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15 **UNITED STATES DISTRICT COURT**
16 **DISTRICT OF NEVADA**

17 **Federal Trade Commission**, and

18 **State of Nevada**,

19 Plaintiffs,

20 v.

21 **American Tax Service LLC**, et al.,

22 Defendants.

No. 2:25-cv-1894-GMN-EJY

**Plaintiffs' Motion to Modify the
Preliminary Injunction**

23
24 The Individual Defendants have violated this Court's Temporary Restraining Order and
25 Preliminary Injunction by surreptitiously launching a new tax debt relief business in the same
26 mold as the ATS enterprise. To better protect consumers during this litigation, Plaintiffs seek to
27 modify the Preliminary Injunction to ban the Individual Defendants from debt relief services
28

1 and telemarketing.¹ Having conferred with Selb and Bennett’s counsel before filing this motion,
2 Plaintiffs understand that the Individual Defendants do not oppose the relief sought in the
3 attached proposed order and will not challenge the authenticity of exhibits produced by third
4 parties filed in support of this motion.

5 **I. Statement of Facts**

6 **A. Background**

7 Until October 10, 2025, when the Receiver assumed control over the Corporate
8 Defendants, Individual Defendants Tyler Bennett and Terrance Selb (“Individual Defendants”)
9 ran the ATS Enterprise. Plaintiffs’ *Ex Parte* Motion for a Temporary Restraining Order (“TRO
10 Motion”) (ECF No. 4, Part I.C.2, p. 9–11); Plaintiffs’ Supplemental Memorandum in Support of
11 a Preliminary Injunction (“PI Memo”) (ECF No. 46, Part I.B, p. 14–16). As set forth more fully
12 in the TRO Motion and PI Memo, Selb’s and Bennett’s ATS enterprise was built on false
13 promises of tax relief. TRO Motion Part I.A.2 (ECF No. 4, p. 3–4); PI Memo Part I.A.2 (ECF
14 No. 46, p. 12–14). ATS telemarketers often made those promises after exaggerating consumers’
15 tax problems to capitalize on their fear. *See* Supplemental Declaration of Receiver, Stephen J.
16 Donell (ECF No. 45, ¶ 4(e)) (“Many consumers reported explicit coercive statements or threats,
17 including references to foreclosure or similar consequences if payment was not made.”). For
18 instance, Selb once told an upseller to “[l]ook at [the consumer’s] financial interview and his
19 income ... he needs the fear of god to have him dig out the money.” GX 622 ¶ 3 (3291), GX
20 623 (3299). And ATS telemarketers used their knowledge of consumers’ financial situations to
21 determine how much money ATS could extract. GX 621 ¶ 6 (3281–82) (“They’d ask clients
22 what kind of accounts they have. They’d get every inch of information about these people,
23 they’d know where every dime lies. The upsellers would use fear tactics, including potential
24 confiscation of material possessions or possible jail.”).

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26
27 ¹ Though Selb and Bennett could be held in contempt of court, because they have apparently
28 stopped violating the PI for now, it does not appear that contempt remedies would be useful. *See*
infra note 11.

1 ATS's misrepresentations and threats were designed to separate consumers from their
2 savings while ATS provided few, if any, actual services in return. TRO Motion Part I.A.3 (ECF
3 No. 4, p. 4–5); PI Memo Part I.A.3 (ECF No. 46, p. 14). Former ATS Director of Retention,
4 Winston Parker, admitted: “[ATS telemarketers] would promise clients things that quite frankly
5 we couldn’t or wouldn’t do.” GX 621 ¶ 6 (3281–82). He said: “[T]he greed started growing like a
6 cancer[,] ...[t]oward the end, they just weren’t assigning cases. They’d bring in 40 new cases a day
7 or more, but they would only assign a few of them to case managers.” GX 621 ¶ 4 (3281).

