these unalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE..."

Pollack v. Farmers Loan, The Corporate Excise Tax of 1909 was a 2% tax on PROFITS OF CORPORATIONS. The Supreme Court had, in POLLOCK v. FARMERS LOAN , in 1894, ruled as UNCONSTITUTIONAL the EXACT SAME KIND OF TAX MOST AMERICANS ARE NOW PAYING! [A direct tax without apportionment.] This decision has NEVER been overturned! Both BEFORE and AFTER the sixteenth amendment passed (?), THE COURTS SAID INCOME WAS CORPORATE PROFIT! The Separation of powers doctrine says only CONGRESS can collect a tax!

Hansen, Chris. (2002). COURT CASE CITATIONS ON THE NATURE OF "INCOME" [On-Line]. Available: <http://familyguardian.tzo.com/Subjects/Taxes/Evidence/WagesNotTaxable.htm>

SUPERIOR CLAIMS MANAGEMENT
DARRELL & BEVERLY J. HILL
P.O. BOX 40475
MESA, AZ 85274-0475

CERTIFIED MAIL[™]



7002 2410 0003 8520 5803



U.S. POSTAGE
PAID
MESA, AZ
85202
APR 11, 03
AMOUNT



\$4.88
00046308-21

9261

73301

INTERNAL REVENUE SERVICE
CENTER
AUSTIN, TX 73301-0014



73301-0014

United States



of America

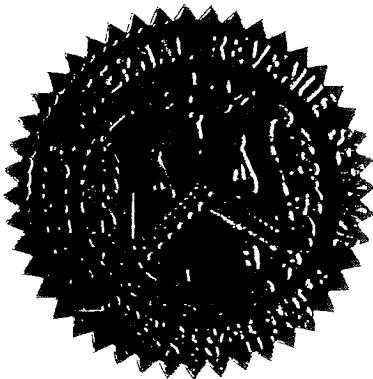
Department of the Treasury
Internal Revenue Service

Date: August 25, 2004

CERTIFICATE OF OFFICIAL RECORD

I certify that the annexed: Is a true copy of a Form 1040X, Amended U. S. Individual Income Tax Return and attachments dated April 11, 2003, for Carol Loftin, Taxpayer Identification Number 1390, for tax year 1998 consisting of 13 pages.

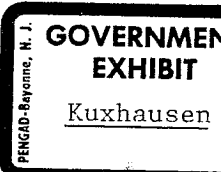
Under the custody of this office.



IN WITNESS WHEREOF, I have hereunto set my hand, and caused the seal of this office to be affixed, on the day and year first above written.

By the direction of the Secretary of the Treasury:

Timothy A. Towns, Field Director
Ogden Compliance Services
By: Susan D. Petersen
Exam SC Support Operations Manager



Amended U.S. Individual Income Tax Return

▶ See separate instructions.

This return is for calendar year ▶ 1998 , or fiscal year ended ▶

Please print or type	Your first name and initial CAROL	Last name LOFTIN	Your social security number : : : 1390
	If a joint return, spouse's first name and initial N/A	Last name N/A	Spouse's social security number : : : ---
	Home address (no. and street) or P.O. box if mail is not delivered to your home C/O SUPERIOR CLAIMS MGMT, d.b.a DARRELL J. HILL & BEVERLY J. HILL		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 2 of the instructions. P.O. BOX 40475 MESA, AZ 85274-0475		Phone number (480) 664-1430
			For Paperwork Reduction Act Notice, see page 6.

- A** If the name or address shown above is different from that shown on the original return, check here **B** Has the original return been changed or audited by the IRS or have you been notified that it will be? Yes No **C** Filing status. Be sure to complete this line. **Note.** You cannot change from joint to separate returns after the due date.
- On original return ▶ Single Married filing jointly Married filing separately Head of household Qualifying widow(er)
- On this return ▶ Single Married filing jointly Married filing separately Head of household* Qualifying widow(er)
- * If the qualifying person is a child but not your dependent, see page 2.

Use Part II on the back to explain any changes

		A. Original amount or as previously adjusted (see page 2)	B. Net change—amount of increase or (decrease)—explain in Part II	C. Correct amount
Income and Deductions (see pages 2-6)				
	1 Adjusted gross income (see page 3)	1 44894	-44894	0
	2 Itemized deductions or standard deduction (see page 3)	2 6250	0	6250
	3 Subtract line 2 from line 1	3 38644	-44894	-6250
	4 Exemptions. If changing, fill in Parts I and II on the back	4 5400	0	5400
	5 Taxable income. Subtract line 4 from line 3	5 33244	-44894	-11650
Tax Liability	6 Tax (see page 4). Method used in col. C: TAX TABLE	6 4984	-4984	0
	7 Credits (see page 4)	7 0	0	0
	8 Subtract line 7 from line 6. Enter the result but not less than zero	8 4984	0	0
	9 Other taxes (see page 4)	9 0	0	0
	10 Total tax. Add lines 8 and 9	10 4984	0	0
Payments	11 Federal income tax withheld and excess social security and tier 1 RRTA tax withheld. If changing, see page 4	11 6965	0	6965
	12 Estimated tax payments, including amounts applied from prior year's return	12 0	0	0
	13 Earned income credit (EIC)	13 0	0	0
	14 Additional child tax credit from Form 8812	14 0	0	0
	15 Credits from Form 2439, Form 4136, or Form 8885	15 0	0	0
	16 Amount paid with request for extension of time to file (see page 4)	16 0	0	0
	17 Amount of tax paid with original return plus additional tax paid after it was filed	17 0	0	0
	18 Total payments. Add lines 11 through 17 in column C	18 6965	0	6965
Refund or Amount You Owe				
	19 Overpayment, if any, as shown on original return or as previously adjusted by the IRS	19 1981		
	20 Subtract line 19 from line 18 (see page 5)	20 4984		
	21 Amount you owe. If line 10, column C, is more than line 20, enter the difference and see page 5	21 0		
	22 If line 10, column C, is less than line 20, enter the difference	22 4984		
	23 Amount of line 22 you want refunded to you	23 4984		
	24 Amount of line 22 you want applied to your estimated tax	24 0		

Sign Here Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

Joint return? See page 2. Keep a copy for your records.

Your signature: *Beverly Hill* Date: *4/11/03* Spouse's signature: _____ Date: _____

Preparer's signature: _____ Date: _____ Check if self-employed Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP code: _____ EIN: _____ Phone no. () _____

Part I Exemptions. See Form 1040 or 1040A instructions.

If you are **not changing your exemptions**, do not complete this part.
 If claiming **more exemptions**, complete lines 25-31.
 If claiming **fewer exemptions**, complete lines 25-30.

	A. Original number of exemptions reported or as previously adjusted	B. Net change	C. Correct number of exemptions															
25 Yourself and spouse Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.	25																	
26 Your dependent children who lived with you	26																	
27 Your dependent children who did not live with you due to divorce or separation	27																	
28 Other dependents	28																	
29 Total number of exemptions. Add lines 25 through 28	29																	
30 Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Tax year</th> <th>Exemption amount</th> <th>But see the instructions for line 4 on page 3 if the amount on line 1 is over:</th> </tr> </thead> <tbody> <tr> <td>2002</td> <td>\$3,000</td> <td>\$103,000</td> </tr> <tr> <td>2001</td> <td>2,900</td> <td>99,725</td> </tr> <tr> <td>2000</td> <td>2,800</td> <td>96,700</td> </tr> <tr> <td>1999</td> <td>2,750</td> <td>94,975</td> </tr> </tbody> </table>	Tax year	Exemption amount	But see the instructions for line 4 on page 3 if the amount on line 1 is over:	2002	\$3,000	\$103,000	2001	2,900	99,725	2000	2,800	96,700	1999	2,750	94,975	30		
Tax year	Exemption amount	But see the instructions for line 4 on page 3 if the amount on line 1 is over:																
2002	\$3,000	\$103,000																
2001	2,900	99,725																
2000	2,800	96,700																
1999	2,750	94,975																

31 Dependents (children and other) not claimed on original (or adjusted) return:					No. of your children on line 31 who:
(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 5)	<ul style="list-style-type: none"> <input type="checkbox"/> lived with you <input type="checkbox"/> did not live with you due to divorce or separation (see page 5) Dependents on line 31 not entered above
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See page 2 of the instructions. Also, check here

LINE (1) SEE ATTACHMENT D: "WAGES ARE NOT TAXABLE INCOME"

LINE ATTACHMENT A: FORM 8453 E-FILE, 1040 (1998)

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.

If you did not previously want \$3 to go to the fund but now want to, check here
 If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here



Form 8453

U.S. Individual Income Tax Declaration for Electronic Filing

OMB No. 1545-0936

For the year January 1 - December 31, 1998

1998

Department of the Treasury Internal Revenue Service

See instructions

Attachment A

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial Last name CAROL L. LOFTIN
If a joint return, spouse's first name and initial Last name
Home address (number and street). If you have a P.O. box, see instructions. Apt. no. P O BOX 5759
City, town or post office, state, and ZIP code MESA, AZ 85202-5759

Your social security number 1390
Spouse's social security no.
IMPORTANT You must enter your SSN(s) above.
Telephone number (optional)

Part I Tax Return Information (Whole dollars only)

Table with 5 rows: 1 Total income (Form 1040, line 22; Form 1040A, line 14; Form 1040EZ, line 4) 44,894; 2 Total tax (Form 1040, line 56; Form 1040A, line 34; Form 1040EZ, line 10) 4,984; 3 Federal income tax withheld (Form 1040, line 57; Form 1040A, line 35; Form 1040EZ, line 7) 6,965; 4 Refund (Form 1040, line 66a; Form 1040A, line 41a; Form 1040EZ, line 11a) 1,981; 5 Amount you owe (Form 1040, line 68; Form 1040A, line 43; Form 1040EZ, line 12)

Part II Declaration of Taxpayer (Sign only after Part I is completed.)

6a [X] I consent that my refund be directly deposited as designated in the electronic portion of my 1998 Federal Income Tax return. If I have filed a joint return, this is an irrevocable appointment of the other spouse as an agent to receive the refund.

b [] I do not want direct deposit of my refund or I am not receiving a refund.

c [] I authorize (1) the U.S. Treasury and its designated Financial Agents to initiate an ACH debit (automatic withdrawl) entry to my financial institution account designated in the electronic portion of my 1998 Federal income tax return for payment of my Federal taxes owed, and (2) my financial institution to debit the entry to my account. I also authorize the financial institutions involved in the processing of my electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to my payment.

If I have filed a balance due return, I understand that if the IRS does not receive full and timely payment of my tax liability, I will remain liable for the tax liability and all applicable interest and penalties. If I have filed a joint Federal and state tax return and there is an error on my state return, I understand my Federal return will be rejected.

Under penalties of perjury, I declare that the information I have given my ERO and the amounts in Part I above agree with the amounts on the corresponding lines of the electronic portion of my 1998 Federal income tax return. To the best of my knowledge and belief, my return is true, correct, and complete. I consent to my ERO sending my return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO and/or transmitter an acknowledgement of receipt of transmission and an indication of whether or not my return is accepted, and, if rejected, the reason(s) for the rejection. If the processing of my return or refund is delayed, I authorize the IRS to disclose to my ERO and/or transmitter the reason(s) for the delay, or when the refund was sent.

Sign Here COPY ONLY Your signature Date COPY ONLY Spouse's signature. If a joint return, BOTH must sign Date

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (See instructions.)

I declare that I have reviewed the above taxpayer's return and that the entries on Form 8453 are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The taxpayer will have signed this form before I submit the return. I will give the taxpayer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 1345, Handbook for Electronic Return Originators of Individual Income Tax Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above taxpayer's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's signature Date 3/27/99 Check if also paid preparer [X] Check if self-employed [] Your social security number
Use Only Firm's name (or yours if self-employed) and address H AND R BLOCK 1017 SOUTH GILBE MESA, AZ EIN 43-1632899 ZIP code 85204-0000

Under penalties of perjury, I declare that I have examined the above taxpayer's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

Paid Preparer's signature Date Check if self-employed [] Preparer's social security no.
Use Only Firm's name (or yours if self-employed) and address EIN ZIP code

KBA For Paperwork Reduction Act Notice, see instructions.

Form 8453 (1998)

Label
(See instructions on page 12.)
Use the IRS label. Otherwise, please print or type.

CAROL L LOFTIN
P O BOX 5759
MESA, AZ 85202-5759

ATTACHMENT A

Your social security number
-1390
Spouse's social security number

IMPORTANT!
You must enter your SSN(s) above.
Yes No
 Note: Checking "Yes" will not change your tax or reduce your refund.

Presidential Election Campaign
(See page 12.)

Do you want \$3 to go to this fund?
If a joint return, does your spouse want \$3 to go to this fund?

Filing Status

- 1 Single
- 2 Married filing joint return (even if only one had income)
- 3 Married filing separate return. Enter spouse's SSN above and full name here. ▶
- 4 Head of household (with qualifying person). (See page 12.) If the qualifying person is a child but not your dependent, enter this child's name here: ▶
- 5 Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 12.)

