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2:25-cv-01894-GMN-EJY

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

Federal Trade Commission, and

State of Nevada,

Plaintiffs,

v.

American Tax Service LLC, et al.,

Defendants.

No. 25-cv-_____

FILED UNDER SEAL

Plaintiffs' *Ex Parte* Motion for a Temporary Restraining Order

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Plaintiffs submit 436 exhibits in support of this Motion, comprising 10 exhibit volumes. In accordance with LR IA 10–3 (d), Plaintiffs provide this summary exhibit index (a complete and detailed exhibit list accompanies the exhibit volumes).

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Note on exhibits: All exhibits cited in the Motion are referenced as "GX [exhibit number]." References include citations to relevant paragraphs by number, and to relevant page numbers in parentheticals. The 2,298 pages of exhibits are consecutively numbered.

PLAINTIFFS' *EX PARTE* MOTION FOR A TEMPORARY RESTRAINING ORDER

The Federal Trade Commission ("FTC") and the State of Nevada (collectively, "Plaintiffs") respectfully request that the Court halt Defendants' unlawful tax debt relief scheme. For years, Defendants have carried out their tax debt relief scam by: (1) mailing or causing the mailing of deceptive and threatening letters that impersonate government tax authorities to solicit inbound telemarketing calls, and (2) making false or misleading statements about their purported tax debt relief services and the outcomes they can obtain for consumers. Defendants fail to provide the contracted services or obtain the promised results and often refuse refund requests. Through this scheme, Defendants swindle tens of millions of dollars from consumers every year, including more than $36 million in 2024 alone. GX 394 ¶ 29 (1911); GX 414 (2040–41). As detailed below and evidenced by 19 sworn consumers declarations, Plaintiffs demonstrate a substantial likelihood of success on the merits of their claims, and the evidence supports the issuance of an *ex parte* temporary restraining order ("TRO") to stop ongoing consumer injury and preserve the possibility of meaningful relief.

I. Statement of Facts

Imagine receiving a mailer like the ones contained in Government Exhibits 5–309 (18–731). These mailers purport to come from governmental tax authorities and contain payment demands and threats to seize consumers' property. But the phone number that the mailer instructs consumers to call "[t]o avoid enforcement" isn't a government agency. The number routes to Defendants. And Defendants aren't interested in helping consumers with their tax debt. They care only about taking consumers' money.

A. The ATS Enterprise's Tax Debt Relief Scam

1. Deceptive Mailers and Other Advertising

When Rebecca Merlino received a "Distraint Warrant," dated June 1, 2023, in the mail from "Tax Resolution Unit, Delaware County, Public Judgment Records," she understood it to be a government notice. GX 386 ¶¶ 2–5 & Att. A (1687–88, 1692–94) ("I was also under the impression it was coming from something governmental that I needed to answer or they were going to come after me."). The "Warrant" instructed Ms. Merlino to call an 800-number "[t]o

avoid enforcement," such as "garnishment of wages and bank accounts, property seizures, federal tax refund offset, and creation of a property lien." *Id.* The phone number on the "Warrant" was registered to Defendant TNT Tax Associates Inc. from April 26, 2023, through November 2024, when it was transferred to a company associated with Defendants, Dipvtel LLC.[1] GX 394 ¶¶ 30–34 (1911–12). Ms. Merlino called the number on the mailer and reached a telemarketer, Ron Spencer, who "offered to get [her] in touch with one of their attorneys who could help [her]." GX 386 ¶ 6 (1688). She signed a contract with American Tax Service and, via American Tax Service, a third-party financing contract for $3,500, "because of the distraint warrant and what Ron told [her]." GX 386 ¶ 6 & Atts. B–C (1688, 1695–1709). (After receiving no further contact from American Tax Service, Ms. Merlino was able to cancel the financing contract before making any payments. GX 386 ¶¶ 7–13 & Atts. D–H (1688–90, 1710–21). While her experience with ATS is typical, most consumers end up losing their money.

Ms. Merlino is just one of many consumers who has received a government-impersonating mailer that Defendants sent or caused to be sent. Government Exhibits 5–309 are submissions that taxpayers have made to the IRS regarding mailers with phone numbers tied to TNT Tax Associates or Dipvtel. *See also* GX 1 ¶¶ 11–15 (3–4); GX 394 ¶¶ 30–34 (1911–12); GX 377 ¶¶ 2, 5, 6, 8, & Atts. A & B (1265–78); GX 382 ¶¶ 3–4 & Att. A (1490–91, 1495–98) ("The mailer looked official—we were pretty freaked out."); GX 392 ¶ 2 & Att. A (1858, 1860–61). When an undercover FTC investigator asked one of Defendants' telemarketers about a mailer, the telemarketer responded: "Of course I know what's in the letter. I get calls from people like you every day." GX 394 ¶¶ 10(f) (1905); GX 412 at 9:19–21 (2026). Financial records show Defendants have spent more than $9.2 million on direct mail marketing since 2022, suggesting the mailers yield lucrative returns. GX 434 (2173). Defendants' mailers have even triggered investigations in North Dakota and Wisconsin that led to settlements with the

[1] When, in 2019, Defendant TNT Tax Associates Inc. established an account with Somos, which manages toll-free numbers, it listed its "Primary Contact" as Dipvtel's principal, Ricky Keele, listing an address in Las Vegas, though he lives in Florida. GX 394 ¶¶ 33–34 (1912) & GX 415 (2042–43). The form listed Chris Baker, *see infra* Part II.C.4, as the billing contact, listing as his address 1055 W. 7th Street in Los Angeles, one of Defendants' principal offices, *see infra* Part I.C.1.

Attorneys General of those states. GX 394 ¶¶ 37–39 (1915); GX 416–18 (2044–63).

In addition to the mailers, Defendants maintain websites, GX 325 ¶¶ 45, 48, 50–52 (868–69); GX 367 (1148–56); GX 370 (1163–77); GX 372–74 (1179–248); GX 394 ¶¶ 9, 63 (1904, 1920); GX 407 (2009), and have run television commercials, GX 394 ¶ 8 (1904); GX 406 (2007–08). Consumers also report learning of ATS from its advertising on a popular internet show. GX 378 ¶ 43(b) & Att. G (1288, 1334); GX 379 ¶ 2 (1335); GX 384 ¶ 2 & 8 (1511, 1516); GX 385 ¶ 3 (1559); GX 389 ¶ 3 (1818); GX 391 ¶ 2 (1833); *see also* GX 394 ¶ 5 (1901–02) & GX 405 (1993–2006). In an interview on that show in March 2022, the host introduced Bennett as "a lawyer obviously," GX 405 at 8:7 (1995), though Bennett is not a lawyer, GX 325 ¶ 32 (867); GX 354 (1046). Bennett claimed, "in the last few weeks alone, [ATS has] saved over $5,000,000, and in the last few years, we've saved closer to $200,000,000 for the taxpayer." GX 405 at 47:14–17 (2005).

2. Deceptive Sales Calls

On sales calls, Defendants' telemarketers answer calls as "the Tax Group." GX 394 ¶ 10(a), (b), (d), (e), & (f) (1905); GX 408, at 3:6–15 (2011); GX 409, at 3:6 (2016); GX 410, at 3:6–7 (2018); GX 411, at 3:6–8 (2022); GX 412, at 3:6–7 (2025). Defendants' telemarketers tell consumers that Defendants will immediately protect consumers from levies and garnishments. GX 381 ¶ 4 (1488); GX 382 ¶ 10 (1492); GX 384 ¶¶ 2, 3(b) 3(d) (1511–12); GX 388 ¶ 22 (1757); GX 394 ¶¶ 10(a), (f), & 11 (1905–06); GX 408, at 7:16–8:3, 8:8–9:15 (2012); GX 412, at 14:2–10 (2028); GX 413, at 6:14–7:10, 19:6–16 (2032, 2035); GX 433 ¶ 6(d) (2160). Defendants' telemarketers also claim that Defendants will reduce or eliminate consumers' tax debt. GX 375 ¶¶ 3–7 (1249–50); GX 376 ¶ 3 (1261); GX 378 ¶ 16 (1281–82); GX 382 ¶¶ 5–6 (1491); GX 383 ¶ 4 (1506); GX 384 ¶¶ 2, 3(d) (1511–12); GX 385 ¶ 6 (1559); GX 387 ¶ 5 (1722); GX 388 ¶ 5 (1754); GX 389 ¶ 4 (1818); GX 391 ¶¶ 3, 7 (1833–34); GX 392 Att. B (1864, 1868); GX 433 ¶ 6(e) (2160–61); GX 394 ¶¶ 10(f) & 11 (1905–05), GX 412, at 10:18–11:13, 12:18–13:13 (2027), GX 413, at 12:21–13:20, 21:15–23:5, 23:19–26:5, 26:13–27:10, 29:9–30:2 (2033, 2035–38). Defendants' telemarketers also often claim that Defendants are tax attorneys or a tax firm. GX 378 ¶¶ 9, 43 & Att. G (1280, 1288, 1332–34); GX 380 ¶¶ 4, 6, 13, 16 (1414–16); GX 385 ¶¶ 2, 13–14 (1559–60); GX 391 ¶ 12 (1835); GX 394 ¶¶ 10(a), (d), (e), (f), & 11 (1905–06); GX 408, at 4:5–8 (2011); GX

