

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

UNITED STATES OF AMERICA,)	
)	Civil No. 05-081-S-BLW
Plaintiff,)	
)	
v.)	
)	
MICHAEL LEE YOHE; AG-MART)	
SERVICES, INC.; MICHAEL A.)	FINAL JUDGMENT OF
THOMPSON; and MANCAT, INC.,)	PERMANENT INJUNCTION
)	
Defendants.)	
_____)	

The United States of America has filed a complaint for permanent injunction in this matter against defendants Michael Lee Yohe; Ag-Mart Services, Inc.; Michael A. Thompson; and Mancat, Inc. Defendant Thompson died and has been dismissed from this suit. Defendants Yohe, Ag-Mart and Mancat (collectively hereinafter “the defendants”) hereby consent to the entry, without further notice, of this Final Judgment of Permanent Injunction.

The defendants state that they enter into this Final Judgment of Permanent Injunction voluntarily, and waive the entry of findings of fact and conclusions of law. The defendants also waive any right they may have to appeal from this Final Judgment of Permanent Injunction.

NOW, THEREFORE, it is accordingly ORDERED, ADJUDGED AND DECREED that:

1. The Court has jurisdiction over this action pursuant to §§ 1340 and 1345 of Title 28 of the United States Code, and §§ 7402 and 7408 of the Internal Revenue Code of 1986, as amended (26 U.S.C.) (“I.R.C.”).
2. The defendants, individually and doing business as any entity, and any officers, agents, servants, employees, attorneys, and persons in active concert or participation with them,

who receive actual notice of this order, are permanently enjoined from, directly or indirectly, by use of any means or instrumentalities:

- (a) Organizing, promoting, marketing, or selling any tax shelter, plan or other arrangement that helps customers attempt to violate the internal revenue laws or unlawfully evade the assessment of their federal tax liabilities;
- (b) Organizing, promoting, marketing, or selling any program using or advocating in-kind payments in lieu of cash or cash-equivalent wages;
- (c) Causing or advising other persons and entities to understate their federal tax liabilities and avoid paying federal taxes;
- (d) Further engaging in any conduct subject to penalty under I.R.C. § 6700, *i.e.*, making or furnishing, in connection with the organization or sale of a tax shelter, plan, or arrangement, a statement defendants know or have reason to know is false or fraudulent as to any material matter;
- (e) Further engaging in any conduct subject to penalty under I.R.C. § 6701, *i.e.*, aiding, assisting, or advising with respect to the preparation or presentation of any portion of a return or other document knowing that such assistance or advice will result in the understatement of another person's tax liability; and
- (f) Further engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws.

3. The defendants Ag-Mart Services, Inc. and Mancat, Inc., at their own expense and as a corrective measure, shall dissolve, close, and otherwise stop operating all professional employer organizations, labor management companies, employee leasing companies and payroll service companies that they own, manage, or control.

4. The defendants Ag-Mart Services, Inc. and Mancat, Inc., are enjoined from organizing or establishing any new corporation or other entity which is, in substance, a professional employer organization, labor management company, employee leasing company or payroll

service company. This prohibition includes, but is not limited to serving as an organizer, owner, incorporator, officer, or director.

5. The defendants Ag-Mart Services, Inc. and Mancat, Inc., are enjoined from volunteering for, working for, consulting for, or being in any way affiliated or associated, directly or indirectly, with any and all professional employer organizations, employee leasing companies, labor management companies and payroll service companies. These defendants shall not, now or anytime hereafter, volunteer for, work for, consult for, or be in anyway affiliated or associated, directly or indirectly, with any and all professional employer organizations, employee leasing companies, labor management companies and payroll service companies.

6. Defendants Yohe, Ag-Mart Services, Inc., and Mancat, Inc., at their own expense and as a corrective measure, are to take the following action and file with the Court a certificate of compliance stating that they have done so within 11 days of entry of this injunction order:

- Provide a copy of the complaint and this injunction order to each of their customers, current and former, including dairy farms and their employees;
- Serve on the government's counsel a complete list of customers (including names, mailing addresses, e-mail addresses, phone numbers, and social security numbers or employer identification numbers), including both current and former customers, including dairy farms and their employees, who have participated in the "in-kind payment" program described in the complaint, or any other type of tax planning arrangement marketed or organized by defendants, or who have sought or received any tax advice from defendants;
- Serve on the government's counsel a complete list (including names, mailing addresses, e-mail addresses, phone numbers, and social security numbers or employer identification numbers) of defendants' former and current employees and associates.

7. The defendants shall, at their own expense, cooperate with and assist their current and former dairy farm customers with filing corrected IRS Forms 941, W-2 and other documents, if the customers request the defendants' assistance;

8. The United States shall be permitted to engage in post-injunction discovery to monitor defendants' compliance with this injunction order.

9. Each party shall bear its own costs and attorneys' fees.

DATED: **October 24, 2005**



B. Lynn Winmill

B. LYNN WINMILL
Chief Judge
United States District Court

Agreed and Submitted by:

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