Exemptions

- 6a Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a
- b Spouse
- c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qual. child for child tax cr.
HEATHER	LOFTIN	-8512	DAUGHTER	<input type="checkbox"/>
- d Total number of exemptions claimed

No. of boxes checked on 6a and 6b: **1**
No. of your children on 6c who:
 lived with you
 did not live with you due to divorce or separation (see page 13)
 Dependents on 6c not entered above
 Add numbers entered on lines above: **2**

Income

- 7 Wages, salaries, tips, etc. Attach Form(s) W-2: **44,894.**
- 8a Taxable interest. Attach Schedule B if required
- 8b Tax-exempt interest. DO NOT include on line 8a
- 9 Ordinary dividends. Attach Schedule B if required
- 10 Taxable refunds, credits, or offsets of state and local income taxes (see page 21)
- 11 Alimony received
- 12 Business income or (loss). Attach Schedule C or C- EZ
- 13 Capital gain or (loss). Attach Schedule D
- 14 Other gains or (losses). Attach Form 4797
- 15a Total IRA distributions
- 15b Taxable amt.
- 16a Total pensions and annuities
- 16b Taxable amt.
- 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
- 18 Farm income or (loss). Attach Schedule F
- 19 Unemployment compensation
- 20a Social security benefits
- 20b Taxable amt.
- 21 Other income. List type and amount - see page 24
- 22 Add the amounts in the far right column for lines 7 through 21. This is your total income: **44,894.**

Adjusted Gross Income

- 23 IRA deduction (see page 25)
- 24 Student loan interest deduction (see page 27)
- 25 Medical savings account deduction. Attach Form 8853
- 26 Moving expenses. Attach Form 3903
- 27 One-half of self-employment tax. Attach Schedule SE
- 28 Self-employed health insurance deduction (see page 28)
- 29 Keogh and self-employed SEP and SIMPLE plans
- 30 Penalty on early withdrawal of savings
- 31 Alimony paid b Recipient's SSN ▶
- 32 Add lines 23 through 31a
- 33 Subtract line 32 from line 22. This is your adjusted gross income: **44,894.**

REC-110
APR 15 2003
AUSTIN

Tax and Credits		34	Amount from line 33 (adjusted gross income)	34	44,894.
35a Check if: <input type="checkbox"/> You were 65 or older, <input type="checkbox"/> Blind; <input type="checkbox"/> Spouse was 65 or older, <input type="checkbox"/> Blind. Add the number of boxes checked above and enter the total here ▶ 35a					
b If you are married filing separately and your spouse itemizes deductions or you are a dual-status alien, see page 23 and check here ▶ 35b					
Standard Deduction for Most People					
Single: \$4,250		36	Enter the larger of your itemized deductions from Schedule A, line 28, OR standard deduction shown on the left. But see page 23 to find your standard deduction if you checked any box on line 35a or 35b or if someone can claim you as a dependent	36	6,250.
Head of household: \$6,250		37	Subtract line 36 from line 34	37	38,644.
Married filing jointly or Qualifying widow(er): \$7,100		38	If line 34 is \$93,400 or less, multiply \$2,700 by the total number of exemptions claimed on line 6d. If line 34 is over \$93,400, see the worksheet on page 30 for the amount to enter	38	5,400.
Married filing separately: \$3,550		39	Taxable income. Subtract line 38 from line 37. If line 38 is more than line 37, enter -0-	39	33,244.
40 Tax. See page 30. Check if any tax from a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972 ▶		40		40	4,984.
41 Credit for child and dependent care expenses. Attach Form 2441		41			
42 Credit for the elderly or the disabled. Attach Schedule R		42			
43 Child tax credit (see page 31)		43			
44 Education credits. Attach Form 8863		44			
45 Adoption credit. Attach Form 8839		45			
46 Foreign tax credit. Attach Form 1116 if required		46			
47 Other. Check if from a <input type="checkbox"/> Form 3800 b <input type="checkbox"/> Form 8396 c <input type="checkbox"/> Form 8801 d <input type="checkbox"/> Form (specify)		47			
48 Add lines 41 through 47		48		48	
49 Subtract line 48 from line 40. If line 48 is more than line 40, enter -0-		49		49	4,984.
Other Taxes					
50 Self-employment tax. Attach Schedule SE		50		50	
51 Alternative minimum tax. Attach Form 6251		51		51	
52 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137		52		52	
53 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required		53		53	
54 Advance earned income credit payments from Form(s) W-2		54		54	
55 Household employment taxes. Attach Schedule H		55		55	
56 Add lines 49 through 55. This is your total tax ▶		56		56	4,984.
Payments					
57 Federal income tax withheld from Forms W-2 and 1099		57		57	6,965.
58 1998 estimated tax payments & amount applied from 1997 return		58		58	
59a Earned income credit. Attach Sch EIC if you have a qualifying child b Nontaxable earned income: amt. ▶ and type ▶		59a			
60 Additional child tax credit. Attach Form 8812		60		60	
61 Amount paid with Form 4868 (request for extension)		61		61	
62 Excess social security and RRTA tax withheld (see page 43)		62		62	
63 Other payments. Check if from a <input type="checkbox"/> Form 2439 b <input type="checkbox"/> Form 4136		63		63	
64 Add lines 57 through 63. These are your total payments ▶		64		64	6,965.
Refund					
65 If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you OVERPAID		65		65	1,981.
66a Amount of line 65 you want REFUNDED TO YOU ▶		66a		66a	1,981.
▶ b Routing number 031100254 ▶ c Type: <input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings					
▶ d Account number 18066664369581390					
67 Amt. of line 65 you want APPLIED TO 1999 ESTIMATED TAX ▶		67		67	
Amount You Owe					
68 If line 56 is more than line 64, subtract line 64 from line 56. This is the AMOUNT YOU OWE. For details on how to pay, see page 38 ▶		68		68	
69 Estimated tax penalty. Also include on line 68		69		69	
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge					
Sign Here		Your signature		Date	Your occupation
Keep a copy of this return for your records.		For Info Only -Do not file			NURSE
		Spouse's signature. If a joint return, BOTH must sign.		Date	Spouse's occupation
		For Info Only -Do not file			
Paid Preparer's Use Only		Preparer's signature		Date	Check if self-employed <input type="checkbox"/>
		Firm's name (or yours if self-employed) and address		3/27/99	Preparer's social security no.
		H AND R BLOCK			EIN 43-1632899
		MESA, AZ			ZIP code 85204-0000

Notice Concerning Fiduciary Relationship

Department of the Treasury Internal Revenue Service

(Internal Revenue Code sections 6036 and 6903)

Part I Identification

Name of person for whom you are acting (as shown on the tax return) CAROL LOFTIN
Identifying number 1390
Decedent's social security no.
Address of person for whom you are acting (number, street, and room or suite no.) 125 N 22 PL #56
City or town, state, and ZIP code (If a foreign address, see instructions.) MESA, AZ 85213
Fiduciary's name DARRELL J. HILL & BEVERLY J. HILL, d.b.a SUPERIOR CLAIMS MANAGEMENT
Address of fiduciary (number, street, and room or suite no.) P.O. BOX 40475
City or town, state, and ZIP code MESA, AZ 85274-0475
Telephone number (optional) (480) 464-1430

Part II Authority

1 Authority for fiduciary relationship. Check applicable box:
a(1) Will and codicils or court order appointing fiduciary
b(1) Court order appointing fiduciary
c Valid trust instrument and amendments
d Other. Describe 04/10/03: SEE ATTACHMENT NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE (Personal Representative)

Part III Tax Notices

Send to the fiduciary listed in Part I all notices and other written communications involving the following tax matters:
2 Type of tax (estate, gift, generation-skipping transfer, income, excise, etc.) ESTATE, GIFT, INCOME, EXCISE, ETC
3 Federal tax form number (706, 1040, 1041, 1120, etc.) 1040, 1040EZ, 1040A
4 Year(s) or period(s) (if estate tax, date of death) '98, '99, 2000, 2001

Part IV Revocation or Termination of Notice

Section A—Total Revocation or Termination

5 Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship
Reason for termination of fiduciary relationship. Check applicable box:
a Court order revoking fiduciary authority
b Certificate of dissolution or termination of a business entity
c Other. Describe N/A

Section B—Partial Revocation

6a Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship
b Specify to whom granted, date, and address, including ZIP code. N/A

Section C—Substitute Fiduciary

7 Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary(ies) and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies)

Part V Court and Administrative Proceedings

Name of court (if other than a court proceeding, identify the type of proceeding and name of agency) N/A
Date proceeding initiated N/A
Address of court N/A
Docket number of proceeding N/A
City or town, state, and ZIP code N/A
Date N/A
Time N/A
a.m. p.m. Place of other proceedings N/A

Please Sign Here
I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.
PERSONAL REPRESENTATIVE 4/11/03
Date
PERSONAL REPRESENTATIVE 4/11/03
Date



AUTHORIZATION TO SIGN AND ENDORSE

Re: Client Name: CAROL LOFTIN

Date of Authorization: 4/10/03

I hereby authorize my personal representative, Darrell J. Hill, or Beverly J. Hill, to sign or endorse as myself on all necessary forms, releases and refund drafts in connection with my federal and state taxation issues arising out of their duties regarding my past and present taxation matters.

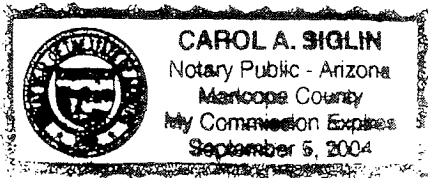
Carol Loftin SSN/TIN -1890 Date 4/10/03
Client (soc sec no./ tax ID no.)

State of Arizona } ss
County of Maricopa

On this 10 day of April (month), 2003 (year), before me personally appeared Carol L. Loftin, and proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed it.

My Commission Expires: Sept. 5, 2004

Carol A. Siglin
Notary Public



ATTACHMENT page 1 of 5

Despite the fact that the Supreme Court of the United States had already established that my labor for wages are not income¹ (Court Statements attached), I had been fraudulently misdirected to file Internal Revenue Service (I.R.S.) forms, and defrauded to believe that my labor for these wages were income as relates to I.R.S. forms and publications.

The Supreme Court of the United States had already established that my wages for my labor was/ and is not taxable income.

**Please reimburse my money
without delay!**

¹ PEOPLE OF STATE OF NEW YORK V. GRAVES , 300 U.S. 308 (1937)

COURT STATEMENTS

ATTACHMENT page 2 of 5

Stapler v U.S., 21 F Supp 737 AT 739 "Income within the meaning of the Sixteenth Amendment and the Revenue Act, means 'gain'... and in such connection 'Gain' means profit...proceeding from property, severed from capital, however invested or employed, and coming in, received, or drawn by the taxpayer, for his separate use, benefit and disposal... Income is not a wage or compensation for any type of labor."

* Oliver v. Halstead 86 S.E. Rep 2nd 85e9 "There is a clear distinction between 'profit' and 'wages', or a compensation for labor. Compensation for labor (wages) cannot be regarded as profit within the meaning of the law. The word 'profit', as ordinarily used, means the gain made upon any business or investment -- a different thing altogether from the mere compensation for labor."

* Helvering v Edison Bros. Stores, 133 F2d 575 "The Treasury cannot by interpretive regulations, make income of that which is not income within the meaning of the revenue acts of Congress, nor can Congress, without apportionment, tax as income that which is not income within the meaning of the 16th Amendment."

* Flora v U.S., 362 US 145, never overruled "... the government can collect the tax from a district court suitor by exercising it's power of distraint... but we cannot believe that compelling resort to this extraordinary procedure is either wise or in accord with congressional intent. Our system of taxation is based upon VOLUNTARY ASSESSMENT AND PAYMENT , NOT UPON DISTRAINT" [Footnote 43] If the government is forced to use these remedies(distraint) on a large scale, it will affect adversely the taxpayers willingness to perform under our VOLUNTARY assessment system.

* Evens v Gore, 253 U.S. 245. US Supreme court, never overruled "After further consideration, we adhere to that view and accordingly hold that the Sixteenth Amendment does not authorize or support the tax in question. " (A tax on salary)

Edwards v. Keith, 231 F 110,113 "The phraseology of form 1040 is somewhat obscure ... But it matters little what it does mean; the statute and the statute alone

COURT STATEMENTS (continued)

ATTACHMENT page 3 of 5

determines what is income to be taxed. It taxes only income "derived" from many different sources; one does not "derive income" by rendering services and charging for them... IRS cannot enlarge the scope of the statute."

* McCutchin v Commissioner of IRS, 159 F2d, "The 16th Amendment does not authorize laying of an income tax upon one person for the income derived solely from another." [wages]

* Blatt Co. v U.S., 59 S.Ct. 186 "Treasury regulations can add nothing to income as defined by Congress."

* Olk v. United States, February 18, 1975, Las Vegas, Nevada. "Tips are gifts and therefore are not taxable."

* Commissioner of IRS v Duberstein, 80 S. Ct. 1190. "Property acquired by gift is excluded from gross income."

Brushaber v Union Pacific R/R, 240 U.S. 1, 17; 36 S.Ct. 236, 241. "Income has been taken to mean the same thing as used in the Corporation Excise Tax of 1909 (36 Stat. 112). The worker does not receive a profit or gain from his/her labors-merely an equal exchange of funds for services"

Central Illinois Publishing Service v. U.S., 435 U.S. 21 "Decided cases have made the distinction between wages and income and have refused to equate the two."

Anderson Oldsmobile, Inc. vs Hofferbert, 102 F Supp 902 "Constitutionally the only thing that can be taxed by Congress is "income." And the tax actually imposed by Congress has been on net income as distinct from gross income. THE TAX IS NOT,

COURT STATEMENTS (continued)

ATTACHMENT page 4 of 5

NEVER HAS BEEN, AND COULD NOT CONSTITUTIONALLY BE UPON "GROSS RECEIPTS" ..."

Conner v US, 303 F Supp 1187 Federal District Court, Houston, never overruled.
 "...whatever may constitute income, therefore, must have the essential feature of gain to the recipient. This was true at the time of Eisner V Macomber, it was true under section 22(a) of the Internal Revenue Code of 1938, and it is likewise true under Section 61(a) of the IRS code of 1954. If there is not gain, there is not income, CONGRESS HAS TAXED INCOME, NOT COMPENSATION"!!!!

Bowers vs Kerbaugh-Empire Co., 271 US 174D "Income" has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the Sixteenth Amendment and in the various revenue acts subsequently passed"

Brushaber v. Union Pacific R.R. Co., 240 U.S. 1 "The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the contrary recognized the fact that taxation on income was in its nature an excise entitled to be enforced as such..."

Simms v. Alabama, 271 SW 720 "An income tax is neither a property tax nor a tax on occupations of common right, but is an EXCISE tax...The legislature may declare as 'privileged' and tax as such for state revenue, those pursuits not matters of common right, but it has no power to declare as a 'privilege' and tax for revenue purposes, occupations that are of common right."

Eisner v. Macomber, 252 US 189 US Supreme court, never overruled >"...the definition of 'income' approved by this court is: The gain derived from capital, from labor, or from both combined, provided it be understood to include profits gained through sale or conversion of capital assets."

COURT STATEMENTS (continued)

ATTACHMENT page 5 of 5

Laureldale Cemetery Assoc. vs Matthews, 345 Pa. 239; "Reasonable compensation for labor or services rendered is not profit"

Schuster v. Helvering, 121 F 2nd 643 "Income is realized gain."

Butchers' Union Co. v. Crescent City Co., 111 U.S. 746. 1883. One of the most eloquent opinions ever delivered by the Court.. "Among these unalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE..."

Pollack v. Farmers Loan, The Corporate Excise Tax of 1909 was a 2% tax on PROFITS OF CORPORATIONS. The Supreme Court had, in POLLOCK v. FARMERS LOAN , in 1894, ruled as UNCONSTITUTIONAL the EXACT SAME KIND OF TAX MOST AMERICANS ARE NOW PAYING! [A direct tax without apportionment.] This decision has NEVER been overturned! Both BEFORE and AFTER the sixteenth amendment passed (?), THE COURTS SAID INCOME WAS CORPORATE PROFIT! The Separation of powers doctrine says only CONGRESS can collect a tax!

