

**FILED**  
**11-22-2022**  
**CIRCUIT COURT**  
**DANE COUNTY, WI**  
**2022CX000022**

**DATE SIGNED: November 18, 2022**

Electronically signed by Honorable Nia Trammell  
Circuit Court Judge

STATE OF WISCONSIN CIRCUIT COURT DANE COUNTY

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STATE OF WISCONSIN,

Plaintiff,

v.

Case No. 2022-CX-\_\_\_\_\_

Complex Forfeiture: 30109

AMERICAN TAX SOLUTIONS,

Defendant.

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**CONSENT JUDGMENT**

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Upon the stipulation of the Parties, the Court now enters judgment against Defendant as follows:

**I. INTRODUCTION**

1. Plaintiff State of Wisconsin, through the Wisconsin Department of Justice (“DOJ”) and at the request of the Wisconsin Department of Agriculture, Trade and Consumer Protection (“DATCP”) and the Wisconsin Department of Financial Institutions (“DFI”), filed this action against the above-named Defendant to enforce provisions of Wisconsin’s consumer protection laws and

Wisconsin's Adjustment Service Companies statute, specifically Wis. Stats. §§ 100.20 and 218.02 and Wis. Admin Code. Ch. ATCP 127.

2. Defendant American Tax Solutions ("American Tax") is a foreign business corporation organized under the laws of California and whose principal office is located in Los Angeles, California.
3. The Court has jurisdiction over this matter under Wis. Stat. § 100.20(6).
4. The State alleges that the Defendant sent to thousands of Wisconsin consumers mail solicitations that contained numerous deceptive features and omitted disclosures required for mail solicitations sent to Wisconsin consumers. Together, the State alleges that these omissions and deceptive features obscured the Defendant's identity and made the mail solicitations look like government notices.

## II. INJUNCTION

5. The Defendant, whether acting through its owners, directors, principals, employees, officers, parents, predecessors, shareholders, subsidiaries, successors, assigns, or transferees, shall not deliver or cause to be delivered any mail solicitations, as defined in Wis. Admin. Code § ATCP 127.30(2), to any Wisconsin address.
6. Except as provided in Paragraphs 7-8, the Defendant, whether acting through its owners, directors, principals, employees, officers, parents, predecessors, shareholders, subsidiaries, successors, assigns, or transferees, shall not offer, sell, or perform, any services on behalf of or for the benefit of any Wisconsin

resident, and shall not accept payment from any Wisconsin resident for the performance of such services.

7. Nothing in this Consent Judgment shall prohibit any lawyer or enrolled agent from practicing before the Internal Revenue Service or the United States Department of Treasury on behalf of a Wisconsin taxpayer.
8. Upon entry of this Consent Judgment, the Defendant shall provide notice in the form of Exhibit 1, by U.S. Mail and e-mail (if available), of the entry of this Consent Judgment to each of its Wisconsin customer clients. Following entry of this Consent Judgment, the Defendant shall provide, free of charge, such services to its Wisconsin customer clients as are reasonably necessary (1) to comply with the terms of any agreements with its customer clients, (2) to avoid undue prejudice to its customer clients' interests, and/or (3) to allow its customer clients to make alternative arrangements. In addition, upon request from any Wisconsin customer, the Defendant shall cease providing services to such Wisconsin customer and/or return any original documents provided to Defendant by the customer and/or provide a free copy of any file the Defendant maintained regarding that customer client.

**III. CIVIL FORFEITURE, STATUTORY ASSESSMENTS AND SURCHARGES, AND COSTS.**

9. Defendant shall pay the total sum of \$209,872.57 for civil forfeiture and mandatory assessments and surcharges, and for the costs of investigation and

prosecution. These funds shall be paid on the following schedule and shall be apportioned as follows:

- a. The Defendant shall pay DOJ \$13,000 within thirty (30) days of the entry of this Consent Judgment, as reimbursement of the State of Wisconsin's costs of investigation of this matter. Of that amount, DOJ shall remit \$5,879.60 to DATCP to reimburse that agency for its costs of investigation pursuant to Wis. Stat. §§ 93.20 and 100.263. DOJ shall retain the remainder to cover its costs, including attorney fees, of prosecution pursuant to Wis. Stat. § 100.263;
- b. The Defendant shall pay to the Clerk of the Dane County Circuit Court \$196,872.57 in four (4) installments (three (3) installments of \$49,218.14 each, and a final installment of \$49,218.15) to be paid six (6) months, twelve (12) months, eighteen (18) months and twenty-four (24) months after entry of this Consent Judgment.
- c. The Clerk of the Dane County Circuit Court, pursuant to Wisconsin statutory requirements, shall apportion the \$196,872.57 amount described in Paragraph 9.b as follows:
  - i. a civil forfeiture of \$129,412.55 pursuant to Wis. Stat. § 100.26(6);
  - ii. a penalty surcharge of \$33,647.26 pursuant to Wis. Stat. § 757.05 (26 percent of forfeiture);

- iii. a consumer protection surcharge of \$32,353.13 pursuant to Wis. Stat. § 100.261 (25 percent of forfeiture);
- iv. a jail surcharge of \$1,294.13 pursuant to Wis. Stat. § 302.46 (1 percent of forfeiture);
- v. a crime laboratories and drug enforcement surcharge of \$26 pursuant to Wis. Stat. § 165.755 (\$13 per count in the *Complaint*);
- vi. a court fee of \$50 pursuant to Wis. Stat. § 814.63;
- vii. a court support services surcharge of \$68 pursuant to Wis. Stat. § 814.85; and
- viii. a justice information system surcharge of \$21.50 pursuant to Wis. Stat. § 814.86.

#### IV. CONSUMER PAYMENTS

10. Pursuant to Wis. Stat. § 100.20(6), the Court orders the Defendant to award restitution as follows:

- a. Within thirty (30) days of the entry of this Consent Judgment, the Defendant shall pay to the Wisconsin Department of Justice \$119,077.43.
- b. The Department of Justice shall use the payment described in Paragraph 10.a to pay restitution to the Defendant's Wisconsin customer clients. Distribution of the payment shall be made by the Department of Justice to eligible customer clients based on a

list of 47 customer clients and corresponding payment amounts agreed upon by the Parties. Prior to entry of this Consent Judgment, the Parties have, based on the Defendant's business records and representations, agreed upon the names and payment amounts for the customer clients on this list.

- c. Prior to entry of this Consent Judgment, the Defendant provided to the State its most up-to-date contact information for the customer clients on the list. The Department of Justice shall transmit a claim form to each eligible customer client on the list and shall make payment to such customer clients after receipt of a signed claim form.
- d. If, after reasonable and diligent efforts, the Wisconsin Department of Justice is unable to make payment to any eligible customer client on the list, the funds designated for such customer client(s) shall be forfeited to the State of Wisconsin.

## V. RELEASE

11. Pursuant to the Parties' agreement, upon final distribution of all the required payments described above, the State of Wisconsin releases and forever discharges the Defendant and its past and present owners, directors, divisions, principals, employees, officers, parents, predecessors, shareholders, subsidiaries, successors, assigns and transferees from the following: all claims, causes of action, damages, restitution, fines, costs, attorney's fees, remedies,

injunctive relief, and/or penalties that were or could have been asserted against the Defendant by the State of Wisconsin resulting from the conduct described in the Complaint filed in this action, from the beginning of time up to and including the date of entry of this Consent Judgment.

## **VI. CONTINUING JURISDICTION**

12. Jurisdiction is retained by this Court for the purpose of enabling either party to request enforcement of the terms of this Consent Judgment as permitted by law. If the State determines that Defendant has failed to comply with any terms of this Consent Judgment, the State shall not initiate any action or proceeding against Defendant for any alleged non-compliance without first notifying the Defendant in writing and permitting the Defendant the opportunity to respond or cure the alleged non-compliance within fourteen (14) days of the State's sending notice of the alleged non-compliance. After giving the Defendant the necessary notice, in the event of a failure by the Defendant to perform in a timely manner any act required by this Consent Judgment or to otherwise act in violation of this Consent Judgment, the State may move this Court to impose any remedy authorized by law or equity and to require Defendant to pay reasonable attorney's fees and costs occasioned by the violation or failure to perform.