410, at 4:9–16 (2018); GX 411, at 4:3–12 (2022); GX 412, at 4:14–17, 16:13–21 (2025, 2028); GX 413, at 6:14–7:10, 11:9–11, 11:17–12:14, 28:3–7 (2032–33, 2037); GX 433 ¶¶ 6(b), 17(b) (2060, 2162–63). They also claim Defendants have resolved tax debts for tens of thousands of clients. GX 394 ¶¶ 10(d), (f) & 11 (1905–06); GX 410, at 8:10–9:3 (2019); GX 412, at 12:18–13:13 (2027); GX 413, at 12:21–13:20 (2033). In some cases, they tell consumers that Defendants will forward some or all of consumers' payments to the IRS or state tax authority. GX 385 ¶ 27 (1562).

Defendants' telemarketers also sometimes exaggerate consumers' tax problems, GX 379 ¶ 4 (1335), GX 385 ¶¶ 16–24 (1561–62), GX 392 Att. B, at 4 (1866), or tell consumers that time is of the essence, and they must act fast. GX 379 ¶ 7 (1336); GX 382 ¶ 5 (1491); GX 387 ¶ 10 (1723); GX 388 ¶¶ 8, 15 (1754–56); GX 389 ¶ 6 (1818–19); GX 392 Att. B (1867–68); GX 433 ¶ 6(a) (2159). If consumers cannot pay Defendants' fees, Defendants' telemarketers arrange for high-interest financing. GX 376 ¶ 4 (1261); GX 378 ¶ 15 (1281); GX 386 ¶ 6 (1688); GX 387 ¶ 12 (1723); GX 388 ¶ 10 (1755); GX 389 ¶ 9 (1819); GX 392 Att. B (1868). Defendants' telemarketers also discourage consumers from engaging directly with taxation authorities, suggesting that doing so will leave consumers worse off. GX 394 ¶¶ 10(d), (f) & 11 (1905–06); GX 410, at 7:4–13 (2019); GX 412, at 3:16–20, 9:19–10:8, 10:18–11:13, 12:5–14, 17:6–16 (2025–28); GX 413, at 11:17–12:14, 18:1–16, 20:17–21:7 (2033, 2035).

3. Purported Tax Debt Relief Services

Once consumers agree to pay Defendants' services, Defendants do little—if any—of the promised work, and seldom—if ever—obtain the promised results. GX 375 ¶¶ 10–15 (1250); GX 378 ¶¶ 38–41 (1287); GX 379 ¶ 24 (1339); GX 380 ¶ 23 (1417); GX 382 ¶ 14 (1493); GX 383 ¶ 11 (1507); GX 384 ¶ 3(f) (1512); GX 385 ¶ 56(a)–(b) (1568); GX 387 ¶ 17 (1724); GX 388 ¶ 39 (1760); GX 389 ¶ 11 (1819); GX 390 ¶ 7 (1821); GX 391 ¶¶ 10(e), 11 (1835); GX 393 ¶ 10 (1895).

Defendants regularly fail to continue communication with consumers. GX 375 ¶ 11 (1250); GX 376 ¶ 9 (1262); GX 378 ¶¶ 23, 37 (1283–84, 1286–87); GX 379 ¶ 13 (1337); GX 380 ¶¶ 7, 10–11, 14 (1415–16); GX 382 ¶ 12 (1492); GX 383 ¶ 10 (1506–07); GX 384 ¶¶ 3(c), 3(e) (1511–12); GX 386 ¶ 7(1688–89); GX 387 ¶ 15 (1724); GX 388 ¶¶ 13, 26, 28 (1755, 1758); GX 389 ¶ 7 (1819); GX 390 ¶ 6 (1821); GX 391 ¶ 11(1835); GX 392 Att. B (1870). For instance, Defendants

frequently change consumers' "case managers," resulting in supposed lost paperwork and additional delay. GX 317 ¶¶ 15–16 (842–43); GX 375 ¶ 12 (1250); GX 378 ¶ 21 (1283); GX 379 ¶ 17 (1337–38); GX 388 ¶¶ 15, 19, 25, 27 (1755–56, 1758); GX 389 ¶ 7 (1819); GX 393 ¶ 9 (1895).

For some consumers, it gets worse. A former employee shared that ATS's customer database is open to all of its salespeople. GX 317 ¶ 14 (842). Any ATS employee can call up any ATS client at any time and try to extract more money. *Id.* Consumers tell harrowing stories of ATS salespeople convincing them, in calls placed by ATS employees after these consumers had already paid ATS, that the IRS is coming for them imminently—to take their homes or have them arrested. GX 385 ¶ 24 (1562). Salespeople rachet up the pressure until consumers agree to pay often exorbitant sums for additional (unnecessary and non-existent) services from ATS, or even to pay off tax debt with ATS as a supposed intermediary to the tax authorities. In the case of one consumer who wired ATS $182,477 under the promise that ATS would immediately pass it along to the IRS, a JAMS arbitrator later ruled: "On the record presented, this case demonstrates a clear case of fraud!"[2] GX 385 ¶ 56(c) & Att. M (1568–69, 1661).

B. Consumer Injury

Consumer declarations attest to the devastating consequences of this deception. Consumer money that could have gone to pay down tax debt is instead diverted to ATS, under the promise that ATS will reduce the debt. GX 375 ¶¶ 3–7 (1249–50); GX 376 ¶ 3 (1261); GX 378 ¶ 16 (1281–82); GX 382 ¶¶ 5–6 (1491); GX 383 ¶ 4 (1506); GX 384 ¶¶ 2, 3(d) (1511–12); GX 385 ¶ 6 (1559); GX 387 ¶ 5 (1722); GX 388 ¶ 5 (1754); GX 389 ¶ 4 (1818); GX 391 ¶¶ 3–7 (1833–34). ATS's subsequent inaction then results in *more* interest and penalties on the tax debt. GX 375 ¶ 4 (1249); GX 378 ¶¶ 26, 29–30, 32 (1284–86); GX 388 ¶ 38 (1760); GX 391 ¶ 14 (1835). Because ATS tells consumers that they have matters in hand, and consumers should not deal with the IRS themselves, consumers may overlook their worsening tax situation until they suddenly find themselves subject to garnishments and levies. GX 388 ¶¶ 23–24 (1757); GX 393 ¶¶ 5, 7–8, 11 (1894–95). As noted above, consumers find that getting answers from ATS is futile—calls are

[2] Despite winning in arbitration, including treble punitive damages, the consumer has not gotten any money back. GX 385 ¶ 58 (1571).

not returned and emails are not answered. GX 375 ¶ 11 (1250); GX 376 ¶ 9 (1262); GX 378 ¶¶ 23, 37 (1283–84, 1286–87); GX 379 ¶ 13 (1337); GX 380 ¶¶ 7, 10–11, 14 (1415–16); GX 382 ¶ 12 (1492); GX 383 ¶ 10 (1506–07); GX 384 ¶¶ 3(c) & (e) (1511–12); GX 386 ¶ 7 (1688–89); GX 387 ¶ 15 (1724); GX 388 ¶¶ 13, 26, 28 (1755, 1758); GX 389 ¶ 7 (1819); GX 390 ¶ 6 (1821); GX 391 ¶ 11 (1835); GX 392 Att. B (1870). Consumers are left wrestling with more tax debt than when they started, less money available to pay it, and sometimes even ongoing loan payments from loans obtained to pay ATS's fees. GX 388 ¶¶ 31, 38–39 (1759–60). Per two consumers: "We're still paying off the people who stole from us!" GX 376 ¶ 17 (1263). If Defendants perform any services, they are often performed incorrectly, to consumers' detriment, and contrary to Defendants' representations to consumers in the initial sales pitch. GX 376 ¶ 8–10 (1262).

