

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 v. )  
 MICHAEL BRIER, )  
 JEFFREY SROUFE, )  
 ESTHER SANTIAGO, )  
 CARMEN MIRANDA, )  
 REFUNDS NOW, INC., )  
 RNTS, INC., (a/k/a REFUNDS NOW TAX )  
 SERVICE, INC., )  
 FTIRS, INC., )  
 POTIRS, INC., and )  
 IHIRS, INC., )  
 Defendants. )

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Civil No. CA09-607 (ML)

**ORDER OF PERMANENT INJUNCTION**

Plaintiff United States of America (“the government”) filed a complaint against defendants Michael Brier, Jeffrey Sroufe, Esther Santiago, Carmen Miranda, Refunds Now, Inc., RNTS, Inc. (a/k/a Refunds Now Tax Service, Inc.), FTIRS, Inc., POTIRS, Inc., and IHIRS, Inc. (collectively the “Defendants”) seeking a permanent injunction barring Defendants from preparing federal income tax returns, amended federal income tax returns, and other related documents and forms for others; filing federal income tax returns for others, representing customers before the Internal Revenue Service (“IRS”); advising, assisting, counseling, or instructing anyone about the preparation of a federal income tax return; engaging in any activity subject to penalty under 26 U.S.C. §§ 6694, 6695, or 6701; promoting tax fraud schemes or other plans or arrangements that advise or encourage taxpayers to attempt to evade the assessment or collection of federal income taxes; or engaging in conduct that substantially interferes with the

proper administration and enforcement of the internal revenue laws. The Court conducted a preliminary injunction hearing over a four-day period in May and June of 2010. On November 5, 2010, the Court issued a preliminary injunction order that: (1) barred Defendants (with the exception of Carmen Miranda) from acting as federal income tax return preparers and engaging in conduct subject to penalty under the Internal Revenue Code or other conduct that interferes with the administration and enforcement of the internal revenue laws; (2) barred Defendants (with the exception of Carmen Miranda and Esther Santiago) from applying for or using an Electronic Filing Identification Number (“EFIN”); and (3) barred Defendants (with the exception of Jeffrey Sroufe, Carmen Miranda, and Esther Santiago) from engaging in conduct subject to penalty under 26 U.S.C. §§ 6694 and 6695, including failing to furnish a tax identification number on a tax return and understating tax liabilities. (Docket Entry No. 32.)

On January 31, 2011, the Court held a hearing on the government’s motion for an order to show cause as to why Michael Brier, Jeffrey Sroufe and the corporate entities should not be held in contempt for violating the terms of the Court’s November 5, 2010 order. At the hearing, Edward G. Lawson, Jr., counsel for the Defendants, stated that the Defendants agreed to stipulate to the Court’s preliminary injunction becoming permanent without any further proceedings based on the findings contained in the Court’s November 5, 2010 order.

Therefore, with the consent of the parties, and based on the factual findings and legal conclusions made by the Court in its Decision and Order of Preliminary Injunction dated November 5, 2010, (Docket Entry No. 32), which are expressly by reference herein incorporated, it is hereby

**ORDERED** that pursuant to 26 U.S.C. §§ 7402(a), 7407, and 7408, defendants Michael

Brier, Jeffrey Sroufe, Esther Santiago, and Carmen Miranda, individually, or doing business as Refunds Now, Inc., RNTS, Inc. (a/k/a Refunds Now Tax Service, Inc.), FTIRS, Inc., POTIRS, Inc., and IHIRS, Inc., or under any other name or using any other entity, and their representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with them, directly or indirectly, are permanently, enjoined from:

1. Preparing or assisting in the preparation of any federal tax return for anyone other than each defendant preparing his, or her, personal tax return;
2. Advising, counseling, or instructing anyone about the preparation of a federal tax return;
3. Filing or assisting in the filing of a federal income tax return for any other person;
4. Owning, managing, controlling, working for, or volunteering for a tax-return-preparation business;
5. Representing customers in connection with any matter before the IRS; and
6. Engaging in other similar conduct that substantially interferes with the administration and enforcement of the internal revenue laws.

**IT IS FURTHER ORDERED** that Defendants, excluding defendant Carmen Miranda, shall mail, on or before April 5, 2011, at their own expense, a copy of this Order of Permanent Injunction to all customers for whom they have directly or indirectly prepared federal income tax returns or, directly or indirectly assisted in the preparation of those customers' federal income tax returns since January 1, 2004, using their names or the names of any other entity, their representatives, agents, servants, employees, attorneys, and those persons in active concert or participation with them.

**IT IS FURTHER ORDERED** that by April 8, 2011, Defendants, excluding defendant Carmen Miranda, shall file with this Court – and serve upon counsel for the United States –

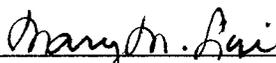
affidavits stating, under penalty of perjury, that they have fully complied with this Order. In those affidavits, Defendants, excluding defendant Carmen Miranda, shall specifically name the customers to whom they have mailed or otherwise delivered a copy of this Order of Permanent Injunction. If Defendants, excluding Carmen Miranda, no longer have a valid mailing address for certain customers, they shall provide a list to counsel for the United States, indicating that the Order of Permanent Injunction was not mailed to those customers because of a lack of a valid mailing address and certify in their affidavits due to the Court on April 8, 2011, that this list has been provided to counsel for the United States.

**IT IS FURTHER ORDERED** that defendant Michael Brier will remove or cover all exterior signage located at 381 Wickenden Street, Providence, Rhode Island, bearing the name “Refunds Now” or any other wording that would indicate that a tax preparation service is being operated from this location, effective with the date of this Order.

**IT IS FURTHER ORDERED** that defendant Michael Brier will post a copy of this Order of Permanent Injunction on the front and back entrances to 381 Wickenden Street, Providence, Rhode Island, effective with the date of this Order.

**IT IS FURTHER ORDERED** pursuant to an agreement of the parties that Defendants’ counterclaim is dismissed, with prejudice.

**IT IS FURTHER ORDERED** that the United States may conduct post-judgment discovery to ensure Defendants' compliance with the Order of Permanent Injunction.

  
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Mary M. Lisi  
Chief United States District Judge  
March 7, 2011.