Hansen, Chris. (2002). COURT CASE CITATIONS ON THE NATURE OF "INCOME" [On-Line]. Available: <http://familyguardian.tzo.com/Subjects/Taxes/Evidence/WagesNotTaxable.htm>

CERTIFIED MAIL™



7002 2410 0003 8520 5810

SUPERIOR CLAIMS MANAGEMENT
DARRELL & BEVERLY J. HILL
P.O. BOX 40475
MESA, AZ 85274-0475



U.S. POSTAGE
PAID
MESA, AZ
85202
APR 11, 03
AMOUNT

\$4.88

000-46308-21

926T

73301

INTERNAL REVENUE
SERVICE CENTER
AUSTIN, TX 73301-0014



73301-0014

United States



of America

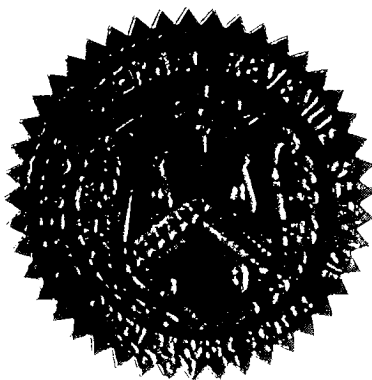
Department of the Treasury
Internal Revenue Service

Date: October 8, 2004

CERTIFICATE OF OFFICIAL RECORD

I certify that the annexed: Is a true copy of a Form 1040X, Amended U. S. Individual Income Tax Return and attachments dated December 24, 2002, for Gary L. Coit, Taxpayer Identification Number -3663, for tax year 2000 consisting of 12 pages.

under the custody of this office.



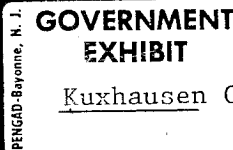
IN WITNESS WHEREOF, I have hereunto set my hand, and caused the seal of this office to be affixed, on the day and year first above written.

By the direction of the Secretary of the Treasury:

Timothy A. Towns

Timothy A. Towns, Field Director
Ogden Compliance Services

By: Dennis L. Parizek *DLP*
Exam SC Support Operations Manager



(Rev. November 2002)

See separate instructions.

This return is for calendar year 2000, or fiscal year ended

Personal information section including name (GARY L. COIT), social security number (3663), address (C/O SUPERIOR CLAIMS MGMT, P.O. BOX 40475 MESA, ARIZONA 85274-0475), and phone number ((480) 664-1430).

Declaration section with checkboxes for name/address changes, IRS audits, and filing status (Single).

Use Part II on the back to explain any changes

Table with 3 columns: Description, A. Original amount or as previously adjusted, B. Net change—amount of increase or (decrease)—explain in Part II, C. Correct amount. Rows include Income and Deductions (Total: 18337), Tax Liability (Total: 9964), Payments (Total: 11781), and Refund or Amount You Owe (Total: 9964).

Sign Here section with signature of Gary L. Coit, date 12/24/00, and spouse's signature area.

FRIV PENALTY ASSESSED

971-13 1-8-03 01

Part I Exemptions. See Form 1040 or 1040A instructions.

If you are **not changing your exemptions**, do not complete this part.
If claiming **more exemptions**, complete lines 25-31.
If claiming **fewer exemptions**, complete lines 25-30.

A. Original number of exemptions reported or as previously adjusted

B. Net change

C. Correct number of exemptions

25	Yourself and spouse	25		
Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.				
26	Your dependent children who lived with you	26		
27	Your dependent children who did not live with you due to divorce or separation	27		
28	Other dependents	28		
29	Total number of exemptions. Add lines 25 through 28	29		
30	Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.	30		

Tax year	Exemption amount	But see the instructions for line 4 on page 3 if the amount on line 1 is over:
2002	\$3,000	\$103,000
2001	2,900	99,725
2000	2,800	96,700
1999	2,750	94,975

31 Dependents (children and other) not claimed on original (or adjusted) return:

(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 5)	No. of your children on line 31 who:
				<input type="checkbox"/>	• lived with you <input type="checkbox"/>
				<input type="checkbox"/>	• did not live with you due to divorce or separation (see page 5) <input type="checkbox"/>
				<input type="checkbox"/>	Dependents on line 31 not entered above <input type="checkbox"/>

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See page 2 of the instructions. Also, check here

LINE (1): SEE ATTACHMENT D WAGES ARE NOT TAXABLE INCOME.

LINE (6) SEE ATTACHMENT D

SEE ATTACHMENT A: 2000 FORM 1040

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.

If you did not previously want \$3 to go to the fund but now want to, check here
If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here



Label

(See instructions on page 19.)
Use the IRS label. Otherwise, please print or type.

FI S29 10
GARY L COIT
17432 N 36TH AVE
GLENDALE AZ 85308-3204

L
A
B
E
L
H
E
R
E

I
R
S

Your social security number 3663
Spouse's social security number

▲ Important! ▲
You must enter your SSN(s) above.

Presidential Election Campaigns
(See page 19.)

Note. Checking "Yes" will not change your tax or reduce your refund.
Do you, or your spouse if filing a joint return, want \$3 to go to this fund? Yes No Yes No

Filing Status

- 1 Single
- 2 Married filing joint return (even if only one had income)
- 3 Married filing separate return. Enter spouse's social security no. above and full name here. ▶
- 4 Head of household (with qualifying person). (See page 19.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
- 5 Qualifying widow(er) with dependent child (year spouse died ▶). (See page 19.)

Exemptions

6a Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a

b Spouse

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see page 20)
Rasheed	Coit	8105	son	<input checked="" type="checkbox"/>
Charleigh	Coit	8291	daughter	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

d Total number of exemptions claimed 3

RECEIVED
IRS/AUSTIN

Income

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	73886
8a	Taxable interest. Attach Schedule B if required	8a	0
b	Tax-exempt interest. Do not include on line 8a		
9	Ordinary dividends. Attach Schedule B if required	9	0
10	Taxable refunds, credits, or offsets of state and local income taxes (see page 22)	10	0
11	Alimony received	11	0
12	Business income or (loss). Attach Schedule C or C-EZ	12	0
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	0
14	Other gains or (losses). Attach Form 4797	14	0
15a	Total IRA distributions	15a	0
	b Taxable amount (see page 23)	15b	0
16a	Total pensions and annuities	16a	0
	b Taxable amount (see page 23)	16b	0
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	0
18	Farm income or (loss). Attach Schedule F	18	0
19	Unemployment compensation	19	0
20a	Social security benefits	20a	0
	b Taxable amount (see page 25)	20b	0
21	Other income. List type and amount (see page 25)	21	0
22	Add the amounts in the far right column for lines 7 through 21. This is your total income ▶	22	73886

Adjusted Gross Income

23	IRA deduction (see page 27)	23	
24	Student loan interest deduction (see page 27)	24	
25	Medical savings account deduction. Attach Form 8853	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed health insurance deduction (see page 29)	28	
29	Self-employed SEP, SIMPLE, and qualified plans	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	Add lines 23 through 31a	32	0
33	Subtract line 32 from line 22. This is your adjusted gross income ▶	33	73886

Tax and Credits

Standard Deduction for Most People

Single: \$4,400
Head of household: \$6,450
Married filing jointly or Qualifying widow(er): \$7,350
Married filing separately: \$3,675

34 Amount from line 33 (adjusted gross income)
35a Check if: [] You were 65 or older, [] Blind; [] Spouse was 65 or older, [] Blind.
36 Enter your itemized deductions from Schedule A, line 28, or standard deduction shown on the left.
37 Subtract line 36 from line 34
38 If line 34 is \$96,700 or less, multiply \$2,800 by the total number of exemptions claimed on line 6d.
39 Taxable income. Subtract line 38 from line 37.
40 Tax (see page 32). Check if any tax is from a [] Form(s) 8814 b [] Form 4972
41 Alternative minimum tax. Attach Form 6251
42 Add lines 40 and 41
43 Foreign tax credit. Attach Form 1116 if required
44 Credit for child and dependent care expenses. Attach Form 2441
45 Credit for the elderly or the disabled. Attach Schedule R
46 Education credits. Attach Form 8863
47 Child tax credit (see page 36)
48 Adoption credit. Attach Form 8839
49 Other. Check if from a [] Form 3800 b [] Form 8396 c [] Form 8801 d [] Form (specify)

Table with columns for line numbers and values. Values include 73886, 9937, 63949, 8400, 33549, 10964, 1000, 9964, 0, 0, 0, 0, 0, 11781, 0, 0, 0, 0, 11781, 1817, 1817, 0.

Other Taxes

52 Self-employment tax. Attach Schedule SE
53 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
54 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required
55 Advance earned income credit payments from Form(s) W-2
56 Household employment taxes. Attach Schedule H
57 Add lines 51 through 56. This is your total tax

Table with columns for line numbers and values. Values include 0, 0, 0, 0, 0, 9964.

Payments

If you have a qualifying child, attach Schedule EIC.

58 Federal income tax withheld from Forms W-2 and 1099
59 2000 estimated tax payments and amount applied from 1999 return
60a Earned income credit (EIC)
60b Nontaxable earned income: amount and type
61 Excess social security and RRTA tax withheld (see page 50)
62 Additional child tax credit. Attach Form 8812
63 Amount paid with request for extension to file (see page 50)
64 Other payments. Check if from a [] Form 2439 b [] Form 4136
65 Add lines 58, 59, 60a, and 61 through 64. These are your total payments

Table with columns for line numbers and values. Values include 11781, 0, 0, 0, 0, 0, 11781.

Refund

Have it directly deposited! See page 50 and fill in 67b, 67c, and 67d.

66 If line 65 is more than line 57, subtract line 57 from line 65. This is the amount you overpaid
67a Amount of line 66 you want refunded to you
67b Routing number
67c Type: [] Checking [] Savings
67d Account number
68 Amount of line 66 you want applied to your 2001 estimated tax

Table with columns for line numbers and values. Values include 1817, 1817.

Amount You Owe

69 If line 57 is more than line 65, subtract line 65 from line 57. This is the amount you owe. For details on how to pay, see page 51
70 Estimated tax penalty. Also include on line 69

Table with columns for line numbers and values. Value is 0.

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature: Roy J. Coit
Date: 4/11/01
Your occupation: RN
Daytime phone number: 623 872-5445
Spouse's signature:
Date:
Spouse's occupation:
May the IRS discuss this return with the preparer shown below (see page 52)? [] Yes [] No

Paid Preparer's

Preparer's signature
Date
Check if self-employed
Preparer's SSN or PTIN
Firm's name (or your name if self-employed)
EIN



AUTHORIZATION TO SIGN AND ENDORSE

Re: Client Name:
Date of Authorization:

I hereby authorize my personal representative, Darrell J. Hill, or Beverly J. Hill, to sign or endorse my name on all necessary forms, releases and refund draft(s) in connection with my federal and state income tax returns arising out of their duties regarding my amended tax return needs.

Gary Coit Date 12/24/02
Client

State of Arizona

} ss

County of Maricopa

On this 24 day of December, 2002 before me personally appeared Gary Coit, and proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument, and acknowledged that he/she/they executed it.

My Commission Expires June 30, 2005

Tina Hernandez
Notary Public



SUPERIOR CLAIMS MANAGEMENT

Employee's Tax Refund Specialists

Notice Concerning Fiduciary Relationship

Department of the Treasury
Internal Revenue Service

(Internal Revenue Code sections 6036 and 6903)

Part I Identification

Name of person for whom you are acting (as shown on the tax return) GARY L COIT	Identifying number 3663	Decedent's social security no.
---	-----------------------------------	---

Address of person for whom you are acting (number, street, and room or suite no.)
17432 N. 36TH AVE.

City or town, state, and ZIP code (if a foreign address, see instructions.)
GLENDALE, AZ, 85303

Fiduciary's name
DARRELL J. HILL, BEVERLY J. HILL dba SUPERIOR CLAIMS MANAGEMENT

Address of fiduciary (number, street, and room or suite no.)
PO BOX 40475

City or town, state, and ZIP code
MESA, AZ 85274-0475

Telephone number (optional)
()

Part II Authority

- 1 Authority for fiduciary relationship. Check applicable box:
- a(1) Will and codicils or court order appointing fiduciary (2) Date of death
 - b(1) Court order appointing fiduciary (2) Date (see instructions)
 - c Valid trust instrument and amendments
 - d Other. Describe ► **12/24/2002: SEE ATTACHMENT, NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE**

Part III Tax Notices

- Send to the fiduciary listed in Part I all notices and other written communications involving the following tax matters:
- 2 Type of tax (estate, gift, generation-skipping transfer, income, excise, etc.) ► **ALL TYPES OF TAX AS NECESSARY**
 - 3 Federal tax form number (706, 1040, 1041, 1120, etc.) ► **ALL FEDERAL TAX FORM NUMBERS AS NECESSARY**
 - 4 Year(s) or period(s) (if estate tax, date of death) ► **ALL TAX YEARS**

Part IV Revocation or Termination of Notice

Section A—Total Revocation or Termination

- 5 Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship . . . ►
- Reason for termination of fiduciary relationship. Check applicable box:
- a Court order revoking fiduciary authority
 - b Certificate of dissolution or termination of a business entity
 - c Other. Describe ► **N/A**

Section B—Partial Revocation

- 6a Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship ►
- b Specify to whom granted, date, and address, including ZIP code.
► **N/A**

Section C—Substitute Fiduciary

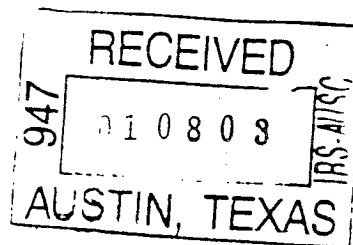
- 7 Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary(ies) and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies) ►

Part V Court and Administrative Proceedings

Name of court (if other than a court proceeding, identify the type of proceeding and name of agency) N/A	Date proceeding initiated			
Address of court N/A	Docket number of proceeding			
City or town, state, and ZIP code N/A	Date	Time	a.m.	Place of other proceedings
			p.m.	

I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.

Please Sign Here	Fiduciary's signature 	PERSONAL REPRESENTATIVE	Date 12/24/02
	Fiduciary's signature	PERSONAL REPRESENTATIVE	Date 12/24/02



Despite the fact that the Supreme Court of the United States had already established that my labor for wages are not income¹ (Court Statements attached), I had been fraudulently misdirected to file Internal Revenue Service (I.R.S.) forms, and defrauded to believe that my labor for these wages were income as relates to I.R.S. forms and publications.

The Supreme Court of the United States had already established that my wages for my labor was/ and is not taxable income.