ATS's 2024 combined profit and loss statement, as submitted to a payment processor, shows more than $36 million in revenue. GX 394 ¶ 29 (1911); GX 414 (2040). Since February 2022, ATS has taken in at least $77.7 million from consumers. GX 434 ¶ 10 (2172).

C. Defendants

1. The Corporate Defendants

American Tax Service LLC, American Tax Solutions, American Tax Solutions LLC, ATS Tax Group LLC, Elite Sales Solutions also d/b/a American Tax Service, GetaTaxLawyer.com LLC, TNT Holdings Group LLC, TNT Services Group LLC, and TNT Tax Associates Inc. are referred to collectively as the "ATS Enterprise," or "ATS."

American Tax Service LLC is a Wyoming LLC with its principal place of business at 1055 W. 7th St., Suite 1600, in Los Angeles. GX 394 ¶ 3(a) (1901); GX 395 (1923, 1931). As noted below, Defendant Elite Sales Solutions also does business as "American Tax Service," operating from 101 Convention Center Dr., Suite 1200 in Las Vegas. American Tax Service LLC has also operated from 2300 W Sahara Ave., Suite 700, Las Vegas, Nevada 89102, GX 394 ¶¶ 16, 27, 35 (1906, 1910, 1912); GX 386 Att. B (1695–1704), and 6255 W. Sunset Blvd., Suite 650, Los Angeles, California 90028, GX 395 (1929). Nevada corporate records show that Defendant TNT Services Group LLC became the manager of American Tax Service LLC on February 16, 2024. GX 395 (1926–27). Defendants Bennett and Selb signed bank records on July 5, 2022, stating

that they are each a manager of the LLC. GX 394 ¶ 35 (1912–13). The ATS Enterprise currently uses the name "American Tax Service" as its principal consumer-facing identity.

American Tax Solutions is a California corporation with its principal place of business at 6255 W. Sunset Blvd., Suite 850, Los Angeles, CA 90028. GX 394 ¶ 3(b) (1901); GX 396 (1932). It also operates from 101 Convention Center Dr., Suite 1200, in Las Vegas. GX 394 ¶ 35 (1912–13). It has also operated from 1055 W. 7th St., Suite 1600, in Los Angeles (it has also been associated with Suites 1760 and 3050), and 3435 Wilshire Blvd, Suite 2630, in Los Angeles. GX 394 ¶¶ 13, 17, 18, 20, 25 (1907–09); GX 396 (1934, 1937); GX 387 Att. A (1726); GX 325 ¶¶ 45, 48 (868); GX 367 (1155); GX 370 (1164); GX 435 Att. A (2176). In various records, Bennett has been identified as the COO, CFO, 45%, 50%, or 100% owner, and "Chief Executive Officer, Director, and co-owner" of this entity; and Selb has been identified as the CEO, 50% owner, and Secretary. GX 394 ¶¶ 17, 18, 20, 25, 35 (1907–09, 1912–13); GX 435 Att. A (2176); GX 325 ¶ 13 (865); GX 335 (909). The ATS Enterprise formerly used the name "American Tax Solutions" as its principal consumer-facing identity. In 2022, the Wisconsin AG announced a $328,000 settlement with American Tax Solutions regarding its illegal mailers. GX 394 ¶ 37 (1915); GX 416 (2044–45). Under the settlement, the company was also banned from sending mailers to or selling in Wisconsin. *Id.*; *see also* GX 394 ¶ 38 (1915); GX 417 (2046–48).

American Tax Solutions LLC is a Delaware LLC with its principal place of business at 1055 W. 7th St., Suite 1600, in Los Angeles. GX 394 ¶¶ 3(c), 26 (1901, 1909–10); GX 397 (1940, 1942–43). Bennett signed its California registration. GX 397 (1943). In bank records, Bennett and Selb have been identified as members of this entity. GX 394 ¶ 26 (1909–10).

ATS Tax Group LLC is a Wyoming LLC with its principal place of business at 101 Convention Center Dr., Suite 1200, in Las Vegas. GX 394 ¶¶ 3(d), 35, 36 (1901, 1912–15). It has also operated from 6255 W. Sunset Blvd., Suite 650, in Los Angeles GX 394 ¶ 36 (1913–15); GX 398 (1947–48), and 811 Wilshire Blvd, Suite 1700, in Los Angeles GX 394 ¶ 15 (1907). Bennett and Selb signed bank records on October 5, 2023, and April 18, 2024, stating that they are each a managing member of the LLC. GX 394 ¶ 35 (1912–13).

Elite Sales Solutions, also doing business as American Tax Service, is a Wyoming LLC

with its principal place of business at 101 Convention Center Dr., Suite 1200, in Las Vegas. GX 394 ¶¶ 4, 23, 35, 36 (1901, 1909, 1912–15). It has also operated from 2300 W Sahara Ave., Suite 700, Las Vegas, Nevada 89102 (it has also been associated with Suite 430). GX 394 ¶¶ 4, 14, 23 (1901, 1907, 1909); GX 404 (1976, 1978). In a tax abatement application, it identified Bennett as its COO and Selb as its CEO. GX 404 (1986). Nevada records identify Bennett as the President and Treasurer, and Selb as the Secretary. GX 394 ¶ 3(e) (1901); GX 399 (1950–52). Bennett and Selb signed bank records on October 27, 2023, stating that they are the Treasurer and Secretary, respectively. GX 394 ¶ 35 (1912–13). The ATS Enterprise uses the name "Elite Sales Solutions" as its principal business-facing identity, for example, in employment contracts, payroll, and tax abatement application. *See, e.g.*, GX 317 ¶ 5 (839–40); GX 318 (847); GX 404 (1978).

GetaTaxLawyer.com LLC ("GATL") is a Delaware LLC with its principal place of business at 1055 W. 7th St., Suite 1600, in Los Angeles. GX 394 ¶¶ 19, 21 (1908); GX 391 Att. A (1838). It has also operated from 25910 Acero, Suite 140, in Mission Viejo, California (it has also been associated with Suite 306 at that address). GX 394 ¶¶ 3(f), 26 (1901, 1909–10); GX 400 (1958–60); GX 385 Att. E (1604); GX 325 ¶¶ 37–38, 50–52 (867–69); GX 369 (1462); GX 370 (1170); GX 372 (1183); GX 373 (1198); GX 374 (1215). Bennett and Selb signed bank records on August 5, 2020, stating that they are each a member of GATL. GX 394 ¶ 26 (1909–10). On November 7, 2023, a New Jersey consumer filed a federal lawsuit against GATL for violations of, inter alia, the New Jersey Consumer Fraud Act; the case was later settled. GX 394 ¶¶ 40–41 (1915); GX 419–20 (2064–89).[3] On January 30, 2024, the State Bar of California issued a cease-and-desist letter to GATL after investigating four complaints of unauthorized practice of law. GX 325 ¶ 34 (867); GX 356 (1100–04). On June 6, 2024, an arbitrator awarded a consumer: "$182,774.00 for breach of contract and alternatively for fraud" from GATL, plus "$548,322.00 for punitive or exemplary damages resulting from the fraudulent and malicious conduct of GATL and the direct behavior of employees, agents, officers, and managing agents and as result of the ratification of the tortious conduct." GX 385 ¶ 56 & Att. M (1665). (As referenced

[3] Though the consumer had difficulty getting Defendants to finalize and pay under the settlement. *See* GX 378 ¶¶ 44–46 (1288-89).

above, the consumer has not been able to collect.) On August 9, 2024—just over two months after the arbitral award—the entity filed for termination in California under Bennett's signature. GX 400 (1962). The ATS Enterprise have also used the name "Get A Tax Lawyer."