8 ATS also consciously targeted older consumers for its highest-dollar scam sales. GX 621
9 ¶ 10–13 (3282–83). The vast majority of ATS’s highest-paying customers were over 65 years old.
10 GX 621 ¶ 13, Att. A (3283, 3286–87). The 60 highest-paying consumers paid ATS between
11 \$122,320 and \$1,046,309, and according to Parker: “For most of these cases, [ATS] would say
12 [ATS was] monitoring the tax debt to get it past the statute of limitations, and then we’d keep a
13 million dollars for doing absolutely zero.” GX 621 ¶ 13 (3283).

14 **B. Procedural History**

15 To put an end to the Defendants’ deceptive enterprise, Plaintiffs filed the Complaint and
16 TRO Motion on October 6, 2025. ECF Nos. 1, 4. This Court issued a Temporary Restraining
17 Order (“TRO”) on October 7, 2025. ECF No. 9. Among other things, the TRO prohibited
18 Defendants from: (1) deceptively marketing goods or services, ECF No. 9, Section I;
19 (2) “disclosing, using, or benefiting from customer information ... obtained in connection with
20 any activity that pertains to the subject matter of [the TRO],” ECF No. 9, Section II; and
21 (3) “creating, operating, or exercising any control over any business entity ... without first
22 providing Plaintiffs’ counsel and the Receiver with a written statement” disclosing certain
23 information, ECF No. 9, Section X. On October 17, 2025, the Court extended the TRO until
24 the Court ruled on Plaintiffs’ request for a preliminary injunction. ECF No. 39. After a hearing
25 on October 27, 2025, the Court issued a Preliminary Injunction on November 20, 2025. Among
26 other things, the Preliminary Injunction extended the TRO’s prohibitions outlined above. ECF
27 No. 64, Sections I, II, & X.

28

1 **C. Individual Defendants Received Notice of the Court’s Orders**

2 Selb was personally served with the Complaint and TRO on October 10, 2025, in the Las
3 Vegas, Nevada, office of the ATS Enterprise. Summons Return, ECF No. 30. Bennett was
4 served with the Complaint and TRO on October 10, 2025, via his co-habitant at his residence in
5 Henderson, Nevada. Summons Return, ECF No. 31. Bennett and Selb are represented by
6 counsel who entered their appearances on October 17, 2025. When the Court issued the
7 Preliminary Injunction on November 20, 2025, all parties’ counsel of record were served with a
8 copy of the order via the Court’s ECF system.

9 **D. Individual Defendants Have Violated the TRO and Preliminary Injunction**

10 **1. Individual Defendants Set Up a New Tax Debt Relief Enterprise**

11 Days after he was personally served with the Complaint and TRO, Selb called his former
12 employee, Winston Parker. GX 621 ¶ 14 (3283). Selb asked Parker to send him a copy of ATS
13 client and lead list, and Parker did so. GX 621 ¶ 14 & Att. B (3283, 3289). Although Selb did not
14 tell Parker why he wanted the client and lead list, Parker believed it was “because he[was] going
15 to open back up, using someone else as a front, and say that he and Tyler are consultants.” GX
16 621 ¶ 14 (3283). When Parker later met with Selb in Selb’s Los Angeles apartment, Selb told him
17 that “[Selb and Bennett] were using a friend of Tyler’s as a front to open a new business and
18 Tyler [Bennett] and Terry [Selb] would just be on the back end, so they stay out of the firing
19 line.” GX 621 ¶ 15 (3283–84).²

20 On November 10, 2025, a corporation called Sunrise Tax Group, Inc. (“Sunrise”) was
21 incorporated in California. GX 622 ¶ 4(a) (3291); GX 625 (3302). The articles of incorporation
22 identify Ethan Liss, of Clawson, Michigan, as the Director. GX 625 (3302). Based on text
23 messages between the two, Bennett and Liss appear to be longtime friends. In 2024, Bennett
24 offered to pay Liss \$1,000 in exchange for letting Bennett use his name and Social Security
25

26
27

² Other former ATS employees also anticipated a rebranded relaunch. In November 2025,
28 ATS telemarketers created a WhatsApp group chat named “Phoenix,” which the organizing
telemarketer said should be used “for our means of communication with each other as we rise
from the ashes!” GX 649 (3473–74).