**Please reimburse my money
without delay!**

¹ PEOPLE OF STATE OF NEW YORK V. GRAVES , 300 U.S. 308 (1937)

COURT STATEMENTS

Stapler v U.S., 21 F Supp 737 AT 739 "Income within the meaning of the Sixteenth Amendment and the Revenue Act, means 'gain'... and in such connection 'Gain' means profit...proceeding from property, severed from capital, however invested or employed, and coming in, received, or drawn by the taxpayer, for his separate use, benefit and disposal... Income is not a wage or compensation for any type of labor."

* Oliver v. Halstead 86 S.E. Rep 2nd 85e9 "There is a clear distinction between 'profit' and 'wages', or a compensation for labor. Compensation for labor (wages) cannot be regarded as profit within the meaning of the law. The word 'profit', as ordinarily used, means the gain made upon any business or investment -- a different thing altogether from the mere compensation for labor."

* Helvering v Edison Bros. Stores, 133 F2d 575 "The Treasury cannot by interpretive regulations, make income of that which is not income within the meaning of the revenue acts of Congress, nor can Congress, without apportionment, tax as income that which is not income within the meaning of the 16th Amendment."

* Flora v U.S., 362 US 145, never overruled "... the government can collect the tax from a district court suitor by exercising it's power of distraint... but we cannot believe that compelling resort to this extraordinary procedure is either wise or in accord with congressional intent. Our system of taxation is based upon VOLUNTARY ASSESSMENT AND PAYMENT , NOT UPON DISTRAINT" [Footnote 43] If the government is forced to use these remedies(distraint) on a large scale, it will affect adversely the taxpayers willingness to perform under our VOLUNTARY assessment system.

* Evans v Gore, 253 U.S. 245. US Supreme court, never overruled "After further consideration, we adhere to that view and accordingly hold that the Sixteenth Amendment does not authorize or support the tax in question. " (A tax on salary)

Edwards v. Keith, 231 F 110,113 "The phraseology of form 1040 is somewhat obscure ... But it matters little what it does mean; the statute and the statute alone

COURT STATEMENTS (continued)

determines what is income to be taxed. It taxes only income "derived" from many different sources; one does not "derive income" by rendering services and charging for them... IRS cannot enlarge the scope of the statute."

* McCutchin v Commissioner of IRS, 159 F2d, "The 16th Amendment does not authorize laying of an income tax upon one person for the income derived solely from another." [wages]

* Blatt Co. v U.S., 59 S.Ct. 186 "Treasury regulations can add nothing to income as defined by Congress."

* Olk v. United States, February 18, 1975, Las Vegas, Nevada. "Tips are gifts and therefore are not taxable."

* Commissioner of IRS v Duberstein, 80 S. Ct. 1190. "Property acquired by gift is excluded from gross income."

Brushaber v Union Pacific R/R, 240 U.S. 1, 17; 36 S.Ct. 236, 241. "Income has been taken to mean the same thing as used in the Corporation Excise Tax of 1909 (36 Stat. 112). The worker does not receive a profit or gain from his/her labors-merely an equal exchange of funds for services"

Central Illinois Publishing Service v. U.S., 435 U.S. 21 "Decided cases have made the distinction between wages and income and have refused to equate the two."

Anderson Oldsmobile, Inc. vs Hofferbert, 102 F Supp 902 "Constitutionally the only thing that can be taxed by Congress is "income." And the tax actually imposed by Congress has been on net income as distinct from gross income. THE TAX IS NOT,

COURT STATEMENTS (continued)

NEVER HAS BEEN, AND COULD NOT CONSTITUTIONALLY BE UPON "GROSS RECEIPTS" ..."

Conner v US, 303 F Supp 1187 Federal District Court, Houston, never overruled. "...whatever may constitute income, therefore, must have the essential feature of gain to the recipient. This was true at the time of Eisner V Macomber, it was true under section 22(a) of the Internal Revenue Code of 1938, and it is likewise true under Section 61(a) of the IRS code of 1954. If there is not gain, there is not income, CONGRESS HAS TAXED INCOME, NOT COMPENSATION"!!!!

Bowers vs Kerbaugh-Empire Co., 271 US 174D "Income" has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the Sixteenth Amendment and in the various revenue acts subsequently passed"

Brushaber v. Union Pacific R.R. Co., 240 U.S. 1 "The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the contrary recognized the fact that taxation on income was in its nature an excise entitled to be enforced as such..."

Simms v. Ahrens, 271 SW 720 "An income tax is neither a property tax nor a tax on occupations of common right, but is an EXCISE tax...The legislature may declare as 'privileged' and tax as such for state revenue, those pursuits not matters of common right, but it has no power to declare as a 'privilege' and tax for revenue purposes, occupations that are of common right."

Eisner v. Macomber, 252 US 189 US Supreme court, never overruled >"...the definition of 'income' approved by this court is: The gain derived from capital, from labor, or from both combined, provided it be understood to include profits gained through sale or conversion of capital assets."

COURT STATEMENTS (continued)

Laureldale Cemetery Assoc. vs Matthews, 345 Pa. 239; "Reasonable compensation for labor or services rendered is not profit"

Schuster v. Helvering, 121 F 2nd 643 "Income is realized gain."

Butchers' Union Co. v. Crescent City Co., 111 U.S. 746. 1883. One of the most eloquent opinions ever delivered by the Court.. "Among these unalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE..."

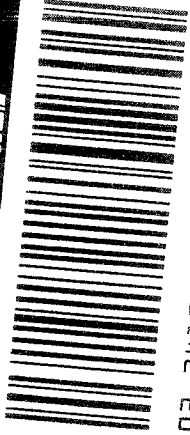
Pollack v. Farmers Loan, The Corporate Excise Tax of 1909 was a 2% tax on PROFITS OF CORPORATIONS. The Supreme Court had, in POLLOCK v. FARMERS LOAN , in 1894, ruled as UNCONSTITUTIONAL the EXACT SAME KIND OF TAX MOST AMERICANS ARE NOW PAYING! [A direct tax without apportionment.] This decision has NEVER been overturned! Both BEFORE and AFTER the sixteenth amendment passed (?), THE COURTS SAID INCOME WAS CORPORATE PROFIT! The Separation of powers doctrine says only CONGRESS can collect a tax!

Hansen, Chris. (2002). COURT CASE CITATIONS ON THE NATURE OF "INCOME" [On-Line]. Available: <http://familyguardian.tzo.com/Subjects/Taxes/Evidence/WagesNotTaxable.htm>

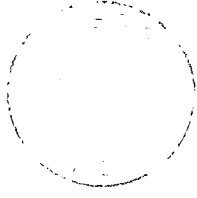
SUPERIOR CLAIMS MANAGEMENT
DARRELL J. HILL & BEVERLY J. HILL
P.O. BOX 40475

MESA, ARIZONA
RETURN RECEIPT REQUESTED

CERTIFIED MAIL™



7002 2410 0001 3885 5309



INTERNAL REVENUE
SERVICE CENTER
AUSTIN, TX 73301-0014

United States



of America

Department of the Treasury
Internal Revenue Service

Date: October 8, 2004

CERTIFICATE OF OFFICIAL RECORD

I certify that the annexed: Is a true copy of a Form 1040X, Amended U. S. Individual Income Tax Return and attachments dated December 21, 2002, for Roxann N. Volling, Taxpayer Identification Number -7332, for tax year 1999 consisting of 12 pages.

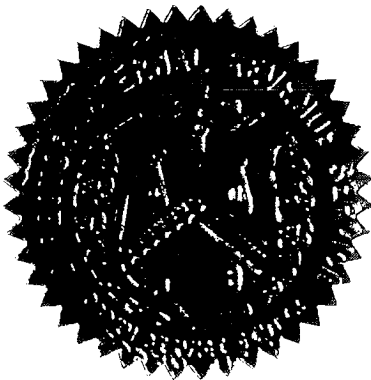
under the custody of this office.

IN WITNESS WHEREOF, I have hereunto set my hand, and caused the seal of this office to be affixed, on the day and year first above written.

By the direction of the Secretary of the Treasury:

Timothy A. Towns

Timothy A. Towns, Field Director
Ogden Compliance Services
By: Dennis L. Parizek *DP*
Exam SC Support Operations Manager



(Rev. November 2002)

See separate instructions.

This return is for calendar year 1999, or fiscal year ended

Personal information section including name (ROXANN N.), social security number (7332), address (C/O SUPERIOR CLAIMS MGMT, P.O. BOX 40475 MESA, ARIZONA 85274-0475), and phone number ((480) 664-1430).

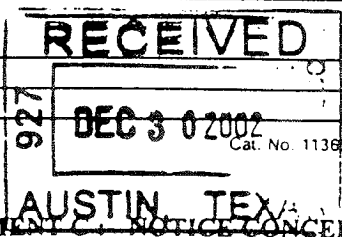
- A If the name or address shown above is different from that shown on the original return, check here
B Has the original return been changed or audited by the IRS or have you been notified that it will be?
C Filing status. Be sure to complete this line. Note. You cannot change from joint to separate returns after the due date.

Table with 3 columns: A. Original amount or as previously adjusted, B. Net change—amount of increase or (decrease)—explain in Part II, C. Correct amount. Rows include Income and Deductions (lines 1-5), Tax Liability (lines 6-10), and Payments (lines 11-18).

Refund or Amount You Owe section with lines 19-24. Includes a 'RECEIVED' stamp from the IRS dated JAN 24 2003 in AUSTIN, TEXAS.

Sign Here section with a declaration of accuracy and a signature line with date 12/2/02.

Paid Preparer's Use Only section with fields for signature, date, firm name, EIN, and phone number.



SEE ATTACHMENT C - NOTICE CONCERNING FIDUCIARY RELATIONSHIP

Part I Exemptions. See Form 1040 or 1040A instructions.

If you are **not changing your exemptions**, do not complete this part.
 If claiming **more exemptions**, complete lines 25-31.
 If claiming **fewer exemptions**, complete lines 25-30.

A. Original number of exemptions reported or as previously adjusted	B. Net change	C. Correct number of exemptions
--	----------------------	--

25 Yourself and spouse	25			
Caution. If your parents (or someone else) can claim you as a dependent (even if they chose not to), you cannot claim an exemption for yourself.				
26 Your dependent children who lived with you	26			
27 Your dependent children who did not live with you due to divorce or separation	27			
28 Other dependents	28			
29 Total number of exemptions. Add lines 25 through 28	29			
30 Multiply the number of exemptions claimed on line 29 by the amount listed below for the tax year you are amending. Enter the result here and on line 4.	30			

But see the instructions for line 4 on page 3 if the amount on line 1 is over:

Tax year	Exemption amount	Amount
2002	\$3,000	\$103,000
2001	2,900	99,725
2000	2,800	96,700
1999	2,750	94,975

31 Dependents (children and other) not claimed on original (or adjusted) return:					No. of your children on line 31 who: • lived with you <input type="checkbox"/> • did not live with you due to divorce or separation (see page 5) <input type="checkbox"/> Dependents on line 31 not entered above <input type="checkbox"/>
(a) First name	Last name	(b) Dependent's social security number	(c) Dependent's relationship to you	(d) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see page 5)	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	

Part II Explanation of Changes to Income, Deductions, and Credits

Enter the line number from the front of the form for each item you are changing and give the reason for each change. Attach only the supporting forms and schedules for the items changed. If you do not attach the required information, your Form 1040X may be returned. Be sure to include your name and social security number on any attachments.

If the change relates to a net operating loss carryback or a general business credit carryback, attach the schedule or form that shows the year in which the loss or credit occurred. See page 2 of the instructions. Also, check here

LINE (1) SEE ATTACHMENT D: WAGES ARE NOT INCOME

LINE (6) SEE ATTACHMENT D:

SEE ATTACHMENT A: 1999 1040

Part III Presidential Election Campaign Fund. Checking below will not increase your tax or reduce your refund.

If you did not previously want \$3 to go to the fund but now want to, check here

If a joint return and your spouse did not previously want \$3 to go to the fund but now wants to, check here



Department of the Treasury — Internal Revenue Service
 For the year Jan. 1–Dec. 31, 1999, or other tax year beginning _____, 1999, ending _____

OMB No. 1545-007

Use the IRS label. Otherwise, please print or type.

LABEL HERE

ROXANNE VOLLING
 245 N 56TH ST #126
 MESA AZ 85205

Your social security number
 7332
 Spouse's social security no.

▲ You must enter your SSN(s). ▲

Yes	No	Note: Checking "Yes" will not change your tax or reduce your refund.
	<input checked="" type="checkbox"/>	

Presidential Election Campaign Do you want \$3 to go to this fund?
 If a joint return, does your spouse want \$3 to go to this fund?

Filing Status

<input checked="" type="checkbox"/> 1	Single
<input type="checkbox"/> 2	Married filing joint return (even if only one had income)
<input type="checkbox"/> 3	Married filing separate return. Enter spouse's SSN above & full name here. ▶
<input type="checkbox"/> 4	Head of household (with qualifying person). (See inst.) If the qualifying person is a child but not your dependent, enter child's name here. ▶
<input type="checkbox"/> 5	Qualifying widow(er) with dependent child (yr. spouse died ▶19 _____). (See instructions.)

Exemptions

6a Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a.

b Spouse.

No. of boxes checked on 6a and 6b: **1**

No. of your children on 6c who:
 • lived with you
 • did not live with you due to divorce or separation (see inst.)
 Dependents on 6c not entered above
 Add numbers entered on lines above ▶ **1**

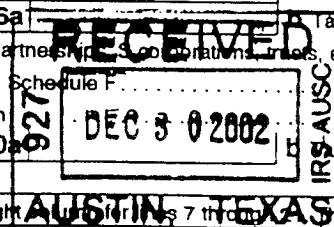
c Dependents: If more than six dependents, see instructions.