TNT Holdings Group LLC is a Wyoming LLC with its principal place of business at 101 Convention Center Dr. Suite 1200, in Las Vegas. GX 394 ¶ 35 (1912–13). Bennett and Selb signed bank records on January 10, 2024, stating that each is a managing member. *Id.*

TNT Services Group LLC is a Wyoming LLC with its principal place of business at 101 Convention Center Dr. Suite 1200, in Las Vegas. GX 394 ¶¶ 3(h), 35 (1901, 1912–13). Bennett and Selb signed bank records on January 10, 2024, stating that each is a managing member. GX 394 ¶ 35 (1912–13). Corporate records show Bennett as a manager and that it became manager of American Tax Service LLC on February 16, 2024. GX 402 (1967–68); GX 395 (1926–27).

TNT Tax Associates Inc. is a Nevada corporation with its principal place of business at a residential address in West Hollywood, California, where Selb and Bennett have lived. GX 394 ¶¶ 3(i), 22, 24, 26, 28, 36, 39 (1901, 1908–11, 1913–15); GX 403 (1973); GX 418 (2057). It has also operated from 1055 W. 7th St., Suite 1760, in Los Angeles. GX 394 ¶ 22 (1908–09); GX 403 (1971). Nevada corporate records identify Selb as President, Treasurer, and Director. GX 403 (1970). Selb signed bank records on August 31, 2016, stating that he was the Secretary. GX 394 ¶ 26 (1909–10). Selb signed a merchant account application on April 14, 2018, stating that he was the President and either 89% or 91% owner. GX 394 ¶ 24 (1909). On March 2, 2021, TNT Tax Associates Inc. signed a settlement with North Dakota resolving allegations of deception similar to those here. GX 394 ¶ 39 (1915); GX 418 (2057–63). Under the settlement, the company was banned from North Dakota. *Id.* In 2022, Bennett signed a response to a follow-up inquiry attesting that the company did not advertise in the State. GX 435 Att. A (2176).

2. Individual Defendants

Terrance Selb is an officer of each constituent of the ATS Enterprise. He resides in Las Vegas, having moved from Los Angeles around 2022 or 2023. GX 394 ¶¶ 28, 55, 56 (1910–11,

1917). Selb is a disbarred attorney.[4] In 1999, Selb was charged in Minnesota with forging securities and bank fraud. GX 394 ¶¶ 43 (1916); GX 421 (2090–93). In 2000, he pleaded guilty to the forged securities charge and was sentenced to ten months—five at a halfway house and five on home confinement. GX 394 ¶¶ 44–45 (1916); GX 422–23 (2094–104). At the same time, the United States sued Selb under the False Claims Act. GX 394 ¶¶ 46 (1916); GX 424 at 2, 4–7 (2106, 2108–11). He went through Chapter 7 bankruptcies in 1993 and 2002. GX 394 ¶¶ 51–52 (1916); GX 429–30 (2134–39). Selb, along with Bennett, controls the ATS Enterprise and directs how it does business. *See* Answer of Selb ¶ 9, *Nationwide Tax Experts, Inc. v. Selb*, No. 20-cv-10090 (C.D. Cal. July 7, 2021), ECF No. 96 (Selb and Bennett "run" ATS). Selb also speaks directly to consumers, furthering ATS's deception. *E.g.* GX 317 ¶ 23 (844–45). From mid-2024 to mid-2025, Selb paid himself more than $633,000 in salary and fringe benefits, GX 394 ¶ 67 (1922), and since 2022, transferred $3 million from ATS accounts to himself, GX 434 ¶ 11 (2173).

Tyler Bennett is an officer of each constituent of the ATS Enterprise. He resides in Las Vegas, having moved from Los Angeles around 2022 or 2023. GX 394 ¶¶ 28, 55, 56 (1910–11, 1917). Bennett has claimed to be a tax attorney, *e.g.*, GX 436, Att. D (2292–93); GX 380 ¶ 4 (1414), but he is not licensed to practice law; *see* GX 325 ¶ 32 (867); GX 354 (1046). He is an Enrolled Agent[5] with the IRS. *See* GX 325 ¶ 13 (865); GX 335 (909). Bennett, along with Selb, controls the ATS Enterprise and directs how it does business. *See* Answer of Bennett ¶ 9, *Nationwide Tax Experts*, No. 20-cv-10090 (C.D. Cal. July 7, 2021), ECF No. 97 (Bennett and Selb "run" ATS); GX 354 (1050–51). Bennett also occasionally speaks directly to consumers, furthering ATS's deception. *See* GX 380 ¶ 4 (1414). From mid-2024 to mid-2025, Bennett paid himself more than $478,070.17 in salary and fringe benefits, GX 394 ¶ 67 (1922), and since 2022, transferred over $2.7 million from ATS accounts to himself, GX 434 ¶ 11 (2173).

[4] The Minnesota Supreme Court disbarred Selb in 1986 upon "a finding of serious attorney misconduct [on] four counts …, any or all of which would warrant … disbarment;" specifically Selb: (1) stole his client's personal injury settlement check and then lied when questioned about it, (2) failed to incorporate a business for his client and lied to the client about doing so, (3) while serving as the guardian of three minor children whose parents had died, "misappropriated $26,000 of the estate funds," and (4) after being appointed as special administrator of an estate, "failed to obey orders of the probate court to proceed with the administration and closing of the estate." *In re Discipline of Selb*, 395 N.W.2d 81, 82 (Minn. 1986).

[5] Enrolled agents represent taxpayers before the IRS.

II. Argument

A. This Court Has the Authority to Grant the Requested Relief

Plaintiff FTC brings this action pursuant to § 13(b) of the FTC Act, 15 U.S.C. § 53(b), and seeks consumer redress under § 19 of the FTC Act, 15 U.S.C. § 57b (If any person … violates any rule under this subchapter … the Commission may commence a civil action against such person. … The court in any [such] action … shall have jurisdiction to grant such relief as the court finds necessary to redress injury to consumers.").[6] Section 13(b) authorizes the FTC to seek, and this Court to grant, preliminary and permanent injunctive relief enjoining violations of Section 5 of the FTC Act, as well as "any ancillary relief necessary to accomplish complete justice." *FTC v. Commerce Planet, Inc.*, 815 F.3d 593, 598 (9th Cir. 2016) (quoting *FTC v. Pantron I Corp.*, 33 F.3d 1088, 1102 (9th Cir. 1994)). The Court may also enter a TRO or other preliminary relief to preserve the possibility of providing effective final relief. *FTC v. H.N. Singer, Inc.*, 668 F.2d 1107, 1113 (9th Cir. 1982) (upholding an asset freeze under § 13(b) as necessary to preserve the possibility of remedies under § 19); *FTC v. Seek Cap., LLC*, No. 2:24-cv-09511, 2025 WL 1421493, at *1 (C.D. Cal. Feb. 20, 2025); *FTC v. Golden Sunrise Nutraceutical, Inc.*, No. 1:20-cv-1060, 2020 WL 4501968, at *4–5 (E.D. Cal. Aug. 5, 2020). Although *Commerce Planet* was abrogated in certain respects by *AMG Capital Mgmt. v. FTC*, 593 U.S. 67 (2021), "[n]othing in *AMG Capital* calls … into question" the principle that "district courts have inherent equitable power to issue provisional remedies ancillary to a request for final equitable relief." *FTC v. Noland*, No. 20-cv-47, 2021 WL 4318466, at *3–5 (D. Ariz. Sept. 23, 2021); *see also FTC v. Automators LLC*, No. 23-cv-1444, 2023 WL 6373069, at *1 (S.D. Cal. Aug. 11, 2023) (holding that asset freezes and receiverships are "available under Section 19[.]"). Such ancillary relief is broad and may include an asset freeze to preserve assets for redress, the appointment of a receiver, immediate access to business premises, and expedited discovery—all forms of relief that courts in this District have granted in other cases filed by the FTC.[7]

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[6] Violations of the GLB Act are treated as violations of FTC rules, which merit § 19 remedies. Complaint ¶¶ 64-70.