1 number to set up a new entity. GX 622 ¶ 3 (3291); GX 624 (3301).³ Liss’s name has appeared in
2 various corporate filings for Defendant Elite Sales Solutions. *See* GX 399 (1952); GX 404 (1985-
3 86).

4 In November 2025, Selb and Bennett discussed their new venture with Lenox Myette
5 (also known as Kendall Tate), William Haskell (also known as William Andrews), and Hunter
6 Burnett (also known as Hunter Evans)⁴ in an iMessage group chat. GX 622 ¶ 11 (3292); GX 627
7 (3304–18). Myette, Haskell, and Burnett were high-level telemarketers in ATS’s Los Angeles
8 office, known to other ATS employees as the “three amigos.” GX 621 ¶ 5 (3281). Myette,
9 Haskell, and Burnett “managed the upsellers, who pitched clients on additional services.” GX
10 621 ¶ 5 (3281). In early November, Selb shared updates on his and Bennett’s new business plans
11 in the iMessage group chat. GX 627 (3304–05). On November 5, Selb messaged: “[W]e are very
12 busy with Greg and others about execution of the plan[.]” GX 627 (3304). Haskell and Burnett
13 assured Selb and Bennett that they were “on standby.” GX 627 (3304). On November 7, Selb
14 updated the group again, stating: “Tyler and I will be in LA tomorrow and all of next week
15 getting things set up[.]” GX 627 (3305). Haskell responded, “we are ready to work,” and Myette
16 agreed, writing “[w]e are ready to help you rebuild.” GX 627 (3305–06).

17 On November 10, 2025, Selb assured the group: “We are both in la this week working
18 every hour on getting this off the ground[.] Tomorrow or Wednesday we are looking for office
19 space, processes etc[.]” GX 627 (3306). He also sent screenshots of a computer monitor
20 showing himself logged into accounts as Ethan Liss. GX 627 (3307). Selb then sent pictures and
21 videos to the group chat and solicited input as he and Bennett toured vacant office spaces. GX
22 627 (3311–14). The group coalesced on Suite 700 in the historic Taft Building and celebrated
23 Sunrise Tax Group as a “new start.” GX 627 (3308, 3318). Bennett noted that he “thought [the
24 name Sunrise] seemed appropriate.” GX 627 (3308). Selb said: “I have some very interesting
25 ideas for a jump start.” GX 627 (3309).

26
27 ³ On April 25, 2024, Bennett texted Liss, “Hey bro[.] Can i use ur name / ss to set up an entity
for the phone company[.] Zelle u \$1000[.]” GX 624 (3301).

28 ⁴ ATS telemarketers often used a “Sales Name” when on the phone with consumers. *See* GX
438 (2307) (roster listing “Legal Name” and “Sales Name” for salespeople).

1 On November 13, 2025, Myette shared draft scripts for the new enterprise with Haskell
 2 and Burnett. *See* GX 627 (3315). The scripts were then shared with Selb and Bennett. GX 622
 3 ¶ 14 (3293); GX 631 (3335). The scripts do not appear to have been shared with Liss. GX 631
 4 (3335). One of the scripts specifically targeted consumers whose Power of Attorney agreements
 5 had been revoked by the IRS:

6 **Opening Option 2 (Discount Service)**

7 Hi this is Lane calling from Sunrise Tax.

8 We're offering a discount to all new tax prep clients, particularly those who have more than one
 9 year of filing.

10 Do you need some help with late filing? (YES I DO // NO I DON'T - I HAVE ANOTHER FIRM
 11 HANDLING THIS FOR ME)

12 Actually, the reason we are reaching out is that we see that your POA has been revoked from
 13 the IRS and you knew that. When was the last time you heard from this other firm?

14 Did you know that your POA had been revoked? (NO)

15 Ok well, that concerns us as it would indicate your tax issue is not getting handled.
 16 Grab something to write with...

17 GX 622 ¶ 13 (3293); GX 630 (3333–34). This script suggests that Sunrise Tax Group intended
 18 to target former ATS clients, whose Power of Attorney agreements with the Corporate
 19 Defendants—now in receivership—would have been recently revoked. Without preexisting
 20 information about consumers, like what Parker provided to Selb in October 2025, it is unclear
 21 how a company offering tax prep services would know that any specific consumer's Power of
 22 Attorney had been revoked by the IRS, let alone how to contact such a consumer. *See* GX 621,
 23 Att. B (3289).