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> if qualifying child for child tax credit (see inst.)

d Total number of exemptions claimed. **1**

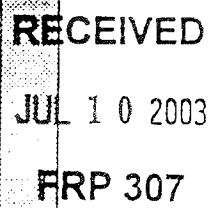
Income

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	46,095
8a	Taxable interest. Attach Schedule B if required.	8a	67
b	Tax-exempt interest. DO NOT include on line 8a. 8b		
9	Ordinary dividends. Attach Schedule B if required.	9	
10	Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ.	12	-7,052
13	Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶ <input type="checkbox"/>	13	-762
14	Other gains or (losses). Attach Form 4797.	14	
15a	Total IRA distributions	15b	
15a		b	Taxable amount (see inst.)
16a	Total pensions and annuities	16b	15,806
16a		b	Taxable amount (see inst.)
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20b	
20a		b	Taxable amount (see inst.)
21	Other income	21	
22	Add the amounts in the far right column of lines 7 through 21. This is your total income ▶	22	54,154



Adjusted Gross Income

23	IRA deduction (see instructions)	23	
24	Student loan interest deduction (see instructions)	24	
25	Medical savings account deduction. Attach Form 8853	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed health insurance deduction (see inst.)	28	
29	Keogh and self-employed SEP and SIMPLE plans	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN ▶	31a	
32	Add lines 23 through 31a	32	0
33	Subtract line 32 from line 22. This is your adjusted gross income ▶	33	54,154



Tax and Credits

34 Amount from line 33 (adjusted gross income) 34 54,154

35a Check if: You were 65/older, Blind; Spouse was 65 or older, Blind.
Add the number of boxes checked above and enter the total here 35a

b If you are married filing separately and your spouse itemizes deductions or you were a dual-status alien, see instructions and check here 35b

36 Enter your itemized deductions from Schedule A, line 28, OR standard deduction shown on the left. But see instructions to find your standard deduction if you checked any box on line 35a or 35b or if someone can claim you as a dependent 36 4,300

37 Subtract line 36 from line 34. 37 49,854

38 If line 34 is \$94,975 or less, multiply \$2,750 by the total number of exemptions claimed on line 6d. If line 34 is over \$94,975, see the worksheet in the instructions for the amount to enter 38 2,750

39 Taxable income. Subtract line 38 from line 37. If line 38 is more than line 37, enter -0- 39 47,104

40 Tax (see inst.). Check if any tax is from a Form(s) 8814 b Form 4972 40 9,848

41 Credit for child & dependent care expenses. Attach Form 2441 41

42 Credit for the elderly or the disabled. Attach Schedule R. 42

43 Child tax credit (see instructions) 43

44 Education credits. Attach Form 8863 44

45 Adoption credit. Attach Form 8839 45

46 Foreign tax credit. Attach Form 1116 if required. 46

47 Other. Check if from a Form 3800 b Form 8396
c Form 8801 d Form 47

48 Add lines 41 through 47. These are your total credits 48

49 Subtract line 48 from line 40. If line 48 is more than line 40, enter -0- 49 9,848

Other Taxes

50 Self-employment tax. Attach Schedule SE. 50

51 Alternative minimum tax. Attach Form 6251 51

52 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 52

53 Tax on IRAs, other retirement plans, and MSAs. Attach Form 5329 if required. 53

54 Advance earned income credit payments from Form(s) W-2. 54

55 Household employment taxes. Attach Schedule H. 55

56 Add lines 49 through 55. This is your total tax 56 9,848

Payments

57 Federal income tax withheld from Forms W-2 and 1099 57 7,290

58 1999 estimated tax payments & amt. applied from 1998 return 58

59a Earned income credit. Attach Sch. EIC if you have a qualifying child
b Nontaxable earned income: amt. & type 59a

60 Additional child tax credit. Attach Form 8812 60

61 Amount paid with request for extension to file (see instructions) 61

62 Excess social security and RRTA tax withheld (see instructions) 62

63 Other payments. Check if from a Form 2439 b Form 4136 63

64 Add lines 57, 58, 59a, and 60 through 63. These are your total payments 64 7,290

Refund

65 If line 64 is more than line 56, subtract line 56 from line 64. This is the amount you OVERPAID 65

66a Amount of line 65 you want REFUNDED TO YOU 66a 0

b Routing no. c Type: Checking Savings

d Account no.

67 Amt. of line 65 you want APPLIED TO YOUR 2000 EST. TAX 67

Amount You Owe

68 If line 56 is more than line 64, subtract line 64 from line 56. This is the AMOUNT YOU OWE. For details on how to pay, see instructions 68 2,573

69 Estimated tax penalty. Also include on line 68 69 15

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions	Your signature	Date	Your occupation	Daytime telephone number (optional)
Keep a copy for your records.	Spouse's signature. If a joint return, BOTH must sign.	Date	Spouse's occupation	

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input checked="" type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) and address			ZIP code

ROY GOLLADAY ACCOUNTING
1601 E UNIVERSITY DR
MESA AZ
P00-03-1153
EIN86-0596010
85203

Notice Concerning Fiduciary Relationship

(Internal Revenue Code sections 6036 and 6903)

Part I Identification

Name of person for whom you are acting (as shown on the tax return) ROXANN N. VOLLING	Identifying number -7332	Decedent's social security no. - - - - -
---	-----------------------------	---

Address of person for whom you are acting (number, street, and room or suite no.)
245 N. 56TH STREET APT #126

City or town, state, and ZIP code (If a foreign address, see instructions.)
MESA, ARIZONA 85205

Fiduciary's name
DARRELL J. HILL & BEVERLY J. HILL d.b.a. SUPERIOR CLAIMS MANAGEMENT

Address of fiduciary (number, street, and room or suite no.)
P.O. BOX 40475

City or town, state, and ZIP code MESA, ARIZONA 85274-0475	Telephone number (optional) (480) 664-1430
--	---

Part II Authority

- 1 Authority for fiduciary relationship. Check applicable box:
- a(1) Will and codicils or court order appointing fiduciary (2) Date of death
 - b(1) Court order appointing fiduciary (2) Date (see instructions)
 - c Valid trust instrument and amendments
 - d Other. Describe ► **12/16/2002: SEE ATTACHMENT NOTARIZED AUTHORIZATION TO SIGN AND ENDORSE.**

Part III Tax Notices

- Send to the fiduciary listed in Part I all notices and other written communications involving the following tax matters:
- 2 Type of tax (estate, gift, generation-skipping transfer, income, excise, etc.) ► **ALL TYPES OF TAX AS NECESSARY**
 - 3 Federal tax form number (706, 1040, 1041, 1120, etc.) ► **ALL FEDERAL TAX FORMS NUMBERS AS NECESSARY**
 - 4 Year(s) or period(s) (if estate tax, date of death) ► **ALL TAX YEARS**

Part IV Revocation or Termination of Notice

Section A—Total Revocation or Termination

- 5 Check this box if you are revoking or terminating all prior notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship . . . ►
- Reason for termination of fiduciary relationship. Check applicable box:
- a Court order revoking fiduciary authority
 - b Certificate of dissolution or termination of a business entity
 - c Other. Describe ► **N/A**

Section B—Partial Revocation

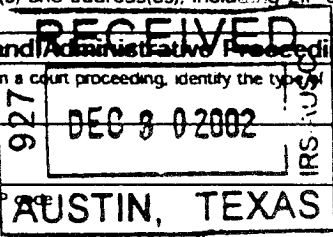
- 6a Check this box if you are revoking earlier notices concerning fiduciary relationships on file with the Internal Revenue Service for the same tax matters and years or periods covered by this notice concerning fiduciary relationship ►
- b Specify to whom granted, date, and address, including ZIP code.
► **N/A**

Section C—Substitute Fiduciary

- 7 Check this box if a new fiduciary or fiduciaries have been or will be substituted for the revoking or terminating fiduciary(ies) and specify the name(s) and address(es), including ZIP code(s), of the new fiduciary(ies) ►

Part V Court and Administrative Proceedings

Name of court (if other than a court proceeding, identify the type of proceeding and name of agency) N/A	Date proceeding initiated N/A
Address of court N/A	Docket number of proceeding N/A
City or town, state, and ZIP code AUSTIN, TEXAS	Date N/A
	Time N/A
	s.m. N/A
	p.m. N/A
	Place of other proceedings N/A



I certify that I have the authority to execute this notice concerning fiduciary relationship on behalf of the taxpayer.

Please Sign Here	<i>[Signature]</i>	PERSONAL REPRESENTATIVE	12/16/02
	Fiduciary's signature	Title, if applicable	Date
	<i>[Signature]</i>	PERSONAL REPRESENTATIVE	12/16/02
	Fiduciary's signature	Title, if applicable	Date



AUTHORIZATION TO SIGN AND ENDORSE

Re: **Client Name:**
Date of Authorization:

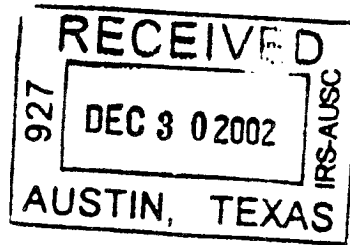
I hereby authorize my personal representative, Darrell J. Hill, or Beverly J. Hill, to sign or endorse my name on all necessary forms, releases and refund draft(s) in connection with my federal and state income tax returns arising out of their duties regarding my amended tax return needs.

Roxann N. Volting Date 12-16-02
Client

State of Arizona

} ss

County of Maricopa



On this Dec day of Dec 16, 02, before me personally appeared Roxann Volting, and proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument, and acknowledged that he/she/they executed it.

My Commission Expires: 5/16/2006

Ryan Scott Wolford
Notary Public

STATE OF ARIZONA
COUNTY OF Maricopa

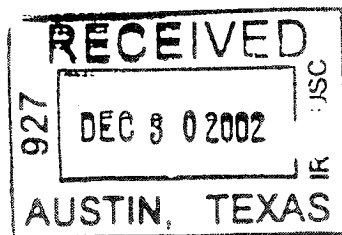
The foregoing instrument was acknowledged before me this 16 day of Dec 2002,
By Ryan Scott Wolford
Notary Public [Signature]
My commission expires: 5/16/2006



Despite the fact that the Supreme Court of the United States had already established that my labor for wages are not income¹ (Court Statements attached), I had been fraudulently misdirected to file Internal Revenue Service (I.R.S.) forms, and defrauded to believe that my labor for these wages were income as relates to I.R.S. forms and publications.

The Supreme Court of the United States had already established that my wages for my labor was/ and is not income!

I want my money refunded promptly!



¹ PEOPLE OF STATE OF NEW YORK V. GRAVES , 300 U.S. 308 (1937)

ROBERT W. GELBERG, SENIOR ATTORNEY AT LAW, 1352, 1999 1040X Page 01

ATTACHMENT D (PAGE 2/5)

COURT STATEMENTS

Stapler v U.S., 21 F Supp 737 AT 739 "Income within the meaning of the Sixteenth Amendment and the Revenue Act, means 'gain'... and in such connection 'Gain' means profit...proceeding from property, severed from capital, however invested or employed, and coming in, received, or drawn by the taxpayer, for his separate use, benefit and disposal... Income is not a wage or compensation for any type of labor."

* Oliver v. Halstead 86 S.E. Rep 2nd 85e9 "There is a clear distinction between 'profit' and 'wages', or a compensation for labor. Compensation for labor (wages) cannot be regarded as profit within the meaning of the law. The word 'profit', as ordinarily used, means the gain made upon any business or investment -- a different thing altogether from the mere compensation for labor."

* Helvering v Edison Bros. Stores, 133 F2d 575 "The Treasury cannot by interpretive regulations, make income of that which is not income within the meaning of the revenue acts of Congress, nor can Congress, without apportionment, tax as income that which is not income within the meaning of the 16th Amendment."

* Flora v U.S., 362 US 145, never overruled "... the government can collect the tax from a district court suitor by exercising it's power of distraint... but we cannot believe that compelling resort to this extraordinary procedure is either wise or in accord with congressional intent. Our system of taxation is based upon VOLUNTARY ASSESSMENT AND PAYMENT , NOT UPON DISTRAINT" [Footnote 43] If the government is forced to use these remedies(distraint) on a large scale, it will affect adversely the taxpayers willingness to perform under our VOLUNTARY assessment system.

* Evans v Gore, 253 U.S. 245. US Supreme court, never overruled "After further consideration, we adhere to that view and accordingly hold that the Sixteenth Amendment does not authorize or support the tax in question. " (A tax on salary)

Edwards v. Keith, 231 F 110,113 "The phraseology of form 1040 is somewhat obscure ... But it matters little what it does mean; the statute and the statute alone determines what is income to be taxed. It taxes only income "derived" from many different sources; one does not "derive income" by rendering services and charging for them... IRS cannot enlarge the scope of the statute."

ROXANN VOLLENG. SSN # 7552, 1999 1040X Page 61

ATTACHMENT D (PAGE 3/5)

COURT STATEMENTS (CONTINUED)

* *McCutchin v Commissioner of IRS*, 159 F2d, "The 16th Amendment does not authorize laying of an income tax upon one person for the income derived solely from another." [wages]

* *Blatt Co. v U.S.*, 59 S.Ct. 186 "Treasury regulations can add nothing to income as defined by Congress."

* *Olk v. United States*, February 18, 1975, Las Vegas, Nevada. "Tips are gifts and therefore are not taxable."

* *Commissioner of IRS v Duberstein*, 80 S. Ct. 1190. "Property acquired by gift is excluded from gross income."

Brushaber v Union Pacific R/R, 240 U.S. 1, 17; 36 S.Ct. 236, 241. "Income has been taken to mean the same thing as used in the Corporation Excise Tax of 1909 (36 Stat. 112). The worker does not receive a profit or gain from his/her labors-merely an equal exchange of funds for services"

Central Illinois Publishing Service v. U.S., 435 U.S. 21 "Decided cases have made the distinction between wages and income and have refused to equate the two."

Anderson Oldsmobile, Inc. vs Hofferbert, 102 F Supp 902 "Constitutionally the only thing that can be taxed by Congress is "income." And the tax actually imposed by Congress has been on net income as distinct from gross income. THE TAX IS NOT, NEVER HAS BEEN, AND COULD NOT CONSTITUTIONALLY BE UPON "GROSS RECEIPTS" ..."

ROBERTA: WELLS: SSN # 7552, 1999 1040A Page 10 of 11

ATTACHMENT D (PAGE 4/5)

COURT STATEMENTS (CONTINUED)

Conner v US, 303 F Supp 1187 Federal District Court, Houston, never overruled.
"..whatever may constitute income, therefore, must have the essential feature of gain to the recipient. This was true at the time of *Eisner V Macomber*, it was true under section 22(a) of the Internal Revenue Code of 1938, and it is likewise true under Section 61(a) of the IRS code of 1954. If there is not gain, there is not income, CONGRESS HAS TAXED INCOME, NOT COMPENSATION"!!!

Bowers vs Kerbaugh-Empire Co., 271 US 174D "Income" has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the Sixteenth Amendment and in the various revenue acts subsequently passed"

Brushaber v. Union Pacific R.R. Co., 240 U.S. 1 "The conclusion reached in the Pollock Case did not in any degree involve holding that income taxes generically and necessarily came within the class of direct taxes on property, but on the contrary recognized the fact that taxation on income was in its nature an excise entitled to be enforced as such..."

Simms v. Ahrens, 271 SW 720 "An income tax is neither a property tax nor a tax on occupations of common right, but is an EXCISE tax...The legislature may declare as 'privileged' and tax as such for state revenue, those pursuits not matters of common right, but it has no power to declare as a 'privileged' and tax for revenue purposes, occupations that are of common right."

Eisner v. Macomber, 252 US 189 US Supreme court, never overruled >"...the definition of 'income' approved by this court is: The gain derived from capital, from labor, or from both combined, provided it be understood to include profits gained through sale or conversion of capital assets."