[7] *See, e.g.*, *FTC v. Superior Servicing LLC*, No. 2:24-cv-2163 (D. Nev. Nov. 18, 2024), ECF No. 9 (Navarro, J.); *FTC v. AWS, LLC*, No. 2:18-cv-442 (D. Nev. Mar. 14, 2018), ECF No. 29 (Mahan,

B. The Evidence Justifies Entry of a TRO and a Preliminary Injunction

In considering a TRO or preliminary injunction under Section 13(b), this Court must: (1) determine the likelihood that Plaintiffs will ultimately succeed on the merits; and (2) balance the equities. *FTC v. World Wide Factors, Ltd.*, 882 F.2d 344, 346 (9th Cir. 1989); *Golden Sunrise Nutraceutical*, 2020 WL 4501968, at *5. The FTC, unlike private litigants, need not prove irreparable injury, which is presumed.[8] *FTC v. Health Formulas, LLC*, No. 2:14-cv-1649, 2015 WL 2130504, at *8–9 (D. Nev. May 6, 2015). In balancing the equities, "the public interest should receive greater weight" than any private interest. *World Wide Factors*, 882 F.2d at 347; *Health Formulas*, 2015 WL 2130504, at *8–9; *see also FTC v. Mallett*, 818 F. Supp. 2d 142, 149 (D.D.C. 2011) ("The public interest in ensuring the enforcement of federal consumer protection law is strong."). As demonstrated below, the evidence in this case satisfies this two-part test and warrants the issuance of a TRO against Defendants.

1. Plaintiffs Have Demonstrated a Likelihood of Success on the Merits that Defendants' Acts and Practices are Unlawful

The voluminous evidence attached to this Motion demonstrates that Defendants have violated: Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), Section 521(a) of the Gramm-Leach-Bliley Act ("GLB Act"), 15 U.S.C. § 6821(a), Sections 461.2(a) & (b) of the Trade Regulation Rule on Impersonation of Government and Businesses ("Impersonation Rule"), 16 C.F.R. § 461.2(a) & (b), Section 310.3(a)(2)(iii) of the Telemarketing Sales Rule ("TSR"), 16 C.F.R. § 310.3(a)(2)(iii), and Nevada Revised Statutes ("NRS") §§ 598.0915(5), (9), and 598.0923(1)(c).[9]

J.); *FTC v. Consumer Defense LLC*, No. 2:18-cv-30 (D. Nev. Jan. 10, 2018), ECF No. 12 (Mahan, J.); *FTC v. Revmountain LLC*, No. 2:17-cv-2000 (D. Nev. July 25, 2017), ECF No. 16 (Gordon, J.); *FTC v. Health Formulas, LLC*, No. 2:14cv1649 (D. Nev. Oct. 9, 2014), ECF No. 12 (Dorsey, J.); *FTC v. Philip Danielson, LLC*, No. 2:14cv896 (D. Nev. June 9, 2014), ECF No. 11 (Navarro, J.); *FTC v. Moneymaker*, No. 2:11cv461 (D. Nev. Mar. 29, 2011), ECF No. 18 (Mahan, J.); *FTC v. Ivy Capital, Inc.*, No. 2:11cv283 (D. Nev. Feb. 22, 2011), ECF No. 12 (Mahan, J.).

[8] Although Plaintiffs need not prove irreparable injury, Defendants' history of altering or falsifying documents and serious financial misconduct indicates that, absent a TRO, they will destroy evidence or dissipate assets. *See infra* Part II.C.2 and 4. Such actions would forestall the possibility of consumer redress, irreparably harming consumers and Plaintiffs' ability to protect the public. Moreover, consumer declarants have reported serious economic harm, including levies and garnishments as they waited in vain for Defendants to deliver on their false promise to reduce or eliminate consumers' tax debts. GX 388 ¶¶ 23-24 (1757); GX 393 ¶¶ 8-11 (1895).

[9] In considering an application for a TRO or preliminary injunction, the Court may rely on affidavits and hearsay materials. *Coffman v. Queen of the Valley Med. Ctr.*, 895 F.3d 717, 729 (9th

Whether consumers reach out to ATS because of a government-impersonating mailer or in response to ATS's TV or internet advertising, ATS's representations are the same: ATS will immediately protect consumers from garnishments and levies and work for consumers to solve their tax problems. ATS salespeople assure consumers that ATS has helped tens of thousands of other taxpayers in similar distress and will get them out of tax trouble for "pennies on the dollar." But these statements are false and misleading, for multiple reasons.

First, and most fundamentally: ATS simply does virtually nothing for most of its clients. ATS takes consumers' money and then cuts off contact (until ATS salespeople later call them back to pitch more services). After ATS has consumers sign service agreements and IRS power of attorney forms, work on consumers' behalf usually ceases.

Second, even if ATS tried to settle consumers' tax debts, it could not possibly make good on its representations of settlements for "pennies on the dollar," and the like. Undercover calls show that ATS salespeople are quick to say that ATS can secure lower tax liabilities for its clients well before knowing much, if anything, about the caller's actual tax situation. Gauging a taxpayer's eligibility for an Offer in Compromise with the IRS, for example, requires careful analysis of the taxpayer's income, expenses (actual and under IRS-allowed expense standards), assets (including equity in homes and vehicles), and liabilities. *See generally* IRS Form 656. But ATS regularly promises callers it will secure an Offer in Compromise without serious inquiry into any of these areas. ATS baselessly promises impossible outcomes.

The FTC Act. "Section 5 of the Federal Trade Commission Act prohibits 'deceptive acts or practices in or affecting commerce.' … [A] practice falls within this prohibition (1) if it is likely to mislead consumers acting reasonably under the circumstances (2) in a way that is material." *FTC v. Cyberspace.Com LLC*, 453 F.3d 1196, 1199 (9th Cir. 2006). In determining whether a solicitation is likely to mislead consumers, courts consider the overall "net

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Cir. 2018) (quoting *Asseo v. Pan Am. Grain Co.*, 805 F.2d 23, 26 (1st Cir. 1986) ("Affidavits and other hearsay materials are often received in preliminary injunction proceedings. The dispositive question is not their classification as hearsay but whether, weighing all the attendant factors, including the need for expedition, this type of evidence was appropriate given the character and objectives of the injunctive proceeding.")); *Flynt Distrib. Co. v. Harvey*, 734 F.2d 1389, 1394 (9th Cir. 1984); *V'Guara Inc. v. Dec*, 925 F. Supp. 2d 1120, 1122 (D. Nev. 2013).

impression" it creates. *FTC v. Stefanchik*, 559 F.3d 924, 928 (9th Cir. 2009). "A solicitation may be likely to mislead by virtue of the net impression it creates even though the solicitation also contains truthful disclosures." *Cyberspace.com*, 453 F.3d at 1200.

A material misrepresentation involves facts that a reasonable person would consider important in choosing a course of action. *See Cyberspace.com*, 453 F.3d at 1201. "Express claims or deliberately-made implied claims used to induce the purchase … are presumed to be material." *FTC v. Dinamica Financiera LLC*, No. 09-cv-3554, 2010 WL 9488821, at *8 (C.D. Cal. Aug. 19, 2010). Courts presume that implied claims are material if there is evidence that the seller intended to make the claims, *see, e.g., Novartis Corp. v. FTC*, 223 F.3d 783, 786–87 (D.C. Cir. 2000); *Kraft, Inc. v. FTC*, 970 F.2d 311, 322 (7th Cir. 1992), or if the claims go to the heart of the solicitation or the central characteristics of the product or service offered, *see FTC v. Figgie Int'l, Inc.*, 994 F.2d 595, 604 (9th Cir. 1993) (no loophole for implied deceptive claims).

The FTC need not prove that the misrepresentations were made with an intent to defraud or deceive, or were made in bad faith. *FTC v. Freecom Commc'ns, Inc.*, 401 F.3d 1192, 1202 (10th Cir. 2005); *FTC v. Nat'l Vending Consultants, Inc.*, No. 05-cv-160, 2006 WL 8441735, at *13 (D. Nev. Mar. 22, 2006). Nor does the FTC need to show actual reliance by consumers; it is enough that the representations were likely to be relied on by consumers acting reasonably under the circumstances. *Figgie Int'l*, 994 F.2d at 605–06; *FTC v. OMICS Grp. Inc.*, 374 F. Supp. 3d 994, 1010 (D. Nev. 2019) (Navarro, J.), *aff'd*, 827 F. App'x 653 (9th Cir. 2020); *see also FTC v. BlueHippo Funding, LLC*, 762 F.3d 238, 244 (2d Cir. 2014) (collecting cases and noting that "[t]o require proof of each individual consumer's reliance on a defendant's misrepresentations would be an onerous task with the potential to frustrate the purpose of the FTC's statutory mandate").