24 On November 21, 2025—the day after this Court issued the Preliminary Injunction—
 25 Bennett created a WhatsApp group chat, titled “Sunrise LA.” GX 622 ¶ 11 (3292); GX 629
 26 (3324). Among its members were Bennett, Selb, Myette, Haskell, and Burnett. GX 629 (3324–
 27 32). Liss does not appear to have been included in the chat. GX 629 (3324–32). Selb and
 28 Bennett hosted a telephonic “kick off meeting” for the WhatsApp group members on

1 November 24, 2025, and planned an in-person follow up meeting at Bennett’s and Selb’s home
2 in the Hollywood Hills. GX 629 (3325–29).

3 On November 30, 2025, Liss texted one of ATS’s former tax attorneys, James Sharmat,
4 to ask him to sign off on a new customer’s IRS forms, which sometimes need to be signed by an
5 individual with authority to represent taxpayers before the IRS. GX 622 ¶ 18 (3293); GX 633
6 (3337–38).⁵ The next day, after Liss emailed the form to Sharmat, Sharmat texted Liss that he
7 was: “Confirming with Terry and Tyler.” GX 633 (3339). In an email to both Selb and Bennett,
8 Sharmat asked: “Is Ethan Liss of Sunrise your person?”; within one minute, Selb responded:
9 “YES.” GX 622 ¶ 17 (3293); GX 632 (3336).

10 On November 25, 2025—fewer than two weeks after Bennett and Selb filed their
11 Emergency Motion seeking to unfreeze assets for living expenses (ECF No. 57)⁶—Sunrise Tax
12 Group executed a five-and-a-half-year lease on Suite 700 in the Taft Building in Los Angeles,
13 California, with a monthly rent of more than \$11,500. GX 622 ¶ 20 (3293); GX 634 (3343–75).
14 To secure the lease, Sunrise submitted what purported to be the company’s 2025 profit and loss
15 statement and balance sheet. GX 622 ¶ 20 (3293); GX 635 (3376); GX 636 (3377). Sunrise also
16 submitted a company “bio,” which claimed the company was a “nationwide tax service company
17 that operates in all 50 states” and “was formed with a small group of tax sector investors and an
18 experienced team of tax professionals.” GX 622 ¶ 20 (3293); GX 637 (3378). The letter
19 emphasized that Sunrise had “investor backing” and “presently serve[s] 490 clients nationwide
20 and [is] growing at a rate of 15% per month.” GX 637 (3378). Although the company’s “bio”
21

22 ⁵ Liss asked Sharmat whether “it would be possible to meet up today for a quick signature?”
23 GX 633 (3337). Sharmat inquired: “This is Terry/Tyler’s 8821? I don’t need to sign 8821s. If
24 2848, yes I do[.]” GX 633 (3337). IRS Form 8821 is a Tax Information Authorization, which
25 authorizes third parties to inspect taxpayer’s confidential tax information. *About Form 8821, Tax
Form Authorization*, Internal Revenue Service, irs.gov/forms-pubs/about-form-8821. IRS Form
2848 is used to authorize a third party to represent a taxpayer before the IRS. *About Form 2848,
Power of Attorney and Declaration of Representative*, Internal Revenue Service, [irs.gov/forms-
pubs/about-form-2848](https://irs.gov/forms-pubs/about-form-2848).

26 ⁶ In the Emergency Motion, filed on November 12, 2025, the Individual Defendants claimed
27 they were “unable to pay for housing, food, or other essential expenses.” ECF No. 57, p. 2, 4.
28 The Court did not unfreeze Selb’s joint account with his son until December 11, 2025. ECF No.
71. But Bennett and Selb were able to secure a lease agreement with a monthly rent of more
than \$11,500 and a security deposit of \$23,008.60 on November 25. GX 622 ¶ 20 (3293); GX
634 (3349).