ATTACHMENT D (Page 5/5)

COURT STATEMENTS CONTINUED

Laureldale Cemetery Assoc. vs Matthews, 345 Pa. 239; "Reasonable compensation for labor or services rendered is not profit"

Schuster v. Helvering, 121 F 2nd 643 "Income is realized gain."

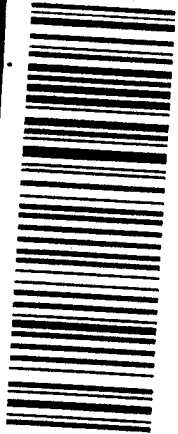
Butchers' Union Co. v. Crescent City Co., 111 U.S. 746. 1883. One of the most eloquent opinions ever delivered by the Court.. "Among these unalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVOLABLE..."

Pollack v. Farmers Loan, The Corporate Excise Tax of 1909 was a 2% tax on PROFITS OF CORPORATIONS. The Supreme Court had, in POLLOCK v. FARMERS LOAN , in 1894, ruled as UNCONSTITUTIONAL the EXACT SAME KIND OF TAX MOST AMERICANS ARE NOW PAYING! [A direct tax without apportionment.] This decision has NEVER been overturned! Both BEFORE and AFTER the sixteenth amendment passed (?), THE COURTS SAID INCOME WAS CORPORATE PROFIT! The Separation of powers doctrine says only CONGRESS can collect a tax!

Hansen, Chris. (2002). COURT CASE CITATIONS ON THE NATURE OF "INCOME" [On-Line]. Available: <http://familyguardian.tzo.com/Subjects/Taxes/Evidence/WagesNotTaxable.htm>

CERTIFIED MAIL™

DARRELL & BEVERLY HILL
P.O. BOX 40475
MESA, AZ 85274-0475



7002 2410 0001 3885 5248

U.S. POSTAGE PAID
MESA, AZ 85201
DEC 21 02
AMOUNT \$4.88
000-492-40-12



UNITED STATES
POSTAL SERVICE



9264

73301

INTERNAL REVENUE
SERVICE CENTER
AUSTIN, TX 73301-0014

RETURN RECEIPT
REQUESTED

1 PAUL K. CHARLTON
United States Attorney

2 STEPHEN J. SCHAEFFER
3 Trial Attorney, Tax Division
4 United States Department of Justice
5 Post Office Box 7238, Ben Franklin Station
6 Washington, D.C. 20044
7 Missouri Bar #56833
8 Telephone: (202) 307-2240
9 Fax: (202) 514-6770

10 Attorneys for Plaintiff United States of America

11 IN THE UNITED STATES DISTRICT COURT
12 FOR THE DISTRICT OF ARIZONA
13 PHOENIX DIVISION

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 v.

17 BEVERLY J. HILL and
18 DARRELL J. HILL,
19 individually and doing business as
20 SUPERIOR CLAIMS MANAGEMENT,

21 Defendants.

CV 05 0877 PHX DGC
No.

DECLARATION OF
SHAUNA HENLINE

22 1. I, Shauna Henline, am over the age of 18 and am competent to testify to the
23 contents of this declaration.

24 2. I have worked for the Internal Revenue Service since 1989.

25 3. I am currently a Technical Advisor for the Frivolous Return Program
26 (FRP), Ogden Compliance Services Campus, Examination, Service Center Support
27 Operation. This position includes responsibility for the identification and development of
28 preparer/promoter investigations under Internal Revenue Code (26 U.S.C.) §§ 6700,
6701, 7407, and 7408. I have worked in this position since April of 2003. Prior to taking
this position, I was a Team Manager in the FRP for approximately 18 months. Prior to
that time, I was a Lead Tax Examining Assistant in the FRP. For the bulk of the

1 remainder of my career with the IRS, I worked as a Tax Examining Assistant in the
2 Criminal Investigation Branch in the Ogden Service Center.

3 4. The IRS has centralized the FRP in Ogden, Utah. The IRS started this
4 centralization in August 2000 and completed the centralization process by January 2001.
5 This program has the responsibility to identify returns filed with the IRS which qualify as
6 frivolous returns subject to the penalty imposed by Congress under IRC § 6702. In
7 § 6702, Congress directed the imposition of the penalty when an individual files an
8 income tax return or what purports to be a return which asserts frivolous arguments or
9 positions. The FRP notifies the taxpayer of the need to correct a return or have the
10 penalty imposed. Unless the taxpayer files a good return, the FRP assesses the penalty
11 under § 6702. The FRP then reviews these returns for audit and, when appropriate, issues
12 a notice of deficiency.

13 5. In my role as the Technical Advisor, I am responsible for numerous duties,
14 including answering difficult technical questions, providing support to field offices
15 conducting preparer and promoter investigations, identifying promotions, developing
16 preparer and promoter investigations, conducting these investigations when warranted,
17 seeking counsel advice when new issues arise, and seeing to it that the opinions are
18 incorporated into new processes. Accordingly, I am familiar with the IRS activities
19 relating to frivolous tax returns as well as preparer and promoter activity related to the
20 frivolous filings.

21 6. Since April 2003, when my position was created, the IRS has recognized
22 and referred to the FRP at least 253 frivolous filings of returns and claims prepared by
23 Darrell Hill, Beverly Hill, and/or Superior Claims Management. The last known return
24 was filed in November 2004. This number continues to grow. Many of these filings are
25 duplicates of previous filings.

26 7. Most customers of the Hills are located in Arizona. Others are found in
27 California and North Carolina.

1 8. The claims total over \$1.2 million, either in claimed refunds or frivolous
2 deductions.

3 9. The IRS has responded to most, if not all, of these claims and notified the
4 Hills' customers that the position is frivolous and may result in the assertion of frivolous
5 return penalties. Many of these notices have resulted in further frivolous filings of claims
6 and correspondence received from the Hills.

7 10. To date, audits on returns prepared by the Hills have resulted in additional
8 tax assessments of \$85,832 due to unreported income or improperly claimed deductions.
9 This figure excludes penalties and interest. This figure is an extremely conservative
10 estimate of the total additional tax assessment of the promotion, because of the 22
11 customers examined by the FRP (other than the Hills themselves), only four have had
12 their audits completed to assessment.

13 11. In early 2004, the IRS issued Revenue Ruling 2004-29 that included
14 information regarding the type of filings being submitted by the Hills. The revenue ruling
15 states in part, "This revenue ruling emphasizes to taxpayers, and to promoters and return
16 preparers who assist taxpayers with this scheme, that there is no 'claim of right' doctrine
17 that permits an individual to take the position that either the individual or the individual's
18 income is not subject to federal income tax. This argument has no merit and is frivolous."

19 12. Despite this pronouncement and other information published by the IRS, the
20 IRS continues to receive frivolous claims for refund based on this erroneous
21 interpretation of the claim of right doctrine.

22 13. Because this interpretation of the Internal Revenue Code is based on false
23 assertions that can be recognized by IRS employees, the claims for refund are normally
24 rejected. If a taxpayer continues to assert a claim for refund, a \$500 penalty for filing a
25 frivolous return is imposed pursuant to I.R.C. § 6702.

26 14. Although the IRS attempts to identify returns asserting these frivolous and
27 illegitimate positions before refunds are issued, the IRS has issued erroneous refunds to
28

1 taxpayers because the IRS failed to recognize that the returns claimed refunds based on
2 these frivolous bases. In the 2003 processing year alone, the IRS currently estimates that
3 at least 21 refunds have been issued in an approximate total of \$200,000 based upon
4 returns and claims filed by the Hills. This figure is a conservative estimate of the total,
5 because the IRS is still investigating whether other erroneous refunds have been issued.
6 The IRS has recovered some of this money from either voluntary return of erroneous
7 refunds or the issuance of notices of deficiency.

8 15. Even when the IRS identifies returns claiming refunds on these frivolous
9 grounds prior to issuing a refund, the filing of such returns impedes the ability of the IRS
10 to enforce the internal revenue laws and places a severe burden on the IRS. The FRP
11 receives thousands of returns each year and must process correspondence to and from
12 taxpayers related to those returns. For, example, in fiscal year 2004, the FRP received a
13 total of over 12,500 frivolous returns and claims. Upon receipt of a frivolous return, the
14 FRP sends a letter to the taxpayers inviting them to change their position and file a good
15 return. If the taxpayer does not file a good return, the FRP assesses a frivolous return
16 penalty under I.R.C. § 6702 and sends notice of the assessment to the taxpayer. The FRP
17 then audits the taxpayers who have filed the frivolous return or claim and generally must
18 issue a notice of deficiency to the taxpayer before making an assessment of the tax due
19 from the taxpayer for the given year. The IRS must then assign the assessed taxes and
20 penalties for collection. Often these taxpayers request administrative collection due
21 process review of the action to collect the frivolous return penalty or the assessment for
22 the tax due.

23 16. These frivolous filings create other administrative burdens including the
24 following:

- 25 a. Often the taxpayers who file frivolous returns or claims send the IRS other
26 correspondence asserting frivolous positions or arguments. Someone at the
27 IRS has to take the time to receive and review this correspondence and


1 forward it to the FRP. The FRP then has to review and otherwise deal with
2 this correspondence.

- 3 b. The FRP must develop and provide training for IRS employees around the
4 country to help them identify and know how to initially process frivolous
5 returns, claims, and other correspondence received from taxpayers.
- 6 c. Some of these taxpayers allege that IRS employees have taken action which
7 violates one of the ten prohibited acts found in section 1203 of the Revenue
8 and Reform Act of 1998 which requires referral for review of possible
9 employee misconduct. Someone must then take the time to investigate the
10 allegations to determine if the allegations have any merit. These
11 investigations have repeatedly found no valid basis for the section 1203
12 allegations.
- 13 d. Attorneys of the Office of Chief Counsel, IRS, must provide legal advice to
14 the FRP on how to deal with new frivolous arguments and assertions made
15 by taxpayers in returns, claims, and other correspondence.
- 16 e. The FRP must coordinate with and provide information to the Appeals
17 Office of the IRS in connection with requests by taxpayers for review of
18 administrative action taken by the FRP.
- 19 f. The FRP must coordinate with and provide information to the employees of
20 the Taxpayer Advocate Office for the IRS when taxpayers claim they
21 should receive administrative relief from administrative actions taken by the
22 FRP.
- 23 g. The FRP must provide information to members of Congress when they
24 receive complaints from constituents about administrative actions taken on
25 their frivolous claims or returns.
- 26 h. The IRS tax technician that initially reviews a frivolous return or claim
27 asserting a "claim of right" position must look at every page of material sent
28

1 by the taxpayer. It takes approximately four hours for IRS employees to
2 examine, respond to, and otherwise disallow and process the frivolous
3 return. The administrative cost of working the Superior Claims
4 Management filings totals over \$48,000. This figure increases with
5 additional filings being submitted and received by the Service. This
6 estimate does not include the cost of any collections after a tax assessment,
7 any overhead, or any cost for the other administrative processes described
8 above.

9
10 I declare under penalty of perjury that the foregoing is true and correct.

11 DATED this 24th day of February, 2005.

12
13 
14 SHAUNA HENLINE
15 Technical Advisor, Frivolous Return Program
16 Internal Revenue Service
17
18
19
20
21
22
23
24
25
26
27
28

1 PAUL K. CHARLTON
United States Attorney
2
3 STEPHEN J. SCHAEFFER
Trial Attorney, Tax Division
United States Department of Justice
4 Post Office Box 7238, Ben Franklin Station
Washington, D.C. 20044
5 Missouri Bar #56833
Telephone: (202) 307-2240
6 Fax: (202) 514-6770
7 Attorneys for Plaintiff United States of America

8
9 IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA
10 PHOENIX DIVISION

11 UNITED STATES OF AMERICA,)
12 Plaintiff,)
13 v.)
14 BEVERLY J. HILL and)
15 DARRELL J. HILL,)
individually and doing business as)
16 SUPERIOR CLAIMS MANAGEMENT,)
Defendants.)

No.)

DECLARATION OF)
MARION L. GOYETTE)

- 17
- 18 1. I, Marion L. Goyette, am over the age of 18 and am competent to testify to
19 the contents of this declaration.
- 20 2. I am a paralegal with the United States Department of Justice, Tax Division,
21 in Washington, D.C.
- 22 3. I have examined the website, www.getmytaxesback.com. The website
23 appears to be that of Superior Claims Management. The website also lists the name, post
24 office box, and phone number of Darrell J. and Beverly J. Hill as contacts. As of the date
25 of this declaration, the website is active. Printouts from this website are attached to this
26 declaration as Exhibit A.

27
28

1 4. Darrell J. Hill and Beverly J. Hill registered Superior Claims Management
2 as a trade name with the Arizona Secretary of State. The state lists them as owners of this
3 trade name.

4 5. According to www.networksolutions.com, a registrar of internet domain
5 names, the website, www.getmytaxesback.com, is registered to Darrell and Beverly Hill.

6 6. The website describes Superior Claims Management as “Tax Refund
7 Specialists.”

8 7. According to the website, Superior Claims Management offers tax
9 preparation services to the public. It offers to fix all problems with the IRS including the
10 failure to file a tax return, the failure to pay taxes, and the opposition to IRS liens and
11 levies. Superior Claims Management describes itself as “your personal representative” to
12 “fix it all.”

13 8. Superior Claims Management also offers on the website to file tax returns
14 to recover previously paid taxes. The website states that “We Put Your Past Taxes in
15 Your Bank!!!”

16 9. Instructions and forms are provided to potential customers on the website to
17 get “money(s) back.” Separate instructions are given for customers who have not filed
18 returns and require filing original returns and for customers who have filed returns and
19 require filing amended returns.

20 10. Superior Claims Management states that there is no risk in asking for
21 customers’ “money back.” The website states that “our procedures are legitimately filed
22 with the taxing entities. We involve and engage the agencies forthrightly. Hopefully they
23 will follow the law; at the worst, all they can say is ‘no.’ That costs you nothing.”

24 11. The website also states, “‘Taxable profit’ is taxable as ‘taxable income.’
25 Not all income is profit.” It further states, “Wage earnings are not ‘taxable profit.’” and
26 that most people have erroneously been overpaying taxes their entire lives.


1 12. Superior Claims Management does not claim on the website that it relies on
2 knowledgeable professionals to arrive at their conclusions.

3 13. Enrolling the services of Superior Claims Management requires that a
4 customer give Darrell J. Hill and Beverly J. Hill a power of attorney to represent the
5 customer before the IRS. The website also instructs customers to contact the Hills in the
6 event that federal agents "circumvent" them "in order to disallow [the] claim, confuse the
7 issue, and defer prompt reimbursement proceedings."