The evidence cited above demonstrates that Defendants' business is permeated with deception and that Defendants make constant misrepresentations to consumers. Specifically, Count I alleges that Defendants made the following material representations:

a) Defendants are a government entity responsible for tax collection;

b) Defendants are affiliated with a government entity responsible for tax collection, including the Internal Revenue Service;

c) Defendants will protect consumers from levies and garnishments;

d) Defendants will reduce or eliminate consumers' tax debt;

e) Defendants will work for consumers in furtherance of items (c) and (d);

f) Defendants have resolved tax debts for thousands of clients; and/or

g) Defendants will forward some or all of consumers' payments to the IRS or relevant state tax authority.[10]

In reality, these representations were false and misleading, as discussed above. *See supra* Parts I.A.3 & I.B. Therefore, they are likely to mislead consumers acting reasonably under the circumstances in a way that is material, and thus constitute deceptive acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

The GLB Act. "Section 521(a)(2) of the GLB Act makes it unlawful 'for any person to obtain or attempt to obtain ... customer information of a financial institution relating to another person ... by making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution.'" *FTC v. RCG Advances, LLC*, 695 F. Supp. 3d 368, 389 (S.D.N.Y. 2023). A "customer" of a financial institution is anyone to whom a financial institution provides a product or service. *Id.* at 390. Here, those are the consumers who paid ATS via their bank accounts held at, and credit cards issued by, financial institutions. "Customer information of a financial institution" is "any information maintained by or for a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer." *Id.* Here, that includes consumers' bank account and credit card information. Thus, under the GLB Act, when taking payment information from consumers, ATS must not make any "false, fictitious, or fraudulent statement or representation" to the consumers. Count II alleges that the Defendants made the same representations listed above under Count I. Those representations are false, fictitious, or fraudulent in violation of Section 521(a) of the GLB Act, 15 U.S.C. § 6821(a).

Impersonation Rule. Section 461.2(a)–(b) of the Impersonation Rule prohibits "materially and falsely pos[ing] as, directly or by implication, a government agency or officer

[10] *See supra* Part I.A.1 regarding items (a)–(b), and Part I.A.2 regarding items (c)–(g).

thereof" or "materially misrepresent[ing], directly or by implication, affiliation with, including endorsement or sponsorship by, a government entity or officer thereof." 16 C.F.R. § 461.2. Consistent with items (a) and (b) under Count I, Count III alleges that the Defendants have materially and falsely posed as, directly or by implication, a government taxation authority or officer thereof and/or materially misrepresented, directly or by implication, that they are affiliated with a government taxation authority. These acts or practices violate sections 461.2(a) & (b) of the Impersonation Rule, 16 C.F.R. § 461.2(a) & (b).

The TSR. Section 310.3(a)(2)(iii) of the TSR prohibits sellers and telemarketers from misrepresenting, directly or by implication, any material aspect of the performance, efficacy, nature, or central characteristics of goods or services that are the subject of a sales offer. 16 C.F.R. § 310.3(a)(2)(iii). Count IV alleges that the Defendants made material misrepresentations of the performance, efficacy, nature, or central characteristics of their services consistent with items (c) through (g) under Count I. These material misrepresentations violate section 310.3(a)(2)(iii) of the TSR. 16 C.F.R. § 310.3(a)(2)(iii).

The NRS. The NRS defines deceptive trade practices to include: "knowingly mak[ing] a false representation as to the characteristics … of goods or services for sale or lease or a false representation as to the sponsorship, approval, status, affiliation or connection of a person therewith," NRS § 598.0915(5); "advertis[ing] goods or services with intent not to sell or lease them as advertised," § 598.0915(9); and "violat[ing] a state or federal statute or regulation relating to the sale or lease of goods or services," § 598.0923(1)(c). Count V alleges the misrepresentations alleged in Count I are false or misleading about the characteristics of Defendants' services in violation of NRS § 598.0915(5). Count VI alleges that Defendants advertise their services without intending to perform the service in violation of NRS § 598.0915(9). Finally, Count VII alleges Defendants' knowing violations of GLB, the Impersonation Rule, and TSR further violate NRS § 598.0923(1)(c).

2. The Balance of Equities Mandates Preliminary Injunctive Relief

"[W]hen a district court balances the hardships of the public interest against a private interest, the public interest should receive greater weight." *World Wide Factors*, 882 F.2d at 347.

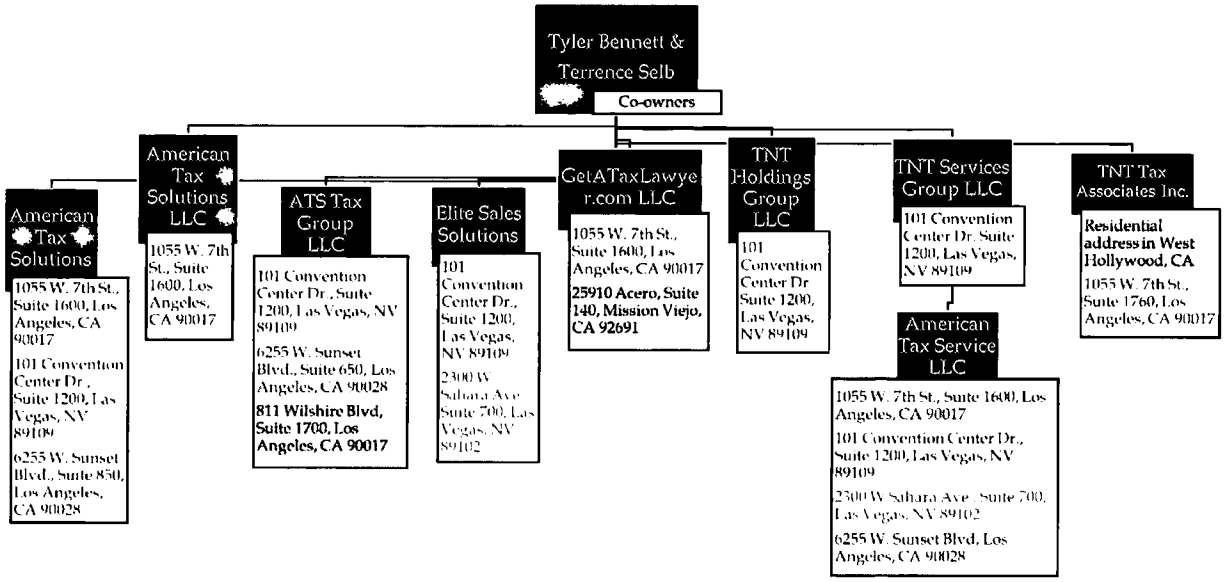
The public interest in this case is compelling—halting unlawful and injurious conduct and preserving assets that may be used for redress to victims. Defendants, by contrast, have no legitimate interest in continuing their scam. *See id.* ("there is no oppressive hardship to defendants in requiring them to comply with the FTC Act, refrain from fraudulent representation or preserve their assets from dissipation or concealment"). As the evidence demonstrates, Plaintiffs are likely to succeed on the merits, and the equities tip decidedly in the public's favor. A TRO is warranted.

3. The Corporate Defendants Operate as a Common Enterprise and are Jointly and Severally Liable for Each Other's Violations

> In situations where corporations are so entwined that a judgment absolving one of them of liability would provide the other defendants with a clear mechanism for avoiding the terms of the order, courts have been willing to find the existence of a common enterprise. When corporations act as a common enterprise, each may be held liable for the deceptive acts and practices of the other.
>
> … To determine whether a common enterprise exists, the Court considers factors such as: common control; the sharing of office space and officers; whether business is transacted through a maze of interrelated companies; the commingling of corporate funds and failure to maintain separation of companies; unified advertising; and evidence that reveals that no real distinction exists between the corporate defendants.
>
> The Court evaluates the pattern and frame-work of the whole enterprise.