## **VII. CHANGE IN LAW**

13. If any provision of this Consent Judgment comes into conflict with any newly enacted law or change in any existing law, or there are any other reasons that

may be appropriate under the circumstances, the provisions of this Consent Judgment may be modified with the express written consent of the Parties. If one party proposes a revision and the other party objects, the proposing party may file a motion with the Court for modification of this Consent Judgment.

#### **VIII. WAIVER OF APPEAL**

14. Upon entry of this Consent Judgment, Defendant waives its rights to appeal from this Consent Judgment. Nothing in this paragraph shall limit the parties' rights to enforce or seek modification of this Consent Judgment as provided for in Paragraphs 12 and 13.

#### **IX. MISCELLANEOUS PROVISIONS**

15. The provisions of this Consent Judgment shall be construed in accordance with the laws of Wisconsin.

16. Defendant reaffirms and attests to the truthfulness, accuracy, and completeness of all the information and documents that it provided to the Wisconsin Department of Justice and the Wisconsin Department of Agriculture, Trade and Consumer Protection prior to entry of this Consent Judgment. The State's agreement to this Consent Judgment is expressly premised upon the truthfulness, accuracy, and completeness of the information provided by Defendant throughout the course of its investigation and the negotiation of the Parties' settlement. If the State finds that Defendant failed to disclose material information or made any material misrepresentation of facts relevant to the terms of this Consent Judgment, such finding shall



constitute a violation of this Consent Judgment and shall entitle the State to seek to enforce the Consent Judgment in accordance with Paragraph 12.

17. Nothing in this Consent Judgment shall be construed as an approval by the State of Wisconsin, the Wisconsin Attorney General, the Wisconsin Department of Agriculture, Trade and Consumer Protection, or the Wisconsin Department of Financial Institutions of Defendant's past, present, or future conduct, with the limited exception of the approval described in Paragraph 8.
18. Nothing in this Consent Judgment shall create or give rise to a private right of action of any kind in a non-party to enforce any aspect of this Consent Judgment or claim any legal or equitable injury for a violation of the Consent Judgment.
19. The entry of this Consent Judgment shall not affect the private rights or remedies of any of non-party, except insofar as any court or other adjudicative entity determines that anything of value received by a non-party pursuant to this Consent Judgment constitutes an offset against any judgment obtained by that non-party against the Defendant.
20. Defendant, including American Tax's past and present owners, directors, divisions, principals, employees, officers, parents, predecessors, shareholders, subsidiaries, successors, assigns and transferees, shall not participate in any activity or form a separate entity for the purpose of intentionally circumventing any term of this Consent Judgment.

21. If any portion of this Consent Judgment is held invalid or unenforceable, the remaining terms shall not be affected and shall remain in full force and effect.

**EXHIBIT 1****NOTICE TO WISCONSIN CUSTOMER CLIENTS**

Dear [FIRST AND LAST NAME],

This letter is to advise you of a settlement agreement reached between the State of Wisconsin and American Tax Solutions and to inform you about how the settlement agreement affects you. For your reference, a copy of the settlement agreement is included with this letter.

First, as part of the settlement agreement, American Tax Solutions has agreed to refund, in full, each of its Wisconsin clients. If you have not already received a complete refund, the Wisconsin Department of Justice will contact you in the coming weeks and ask that you complete and sign a claim form to receive your refund. If you do not respond, your refund may be forfeited. If you have questions about your refund, please contact the Public Protection Unit of the Wisconsin Department of Justice at:

(608) 266-1852 (phone)  
consumerprotection@doj.state.wi.us (email)  
P.O. Box 7857, Madison, WI 53707-7857 (U.S. Mail)

Second, American Tax has agreed to continue to provide services to its Wisconsin clients, free of charge. This agreement only extends to services that American Tax has already agreed to provide as of the date of the settlement. After that, American Tax can no longer offer its services to you. You may terminate American Tax's services at any time by contacting us by phone or in writing, using the information below. You are also entitled to the return of any original documents you provided to American Tax and/or a free copy of your file. To cancel your services and/or request documents, please contact American Tax at:

1-800-604-1832 (phone)  
CEO@Atsco.tax (email)  
1055 West 7th Street, Suite 1600, Los Angeles, CA 90017 (U.S. Mail)

Thank you for your attention to this important matter.

Sincerely,

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Jeffrey Oliver  
Representative  
American Tax Solutions