8 14. In return, customers must give Darrell J. Hill and Beverly J. Hill 25% of
9 any refund paid to the customer.

10
11 I declare under penalty of perjury that the foregoing is true and correct.

12 DATED this 21st day of March, 2005.

13
14
15 
16 MARION L. GOYETTE
17 Paralegal, Tax Division
18 United States Department of Justice
19
20
21
22
23
24
25
26
27
28

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home

Click Here To Start

Links

FAQs

Contact Us

En Español

**Did Not File Your Tax Returns? No Problem.
Did Not Pay Your Taxes? No Problem.
Liens, Levies from the I.R.S.? No Problem**

**AS YOUR PERSONAL REPRESENTATIVE
WE FIX IT ALL: NO MONEY DOWN & NOTHING TO LOSE**

- 1. We recognize that many citizens pay too much tax because they don't understand the tax laws. (I.R.S., 2002)**
- 2. We recover tax for our clients: wage earners, employees, self-employed, contractors, and the like.**
- 3. We get a fee only if we get your money back!!**

**We Put Your
Past Taxes
in Your Bank!!!**



IRSREFUNDBIZCARD

The Laws Shall Change To Keep Your Money

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.



SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home

Click Here To Start

Links

FAQs

Contact Us



What You Need

to get your back taxes reimbursed to you

Step By Step Instructions (Print this out first)

Authorization to Sign and Endorse

Confidentiality Statement

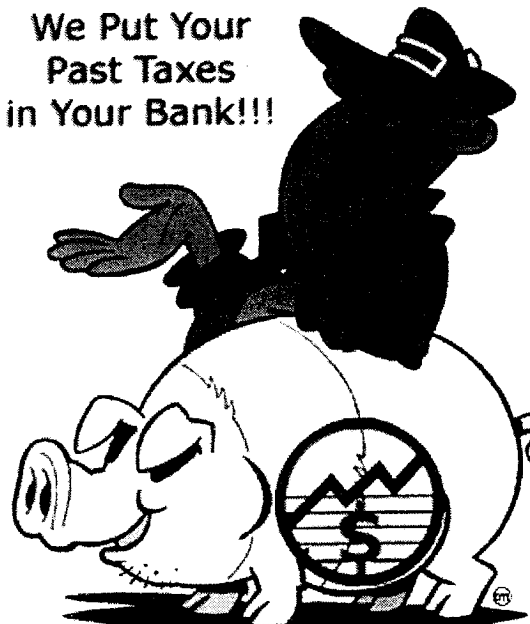
Contingency Agreement Contract

Document Needs List

Client Referral Sheet

Client Referral Sheet (Español)

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home | Click Here To Start | Links | FAQs | Contact Us




What You Need
to get your back taxes reimbursed to you

**We Put Your
Past Taxes
in Your Bank!!!**



IRSREFUNDBIZCARD

- Step By Step Instructions (Print this out first)
- [Authorization to Sign and Endorse](#)
- [Confidentiality Statement](#)
- [Contingency Agreement Contract](#)
- [Document Needs List](#)
- [Client Referral Sheet](#)
- [Client Referral Sheet \(Español\)](#)

Printable Version - .pdf (56 KB) 

Superior Claims Management
Tax Refund Specialists

Step By Step Instructions

CHECKOFF THE ITEMS AS YOU COMPLETE THEM

- a. _____ Print out documents: 1, 2, 3, 4 & 5 under "CLICK HERE TO START"
- b. _____ Complete 'SECTION A' below
- c. _____ Have notarized the "AUTHORIZATION TO SIGN AND ENDORSE"
You will need ID verification for your self and for your social security/ tax ID number.
- d. _____ Sign the "CONTINGENCY FEE AGREEMENT"
- e. _____ Read the "CONFIDENTIALITY STATEMENT"
- f. _____ Study the "DOCUMENT NEEDS LIST", i.e., what you need to send to us in 'SECTION B'
- g. _____ List all income related documents you have in 'SECTION B'
- h. _____ Send a photocopy of all forms listed in 'SECTION B'

Section A: _____

NAME _____ (SOC SEC./TAX ID NO.) _____
 NAME _____ (SOC SEC./TAX ID NO.) _____
 ADDRESS _____
 CITY _____ STATE _____ ZIP _____
 EMAIL ADDRESS _____
 PHONE NUMBER(S) _____
 BEST TIMES TO CALL? _____

Section B: _____

WHAT FORMS AND/ OR DOCUMENTS YOU ARE SENDING? _____

(FOR EXAMPLE: YEAR(S): 1993 FORM(S): FED 1040EZ, CA 540, W-2s, I.R.S LETTER)*

YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____
YEAR: _____	FORM(S): _____

* add additional pages as necessary

[back to top](#)

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

[Home](#)

[Click Here To Start](#)

[Links](#)

[FAQs](#)

[Contact Us](#)



What You Need

to get your back taxes reimbursed to you

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

[Step By Step Instructions \(Print this out first\)](#)

[Authorization to Sign and Endorse](#)

[Confidentiality Statement](#)

[Contingency Agreement Contract](#)

[Document Needs List](#)

[Client Referral Sheet](#)

[Client Referral Sheet \(Español\)](#)



[Printable Version - .pdf \(55.6 KB\)](#)

AUTHORIZATION TO SIGN AND ENDORSE

Re: Client Name: _____

Date of Authorization: _____

I hereby authorize my personal representative, Darrell J. Hill, or Beverly J. Hill, to sign or endorse myself on all necessary forms, releases and refund drafts in connection with my federal and state taxation issues arising out of their duties regarding my past and present taxation matters.

Client _____ SSN/TIN (soc sec no./tax ID no.) _____ Date _____

State of: _____

} ss

County of: _____

On this _____ day of _____ (month), _____ (year), before me personally appeared

_____, and proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument, and acknowledged that he/she executed it.

My Commission Expires: _____ Notary Public _____

[back to top](#)

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

[Home](#)[Click Here To Start](#)[Links](#)[FAQs](#)[Contact Us](#)

What You Need

to get your back taxes reimbursed to you

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

[Step By Step Instructions \(Print this out first\)](#)

[Authorization to Sign and Endorse](#)

[Confidentiality Statement](#)

[Contingency Agreement Contract](#)

[Document Needs List](#)

[Client Referral Sheet](#)

[Client Referral Sheet \(Español\)](#)



[Printable Version - .pdf \(89.4 KB\)](#)

SUPERIOR CLAIMS MANAGEMENT respects the privacy interests of its clients. We are committed to protecting any information you provide.

We Are Committed to Safeguarding Customer Information

In order to provide the client services you request from us, we may also obtain client reports and other information from the federal and state taxation entities.

We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize such information. Be assured that Superior Claims Management takes extreme precautions in protecting the privacy of this information. Therefore, we have adopted this Privacy Policy to govern the use and handling of you personal information.

This Privacy Policy governs our use of the information which you provide to us or we otherwise obtain in providing services to you.

Personal Information

Superior Claims Management collects personal information from you. This information may include your name, mailing address (current and previous), your Social Security number, date of birth, phone number, the name of your employer, and other information.

Under no circumstances will we provide or disclose any information regarding your financial matters or history.

We **do not** share, disclose or sell any information that can be used to authenticate your identity such as your Social Security number, Date of Birth or mother's maiden name without your expressed consent.

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide services to you. We will use our best efforts to ensure that your information will be handled responsibly and in accordance with this Privacy Policy.

Please send any questions you may have to:

Superior Claims Management
P.O. Box 40475
Mesa, AZ 85274-0475

E-mail: SuperiorClaims@aol.com

SUPERIOR CLAIMS MANAGEMENT
Tax Refund Specialists

[back to top](#)

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

[Home](#)[Click Here To Start](#)[Links](#)[FAQs](#)[Contact Us](#)

What You Need

to get your back taxes reimbursed to you

[Step By Step Instructions \(Print this out first\)](#)

[Authorization to Sign and Endorse](#)

[Confidentiality Statement](#)

[Contingency Agreement Contract](#)

[Document Needs List](#)

[Client Referral Sheet](#)

[Client Referral Sheet \(Español\)](#)

[Printable Version - .pdf \(60.0 KB\)](#)



Superior Claims Management

Tax Refund Specialists

Contingent Fee Agreement

This Contingent Fee Agreement (the "Agreement") is entered this _____ day of _____ (month), _____ (year) by and between _____ SSN/TIN _____ and _____ SSN/TIN _____ (hereinafter "client(s)") and Darrell J. Hill, and/or Beverly J. Hill, (hereinafter "Personal Representative").

1. Employment.

Client hereby employs Personal Representative to identify and manage tax claim(s) for refund (s) and/or reimbursement(s), and/or settlement as authorized by client. Personal Representative is authorized to submit claim(s) directly to the respective agencies for the client (s).

2. Personal Representative's Fees.

Client hereby assigns to Personal Representative, in consideration for Personal Representative's services already performed and to be performed in pursuit of client's claim, a lien of twenty-five percent (25%) of the proceed(s) as a result of client's claim(s).

3. Fee is Contingent.

If no proceed is attained, no fee shall be payable to Personal Representative.

4. Personal Representative Lien.

Client grants Personal Representative a lien of 25% the total proceed(s) attained pursuant to client's claim(s), and associated costs, even in the event that client dismisses Personal Representative or employs new representation. The Personal Representative lien shall continue until Personal Representative's lien is paid.

5. Miscellaneous.

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

5.1 Mailing address. Client shall keep Personal Representative's informed of any changes in client's address and telephone number(s).

5.2 Arbitration. Client and Personal Representative's agree to submit any dispute arising between them, from the terms of this agreement, or from the breach thereof to binding arbitration pursuant to the rules of the American Arbitration Association, or the State of Arizona, whichever may prove applicable.

5.3 Binding Effect. This agreement shall bind the parties hereto, their heirs, successors, or assigns.

5.4 Entire Agreement. This agreement constitutes the entire and complete agreement between the parties.

Having read and understood the foregoing, client and Personal Representative agree to the terms of this Agreement by their signatures placed below.

_____	SSN/TNN _____	_____
Client		Date
_____	SSN/TNN _____	_____
Client		Date
_____		_____
Personal Representative	Date	

[back to top](#)

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003
URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)
© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

[Home](#)

[Click Here To Start](#)

[Links](#)

[FAQs](#)

[Contact Us](#)



What You Need

to get your back taxes reimbursed to you

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

[Step By Step Instructions \(Print this out first\)](#)

[Authorization to Sign and Endorse](#)

[Confidentiality Statement](#)

[Contingency Agreement Contract](#)

[Document Needs List](#)

[Client Referral Sheet](#)

[Client Referral Sheet \(Español\)](#)

Printable Version - .pdf (80.3 KB)



**OUR GOAL IS TO COMPLETE AN
ACCURATE, LEGAL STATEMENT.**

WHAT YOU NEED?

FOR ANY YEAR (S) CONSIDERED:

A. IF YOU DID NOT FILE AN INCOME STATEMENT FOR A YEAR(S), THEN

1. That is not a problem. In this case a W-2(s) is helpful but not essential for federal refund(s).
2. For State filing a W-2(s) information shall be necessary If you are unable to locate your W-2(s), we will help.

B. IF DID YOU FILE AN INCOME STATEMENT (S) FOR A YEAR(S), THEN

1. You will need a copy of your year(s) tax statement form(s).
For example:
-forms 1040, or 1040A or 1040EZ (and schedules),
-attachments (any W-2, 1099, earned income credit (EIC) information).
2. ARE THERE ANY NEW ADJUSTMENTS SINCE YOU FILED A STATEMENT(S)?
-marital status changes for that year?
-changed or amended income statements: W-2, 1099, EIC?
3. HAS A STATEMENT(S) BEEN CHANGED OR AUDITED BY THE IRS?
(sometimes you don't know this.) Documentation?
4. DID YOU PAY AN AMOUNT(S) WITH YOUR ORIGINAL STATEMENT(S)?
If so, how much? Documentation, like checks, etc.?

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS



Home

Click Here To Start

Links

FAQs

Contact Us

<p>TAX REFUND SPECIALISTS</p> <p>WE PUT YOUR PAST TAXES IN YOUR BANK!!!</p> <p>IF YOU DID NOT FILE YOUR TAX RETURNS, <u>NO PROBLEM!</u> IF YOU DID NOT PAY YOUR TAXES, <u>NO PROBLEM!</u> LIENS, LEVIES FROM THE IRS ARE <u>NO PROBLEM!</u></p> <p>SuperiorClaims@aol.com 480.664.1430</p> <p>Darrell & Beverly Hill</p> <p>REFERRED BY: _____</p>  <p>TAX REFUND SPECIALIST</p>	<p>TAX REFUND SPECIALISTS</p> <p>WE PUT YOUR PAST TAXES IN YOUR BANK!!!</p> <p>IF YOU DID NOT FILE YOUR TAX RETURNS, <u>NO PROBLEM!</u> IF YOU DID NOT PAY YOUR TAXES, <u>NO PROBLEM!</u> LIENS, LEVIES FROM THE IRS ARE <u>NO PROBLEM!</u></p> <p>SuperiorClaims@aol.com 480.664.1430</p> <p>Darrell & Beverly Hill</p> <p>REFERRED BY: _____</p>  <p>TAX REFUND SPECIALIST</p>
<p>ALL WORKERS AND RETIREES</p> <p>WE GET YOU MONEY BACK FROM PAST TAXES !!!</p> <p>NO MONEY DOWN & NOTHING TO LOSE</p> <p><u>WE GET A FEE ONLY IF WE GET YOU A REFUND</u></p>	<p>ALL WORKERS AND RETIREES</p> <p>WE GET YOU MONEY BACK FROM PAST TAXES !!!</p> <p>NO MONEY DOWN & NOTHING TO LOSE</p> <p><u>WE GET A FEE ONLY IF WE GET YOU A REFUND</u></p>

Client Referral Sheet Printable Version - .pdf (48.9 KB)

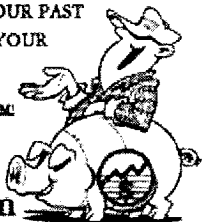


● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003
URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)
© 2003 Superior Claims Management. All Rights Reserved.

**TAX
REFUND
SPECIALISTS**

WE PUT YOUR PAST
TAXES IN YOUR
BANK!!!



IF YOU DID NOT FILE YOUR TAX RETURNS, NO PROBLEM!

IF YOU DID NOT PAY YOUR TAXES, NO PROBLEM!

LIENS, LEVIES FROM THE I.R.S. ARE NO PROBLEM!

SuperiorClaims@aol.com

480.664.1430

REFERRED BY:

OR SEE SUPERIOR CLAIMS

Darrell & Beverly Hill

ALL WORKERS AND RETIREES

WE GET YOU MONEY BACK FROM PAST TAXES !!!