FTC v. Grant Connect, LLC, 827 F. Supp. 2d 1199, 1216 (D. Nev. 2011), *aff'd in part, vacated in part on other grounds*, 763 F.3d 1094 (9th Cir. 2014) (cleaned up).

The Corporate Defendants constitute a common enterprise: the ATS Enterprise. They share common control and officers, Bennett and Selb, and a few common offices. *See supra* Part I.C.1. Bennett and Selb transact business through nine interrelated companies. Financial records also show the commingling of corporate funds. GX 321 (balance sheet including accounts of multiple defendants) (852); GX 323 (same) (860). Bennett and Selb fail to maintain separation of companies—no real distinction exists between the Corporate Defendants. The following graphic shows the common ownership and addresses among the Corporate Defendants:



4. The Individual Defendants are Liable for the ATS Enterprise's Violations

> [An officer] may be held individually liable for injunctive relief under the Federal Trade Commission Act for corporate practices if the FTC can prove (1) that the corporation committed misrepresentations or omissions of a kind usually relied on by a reasonably prudent person, resulting in consumer injury, and (2) that [the officer] participated directly in the acts or practices or had authority to control them. …
>
> [T]o find [an officer] liable for restitution, the FTC must also show that [the officer] had knowledge that the corporation or one of its agents engaged in dishonest or fraudulent conduct, that the misrepresentations were the type upon which a reasonable and prudent person would rely, and that consumer injury resulted.
>
> To satisfy the knowledge requirement, the FTC must show that [the officer] had actual knowledge of material misrepresentations, was recklessly indifferent to the truth or falsity of a misrepresentation, or had an awareness of a high probability of fraud along with an intentional avoidance of the truth.
>
> However, the FTC is not required to show that a defendant intended to defraud consumers in order to hold that individual personally liable.

FTC v. Publ'g Clearing House, Inc., 104 F.3d 1168, 1170–71 (9th Cir. 1997) (cleaned up).

Selb and Bennett's direct participation in and authority to control ATS's deception are discussed above. *See supra* Part I.C.2. Both Bennett and Selb speak directly to consumers in furtherance of ATS's deception. GX 317 ¶ 23 (844–45) (Selb); GX 380 ¶ 4 (1414) (Bennett).

Public and bank records demonstrate that Selb and Bennett are officers, owners, and founders of the ATS Enterprise. *See supra* Part I.C.2; *Publ'g Clearing House*, 104 F.3d at 1170 ("assumption of the role of president of [a corporation and] authority to sign documents on [its] behalf … demonstrate that [an individual has] the requisite control"). Given their direct participation, authority to control, and first-hand knowledge of their and their companies' conduct, Selb and Bennett are individually liable for the ATS's Enterprise's deceptive acts and practices.

C. An *Ex Parte* TRO with Additional Equitable Relief is Necessary

Plaintiffs will prove that Defendants are engaging in deceptive practices in violation federal and state law, and the balance of equities strongly favors the public interest. Preliminary injunctive relief is thus warranted. Federal Rule of Civil Procedure 65(b) permits this Court to grant an *ex parte* TRO if there is a clear showing that "immediate and irreparable injury, loss, or damage will result" if notice is given. Fed. R. Civ. P. 65(b). For years, Defendants have engaged in a deceptive tax debt relief scam that has cost consumers tens of millions. To put an immediate stop to Defendants' ongoing deceptive practices and to preserve the possibility of effective final relief for consumers, Plaintiffs request that the Court issue an *ex parte* TRO that: (1) prohibits Defendants from engaging in conduct that violates the law; (2) temporarily freezes Defendants' assets; (3) appoints a temporary receiver over the ATS Enterprise; (4) grants Plaintiffs and the temporary receiver immediate access to Defendants' business premises; and (5) authorizes limited expedited discovery. As noted above, court in this District have routinely granted this relief in similar cases. *Supra* note 7.

1. Conduct Relief is Necessary to Stop Ongoing Consumer Harm

To prevent ongoing consumer injury, the proposed TRO prohibits Defendants from making misrepresentations about their purported tax debt relief services. This measure simply requires Defendants to comply with the law and is squarely within the Court's injunctive authority under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).

2. The Court Should Temporarily Freeze Defendants' Assets

An asset freeze is appropriate when Plaintiffs are likely to succeed on the merits and consumer redress would be an appropriate remedy. *See H.N. Singer*, 668 F.2d at 1113; *Noland*,

2021 WL 4318466, at *5 (continuing an asset freeze to preserve the possibility of consumer redress under § 19 of the FTC Act); *see also FTC v. Affordable Media*, 179 F.3d 1228, 1236 (9th Cir. 1999) ("[T]he public interest in preserving the illicit proceeds … for restitution to the victims is great.").[11] In addition to showing likelihood of success on the merits, "[a] party seeking an asset freeze must show a likelihood of dissipation of the claimed assets, or other inability to recover damages, if relief is not granted." *Johnson v. Couturier*, 572 F.3d 1067, 1085 (9th Cir. 2009). As the Ninth Circuit has observed in upholding an asset freeze, an individual who has "impermissibly awarded himself" huge sums of company funds, "is presumably more than capable of placing assets in his personal possession beyond the reach of a judgment." *Johnson*, 572 F.3d at 1085.

As demonstrated above, Plaintiffs are likely to succeed on the merits of their claims and be awarded redress for the victims of Defendants' scheme pursuant to § 19 of the FTC Act. The FTC's experience shows that defendants engaged in similarly fraudulent schemes have taken steps to undermine the FTC's efforts to preserve the status quo by withdrawing or dissipating funds from bank accounts and moving or destroying business records. *See* Rule 65 Dec. of Simon Barth ¶¶ 19–20 (citing numerous instances in which FTC defendants have dissipated assets or destroyed evidence when given notice of the FTC action). Courts have also found a strong likelihood that defendants will dissipate assets where the business is permeated by fraud. *Int'l Controls Corp. v. Vesco*, 490 F.2d 1334, 1347 (2d Cir. 1974); *SEC v. Manor Nursing Ctr., Inc.*, 458 F.2d 1082, 1106 (2d Cir. 1972); *see also H.N. Singer, Inc.*, 668 F.2d at 1113; *FTC v. Willms*, No. 11-cv-828, 2011 WL 4103542, at *11 (W.D. Wash. Sept. 13, 2011).

Bank records also show that Selb and Bennett have each transferred nearly $3 million of company funds to themselves since 2022, GX 434 ¶ 11 (2173), and from June 30, 2024, to July 3, 2025, payroll records show that ATS paid Selb $633,023.16, and Bennett $478,070.17, GX 394 ¶ 67 (1922). In addition to large salaries and transfers from corporate accounts, Selb and Bennett also use corporate accounts to pay for personal expenses, including housekeepers, pet care, art

[11] "[A]lthough the Supreme Court in [*AMG*], constrained the FTC from seeking asset freezes and/or receiverships under Section 13(b), such relief still is available under Section 19 of the FTC Act[.]" *Automators*, 2023 WL 6373069, at *1 (citing *Noland*, 2021 WL 4318466, at *5). Here, as in *Automators* and *Noland*, the FTC seeks consumer redress under § 19 of the FTC Act.

and watches. GX 434 ¶ 12 (2172–73); *see also* GX 414 (2040) (showing that Defendants used corporate funds to pay $171,509 in "Mortgage/HOA" expenses in 2024).

Defendant Selb has a long history of misappropriating funds. In 1986, Selb was disbarred for, among other things, misappropriating client funds. *See supra* note 4. In 1999, Selb was indicted for bank fraud and forged securities. The indictment alleged that Selb, who was acting as a loan broker for a corporation seeking to refinance an impending balloon payment, requested that the corporation send him nine checks, "misrepresent[ing] to [the corporation] that the checks were necessary to fund additional expenses related to the refinancing[.]" GX 421 ¶ 10–12 (2092). Selb then forged the payee's signature on the checks and misappropriated the funds (more than $90,000) for his own use. *Id.* Selb admitted to this conduct when he pleaded guilty to the forged securities count in July 2000. GX 422–23 (2094–104).

In 2004, Selb settled a False Claims Act suit (in which the United States had intervened) for $25,000, to resolve allegations regarding his role in receiving fraudulently obtained Medicare and Medicaid reimbursements. *See* GX 424 at 2, 4–7 (2106, 2108–11). Selb then failed to timely pay this judgment, requiring the government to convert the settlement to a judgment and commence garnishment proceedings. GX 394 ¶¶ 47–50 (1960); GX 425–28 (2124–33).

More recently, in 2025, the Nevada Aging and Disability Services Division substantiated a complaint that Selb and Bennett financially exploited a 69-year-old individual with certain mental incapacities over whom they share power of attorney, diverting the individual's Social Security income for their own uses. GX 394 ¶¶ 57 (1917–18).

Given Plaintiffs' likelihood of success on the merits and Defendants' history of quickly siphoning off corporate funds, falsifying records, and other serious financial misconduct, the Court should order an asset freeze to preserve the possibility of consumer redress.

3. The Court Should Appoint a Temporary Receiver

This Court has the authority to appoint a receiver when, as here, Plaintiffs have established that they are likely to succeed on a claim for monetary relief based on Section 19 of the FTC Act and Nevada law, and the receiver is necessary to preserve funds for a future monetary judgment. *See FTC v. Simple Health Plans LLC*, 58 F.4th 1322, 1328–30 (11th Cir. 2023);

Automators, 2023 WL 6373069, at *1; *see also* L.R. 66–2 ("a temporary receiver may be appointed without notice upon adequate showing provided by Fed. R. Civ. P. 65(b)").

In addition to preserving assets, Plaintiffs seek a receiver to "prevent ongoing and future harm." *FTC v. Noland*, 672 F. Supp. 3d 721, 732 (D. Ariz. May 11, 2023); *see also SEC v. First Fin. Grp. of Texas*, 645 F.2d 429, 438 (5th Cir. 1981) ("[I]t is hardly conceivable that the trial court should have permitted those who were enjoined from fraudulent misconduct to continue in control of (the corporate defendant's) affairs." (cleaned up)); *SEC v. Bowler*, 427 F.2d 190, 198 (4th Cir. 1970) ("[A] receiver is permissible and appropriate where necessary to protect the public interest and where it is obvious, as here, that those who have inflicted serious detriment in the past must be ousted.").

If Defendants are allowed to remain in control of their business, they will likely destroy evidence, *see infra* Part II.C.4, and dissipate assets, *see supra* Part II.C.2. A neutral receiver would prevent further harm to consumers and would locate and secure assets and records without disrupting any legitimate business activity. A receiver would also help assess the extent of the fraud, trace its proceeds, prepare an accounting, and make an independent report of Defendants' activities to the Court.

4. The Court Should Grant Expedited Discovery and Immediate Access to the ATS Enterprise's Business Premises and Records

Courts in this District have granted expedited discovery and immediate access to Defendants' business premises. *E.g.*, cases cited *supra* note 7. Plaintiffs seek this relief because Defendants have a history of falsifying business records and intimidating former employees who speak out about Defendants' business practices.

For example, in response to Civil Investigative Demands ("CIDs") from Wisconsin's Department of Agriculture, Trade and Consumer Protection ("DATCP") in 2019, requesting examples of mailers the company had caused to be sent to Wisconsin residents, American Tax Solutions produced altered example mailers. GX 436 ¶ 6–7 (2177–78). Additionally, when the Wisconsin AG required American Tax Solutions to send refund offer letters to its Wisconsin customers in 2021, the company submitted falsified consumer responses to the AG, which

purported to decline the refund offers. GX 436 ¶ 14–17 (2179–80).

Additionally, Defendants have misrepresented who is in charge of one of the corporate Defendants. Defendants have listed Joseph C. Baker ("Chris Baker") as the President of TNT Tax Associates Inc. on corporate records. GX 394 ¶ 26 (1909–10); GX 403 (1970). According to a former employee, however, Mr. Baker has no real leadership role in the company. *See* GX 317 ¶ 22–23 (844–45). The former employee also reported that Selb often introduces himself as "Chris Baker" while on sales calls with consumers and controls the email address "cbaker@atstaxgroup.com." GX 317 ¶ 23 (844–45); *see also* GX 436 ¶ 9–10 (2178–79).

Defendants have sued or threatened to sue former employees to silence their concerns about Defendants' business practices. In one instance, Defendant Elite Sales Solutions filed a state court complaint against a former employee who had resigned her position after developing ethical concerns about Defendants' business practices, claiming she had "defamed the company to its clients." GX 394 ¶¶ 53–54 (1917); GX 431 ¶ 1 (2140–41). Another former employee claimed that "ATS filed a mediation action against [her] to shut [her] up," after she reported the company's misconduct to several law enforcement entities, including the FTC, in April 2024. GX 317 ¶ 29 (846). In a letter responding to this report, the General Counsel for the ATS Enterprise claimed the companies intended to "initiate litigation" against the former employee "for forgery, fraud, conspiracy against the rights of a co-employee, as well as Abuse of Process and Malicious Prosecution …, amongst other claims." GX 311 ¶ 12 (735); GX 316, at 1 (836).[12]

Given Defendants' history of falsifying documents, intimidating former employees, and attempts to use Mr. Baker to shield their own liability, there is reason to believe Defendants will alter or destroy evidence if given the time to do so. Accordingly, Plaintiffs respectfully request expedited discovery and immediate access to the business premises to preserve the status quo.

5. The Court Should Issue the TRO *Ex Parte*

Federal Rule of Civil Procedure 65(b)(1) permits the Court to enter an *ex parte* order

[12] Although the letter is addressed to "All Other Governing Agencies Identified as Recipients on the Email from Janette Hill dated April 20, 2024," the FTC could not verify receipt of this letter and undersigned counsel independently obtained a copy of it from the Better Business Bureau in March 2025. *See* GX 311 ¶ 12 (735).

upon a clear showing that "immediate and irreparable injury, loss, or damage will result" if notice is given to defendants. An *ex parte* TRO is proper where "notice to the defendant would render fruitless the further prosecution of the action." *Reno Air Racing Ass'n v. McCord*, 452 F.3d 1126, 1131 (9th Cir. 2006). "Plaintiffs must show that defendants would have disregarded a direct court order … within the time it would take for a hearing … and must support such assertions by showing that the adverse party has a history of disposing of evidence or violating court orders or that persons similar to the adverse party have such a history." *Id.* (cleaned up). The FTC's experience shows that defendants who have engaged in similar schemes often withdraw funds from bank accounts and move or shred documents upon learning of impending legal action. Rule 65 Dec. of Simon Barth ¶¶ 19–20. Courts in this District have issued *ex parte* TROs in cases involving similar facts. *See* cases cited *supra* note 7.

Moreover, as discussed in Section II.C.2 and 4 above, Defendants have a history of altering or falsifying documents in response to government investigation and a demonstrated disregard for the law. They have continued to operate under various aliases, using deceptive mailers—despite North Dakota and Wisconsin law enforcement actions addressing those mailers[13]—and continue to misrepresent themselves to consumers as lawyers and a law firm—even after receiving cease-and-desist and warning letters from the State Bar of California.[14] *See supra* Part I.A.2. Defendants' deceptive scheme and prior financial misconduct provide ample evidence that Defendants would likely conceal or dissipate assets absent *ex parte* relief.

* * *

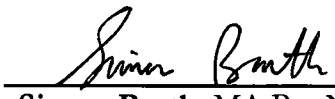
For the foregoing reasons, Plaintiffs respectfully request that the Court grant their motion and enter the proposed TRO against Defendants.

[13] GX 416–18 (2044–63); *see also* supra at 7.

[14] In January 2024, the State Bar of California's Office of Chief Trial Counsel sent a cease-and-desist letter to Defendant Bennett, d/b/a Get a Tax Lawyer and Got a Tax Letter, informing him that he had engaged in the "unauthorized practice of law." GX 325 ¶ 34 (867); GX 356 (1100–04). In April 2025, the CA State Bar followed up its January 2024 letter with a warning letter concerning Bennett's ongoing unauthorized practice of law. GX 325 ¶ 42 (868); GX 364 (1133–37).

Dated: October 6, 2025

Respectfully submitted,



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