NO MONEY DOWN & NOTHING TO LOSE

WE GET A FEE ONLY IF WE GET YOU A REFUND

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home | Click Here To Start | Links | FAQs | Contact Us

LOS ESPECIALISTAS de la DEVOLUCION de IMPUESTOS

Nosotros ponemos sus IMPUESTOS PASADOS EN SU BANCOS!!!



FUERTE o MANDO SU DECLARACION DE IMPUESTOS, NO SE PROBLEMA Y U
 NO PAGA SUS IMPUESTOS, es los ANOS PASADOS, NO SE PROBLEMA Y U
 Las DECLARACIONES DE TRIBUTOS de IMPUESTOS SON NO PROBLEMA!!!
 USTED NECESITA UN TRADUCTOR.

SuperiorClaims@aol.com
480.664.1430
Darrell & Beverly Hill

REFERRED BY _____
 SUPERIOR CLAIMS

TODOS los TRABAJADORES y RETIRADOS
 NOSOTROS les CONSEGUIMOS DINERO de IMPUESTOS PASADOS!!!
 NO DINERO PARA COMENZAR y NO TIENE BADA que PERDER!!!
 NOSOTROS SOLAMENTE HONORARIOS, SOLO SI USTED OBTIENE UN REEMBOLSO

LOS ESPECIALISTAS de la DEVOLUCION de IMPUESTOS

Nosotros ponemos sus IMPUESTOS PASADOS EN SU BANCOS!!!



FUERTE o MANDO SU DECLARACION DE IMPUESTOS, NO SE PROBLEMA Y U
 NO PAGA SUS IMPUESTOS, es los ANOS PASADOS, NO SE PROBLEMA Y U
 Las DECLARACIONES DE TRIBUTOS de IMPUESTOS SON NO PROBLEMA!!!
 USTED NECESITA UN TRADUCTOR.

SuperiorClaims@aol.com
480.664.1430
Darrell & Beverly Hill

REFERRED BY _____
 SUPERIOR CLAIMS

TODOS los TRABAJADORES y RETIRADOS
 NOSOTROS les CONSEGUIMOS DINERO de IMPUESTOS PASADOS!!!
 NO DINERO PARA COMENZAR y NO TIENE BADA que PERDER!!!
 NOSOTROS SOLAMENTE HONORARIOS, SOLO SI USTED OBTIENE UN REEMBOLSO

Client Referral Sheet Printable Version - .pdf (145 KB)



● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003
 URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)
 © 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home

Click Here To Start

Links

FAQs

Contact Us



Links

1. [Constitution and Amendments](#)
2. [Internal Revenue Code \(United States Code, Title 26\)](#)
3. [Freedom of Information Act \(United States Code, Title 5\)](#)
4. [United States Code, in Entirety](#)
5. [Federalist Papers](#)

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home

Click Here To Start

Links

FAQs

Contact Us



Frequently Asked Questions

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

How do I get my money(s) back?

Follow the Step-by-Step Instructions to get your information to us. As your personal representative, we shall pursue the reimbursement of your erroneously overpaid income taxes.

Do you pursue reimbursement of both federal and state entities?

Yes.

Is there any risk in asking for my money back?

No, our procedures are legitimately filed with the taxing entities. We involve and engage the agencies forthrightly. Hopefully they will follow the law; at the worst, all they can say is "no". That costs you nothing.

What is taxable as "taxable income"?

"Taxable profit" is taxable as "taxable income". Not all income is profit.

Do you accept every case?

No. a) Federal employees factually owe income tax on wages earned from government employ.
No. b) If you knowingly have been concealing truly "taxable income" from the taxing entities, then we may not accept your case. We only go after the funds due you from your erroneously paying too much.

Do I pay taxes?

Yes! Wage earnings are not "taxable profit", however, you do owe FICA and/or SECA and hospitalization on your "gross income" (that's just 15.2% on about everything you earned or received as income up to about \$85,000).

How long have I been erroneously paying too much taxation?

Over 100 years if you are that old! So most of us have been overpaying our entire lives.

We are a couple or married, how many 'Authorizations to Sign and Endorse' should we complete?

Every individual should complete an 'Authorization to Sign and Endorse'.

We are a couple or married, how many 'Contingent Fee Agreements' should we complete?

For couples married for 10 years you may complete a single 'Contingent Fee Agreement'. For couples married less than 10 years, complete one 'Contingent Fee Agreement' for your years together; complete another 'Contingent Fee Agreement' for your years before you were a married couple.

I was married some years back, and I want nothing to do with them!!!

Okay.

Will my tax reimbursements be taxable as "taxable income"?

No. Nor will you owe FICA and/or hospitalization if you have already paid them before when you initially

reported that money.

Will the I.R.S. call and/or send me letters? If so, what should I do?

They will often send you information and try to avoid us (Superior Claims Management). Some federal and state agents will also attempt to circumvent us in order to disallow your claim, confuse the issue, and defer prompt reimbursement proceedings.

If you get a tax entity mailing call then and let us know, send a photocopy by mail or facsimile (fax) a copy to us to avoid delay in service. If you receive phone calls, then refer them to us (SCM), your personal 'representative'.

How much will it cost me to get my money back?

We are paid a contingency fee of 25% of proceeds(s) attained; that is 25% if money is recovered. However, if all your funds are sent to pay for back child support payment, no charge! If all your funds are sent to pay back child support, then no charge.

How long will it take me to get my money back?

Each case is different but it usually takes about 4-6 months.

[back to top](#)

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

SUPERIOR CLAIMS MANAGEMENT

TAX REFUND SPECIALISTS

Home

Click Here To Start

Links

FAQs

Contact Us



Contact Us

Darrell J. & Beverly J. Hill

P.O. Box 40475
Mesa, AZ 85274-0475

480.664.1430

SuperiorClaims@aol.com

We Put Your
Past Taxes
in Your Bank!!!



IRSREFUNDBIZCARD

● P.O. Box 40475 ● Mesa, Arizona ● 85274-0475 ● 480.664.1430 ●

March 2003

URL: [HTTP://www.getmytaxesback.com](http://www.getmytaxesback.com)

© 2003 Superior Claims Management. All Rights Reserved.

MAR 23 2005
IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA
PHOENIX DIVISION

1
2
3 UNITED STATES OF AMERICA,

4 Plaintiff,

5 v.

6 BEVERLY J. HILL and
7 DARRELL J. HILL,
8 individually and doing business as
9 SUPERIOR CLAIMS MANAGEMENT,

Defendants.

No. 05-1007-ABC
PRELIMINARY INJUNCTION
ORDER AGAINST
BEVERLY J. HILL AND
DARRELL J. HILL

10 Upon motion by the plaintiff, United States of America, and based on the
11 evidence presented in that motion and at the hearing held on this matter, a
12 preliminary injunction is hereby entered against defendants Beverly J. Hill and
13 Darrell J. Hill, individually and doing business as Superior Claims Management.
14 The Court finds and orders as follows.

15 **Standards for Preliminary Injunction**

16 In order to obtain a preliminary injunction to enjoin a person from acting as
17 an income tax return preparer pursuant to 26 U.S.C. (Internal Revenue Code,
18 "I.R.C.") § 7407, the United States must show that defendants have continually or
19 repeatedly engaged in conduct subject to penalty under I.R.C. §§ 6694 or 6695 or
20 have continually and repeatedly engaged in other fraudulent or deceptive conduct
21 substantially interfering with the administration of the tax laws. The United States
22 must also show that a narrower injunction prohibiting only specific misconduct
23 would be insufficient. In order to obtain a preliminary injunction pursuant to
24 I.R.C. § 7408, the United States must show that defendants engaged in conduct
25 subject to penalty under I.R.C. § 6701 and that injunctive relief is appropriate to
26 prevent the recurrence of such conduct. The Court may issue a preliminary
27 injunction under I.R.C. § 7402 "as may be necessary or appropriate for the
28 enforcement of the internal revenue laws."

Findings of Fact

1
2 1. This Court has jurisdiction over the parties and subject matter of this
3 case.

4 2. Defendants Beverly J. Hill and Darrell J. Hill operate and conduct
5 business as Superior Claims Management.

6 3. According to its promotional material, Superior Claims Management
7 provides tax services to the public including the filing of original or amended tax
8 returns. They charge 25% of the amount of any return received as a result of their
9 efforts.

10 4. Defendants have prepared and filed tax returns that omit wage
11 income from the calculation of taxable income and assert that wage income is not
12 taxable profit. They have prepared and filed at least 253 returns that have sought
13 refunds totaling more than \$1.2 million dollars.

14 5. Defendants' argument that wage income is not taxable profit is
15 frivolous and has no basis in the law. Their statements concerning the effects of
16 the argument are false. Defendants knew or had reason to know that their
17 statements were false. Because they relate to the availability of the calculation of
18 tax liability, these statements also pertained to a material matter.

19 6. By preparing returns for their customers, defendants have aided or
20 assisted in the preparation of tax returns. Defendants knew or had reason to know
21 that the returns would be used in connection with the determination of their
22 customers' tax liabilities, a material matter, and that the returns would result in an
23 understatement of their customers' tax liabilities.

24 7. Defendants have prepared and submitted tax returns without
25 providing their names or the names of their firm as the return preparer and without
26 including their identifying numbers on the tax returns.

1 8. Defendants' activities substantially interfere with the administration
2 of the tax laws.

3 9. Defendants' activities undermine public confidence in the fairness of
4 the federal tax system and incite violations of the internal revenue laws. They
5 cause the Government irreparable harm. The Government's remedies at law are
6 inadequate.

7 10. Injunctive relief is appropriate and necessary to prevent defendants
8 from promoting services that interfere with tax enforcement future and from future
9 occurrences of this conduct.

10 **Conclusions of Law**

11 1. Based upon the factual findings and evidence presented by the
12 parties, the Court also finds that Beverly J. Hill and Darrell J. Hill, individually
13 and doing business as Superior Claims Management, have continually and
14 repeatedly engaged in conduct in violation of I.R.C. §§ 6694 and 6695 and have
15 continually and repeatedly engaged in other fraudulent or deceptive conduct
16 substantially interfering with the administration of the tax laws. The Court also
17 finds that a narrower injunction prohibiting only this specific misconduct would be
18 insufficient.

19 2. Accordingly, the Court finds that Beverly J. Hill, Darrell J. Hill, and
20 any business or entity through which they operate, and all those in active concert or
21 participation with them, should be preliminarily enjoined from acting as income
22 tax return preparers under I.R.C. § 7407.

23 3. The Court finds that Beverly J. Hill and Darrell J. Hill have engaged
24 in conduct in violation of I.R.C. § 6701, and that injunctive relief is appropriate to
25 prevent the recurrence of that conduct.

26 4. Accordingly, the Court finds that Beverly J. Hill and Darrell J. Hill,
27 individually and doing business as Superior Claims Management, and all those in
28

1 active concert or participation with them, should be preliminarily enjoined under
2 I.R.C. § 7408.

3 5. The Court further finds that Beverly J. Hill and Darrell J. Hill have
4 engaged in conduct that interferes with the enforcement of the internal revenue
5 laws, and that the United States and the public will suffer irreparable harm in the
6 absence of a preliminary injunction. Based on the evidence and argument
7 presented, the United States has a high likelihood of success on the merits and
8 defendants' position is frivolous. The public interest will be served by granting a
9 preliminary injunction.

10 6. Also, it is evident that defendants will continue to violate the Internal
11 Revenue Code absent an injunction.

12 7. Accordingly, the Court finds that Beverly J. Hill, Darrell J. Hill,
13 individually and doing business as Superior Claims Management, and any business
14 or entity through which they operate, and all those in active concert or participation
15 with them, should be preliminarily enjoined under I.R.C. § 7402(a).

16 Order

17 Based on the foregoing factual findings and for good cause shown, entry of
18 a preliminary injunction is appropriate. Therefore,

19 IT IS HEREBY ORDERED that Defendants Beverly J. Hill, Darrell J. Hill,
20 individually and doing business as Superior Claims Management, or as any other
21 entity, and their representatives, agents, servants, employees, attorneys, and those
22 persons in active concert or participation with them, are preliminarily enjoined
23 from directly or indirectly:

- 24 (1) Acting as a federal tax return preparer or requesting, assisting in or
25 directing the preparation and/or filing of federal tax returns for any
26 person or entity other than themselves, or appearing as a
27 representative on behalf of any person or organization whose tax
28

1 liabilities are under examination or investigation by the Internal
2 Revenue Service;

- 3 (2) Understating customers' tax liabilities as penalized by I.R.C. § 6694;
4 (3) Failing to list a tax identification number or to sign tax returns for
5 which either defendant is a tax-return preparer as penalized by I.R.C.
6 § 6695;
7 (4) Engaging in activity subject to penalty under I.R.C. § 6701,
8 including preparing or assisting in the preparation of a document
9 related to a matter material to the internal revenue laws that includes
10 a position that they know would result in an understatement of tax
11 liability; and
12 (5) Engaging in other conduct that interferes with the administration and
13 enforcement of the internal revenue laws.

14 Further, IT IS HEREBY ORDERED that defendants, at their own expense,
15 contact by mail and, if an e-mail address is known, by e-mail all persons for whom
16 they prepared a federal tax return to inform them of the Court's findings
17 concerning the falsity of the defendants' prior representations and provide a copy
18 of this Preliminary Injunction Order to those persons, and to file with the Court,
19 within 20 days of the date of this Order, a certification that they have done so.

20 Further, IT IS HEREBY ORDERED that defendants produce to counsel for
21 the United States within 15 days a list that identifies by name, social security
22 number, address, e-mail address, and telephone number and tax period(s) all
23 persons for whom they prepared federal tax returns or claims for refund since
24 January 1, 2002, and to file with the Court, within 20 days of the date of this
25 Order, a certification that they have done so.

26 Further, IT IS HEREBY ORDERED that defendants and their
27 representatives, agents, servants, employees, attorneys, and those persons in active
28

1 concert or participation with him, remove within 11 days from their websites,
2 including www.getmytaxesback.com, all materials advertising their services as
3 income tax preparers or consultants and all false and fraudulent statements
4 concerning the meaning and application of the internal revenue laws, including
5 (but not limited to) any reference to the argument that income from wages is not
6 includible in taxable income; to display prominently on the first page of those
7 websites a complete copy of this Order in not less than 12-point type; and to
8 maintain the websites, at their own expense, for one year with a complete copy of
9 the Court's preliminary injunction so displayed throughout that time; and to file
10 with the Court, within 35 days of the date of this Order, a certification that they
11 have done so.

12
13 Dated this _____ day of _____, 20__.

14
15 _____
16 United States District Judge
17
18
19
20
21
22
23
24
25
26
27
28