1 was purportedly signed by Ethan Liss, the metadata on the Microsoft Word document shows the
2 document was created on November 24, 2025, and the author was “Tyler Bennett.” GX 637
3 (3378); GX 622 ¶ 21 (3294).

4 Also on November 24, 2025, pursuant to the TRO’s expedited discovery provisions,
5 Plaintiffs propounded nine interrogatories to Bennett and Selb. GX 639 (3380–87) & GX 640
6 (3388–95). In these interrogatories, Plaintiffs asked Bennett and Selb to identify all businesses
7 over which they exercise any control and then describe any business activities they had
8 undertaken since October 10, 2025. GX 639 (3385) & GX 640 (3393). Neither Bennett nor Selb
9 identified Sunrise Tax Group in their sworn responses on December 3, 2025. GX 641 (3398) &
10 GX 642 (3407). On December 12, 2025, Plaintiffs propounded seven requests for production
11 (“RFPs”), including for documents and communications relating to “any new business venture
12 on or after October 10, 2025.” GX 643 (3419) & GX 644 (3432).

13 On December 13, 2025—the day after Selb and Bennett received Plaintiffs’ RFPs—Liss
14 texted Myette, Haskell, and Burnett, to inform them: “Sunrise Tax Group is burned”; adding
15 that he would arrange for a new business name that “TNT won’t know, right now.”⁷ GX 628
16 (3321). A few days later, Liss provided another update: “Sunrise is now Stillwell. TNT are in the
17 dark for now.” GX 628 (3322). On December 15, 2025, “Stillwell Tax Group” was incorporated
18 in California, again naming Ethan Liss as Director. GX 626 (3303). On December 19, 2025,
19 Bennett and Selb produced 99 documents in response to the RFPs, but none of them
20 mentioned Sunrise Tax Group or Stillwell Tax Group. GX 622 ¶ 22 (3294).⁸ Nonetheless,
21 Stillwell appeared to launch the week after Christmas, when Liss told Haskell: “I have inbounds
22 coming in today.” GX 628 (3323).

24
25 ⁷ “TNT” is a shorthand for “Tyler ‘n’ Terry” that Selb, Bennett, and their employees and
26 associates regularly use to refer to the duo. *See, e.g.*, GX 526 (2786) (showing \$815,289 in ‘TNT
27 Expenses’ for 2024, including Selb and Bennett’s mortgage payments, automobile expenses, and
entertainment); GX 588 (3076); GX 650 (3477) (“Per TNT directive: I am paid the exact same
amount as the Mannix house payment on the same day . . . Yes that is Tyler and me in complete
agreement.”); *see also* GX 627 (3315) (referring to Selb and Bennett as “T&T”).

28 ⁸ On February 11, 2026, Selb and Bennett amended their initial disclosures and produced 34
additional documents, none of which mentioned Sunrise Tax Group or Stillwell Tax Group. GX
622 ¶ 23 (3294).

1 **2. Individual Defendants Launched a Telemarketing Scam That Is the**
2 **Same as the ATS Scam**

3 On January 5, 2026, an FTC investigator called 800-490-9722, the phone number listed
4 on stillwelltaxgroup.com, as part of Plaintiffs’ early investigation to determine whether Sunrise
5 and/or Stillwell were, in fact, orchestrated by Selb and Bennett. GX 622 ¶ 6 (3291–92). The
6 investigator reached a telemarketer who identified himself as “Evan Fox.” GX 622 ¶ 6 (3291).
7 The investigator told Fox that he was calling on behalf of a family member. GX 622 ¶ 6 (3291).
8 Fox told the investigator that Stillwell Tax Group was a nationwide firm, “licensed” in all 50
9 states, and that had been in business for 10 years. GX 622 ¶ 6 (3291–92). Fox told the
10 investigator that Stillwell Tax Group could reduce a \$30,000 tax debt to only \$5,000–10,000,
11 emphasizing that the investigator’s family member’s assets were at risk, and that the IRS may
12 show up at her door.⁹ GX 622 ¶ 6 (3292). When the investigator asked Fox to point him to
13 customer reviews, Fox put the investigator on hold, eventually returning and promising to send
14 the reviews via email. GX 622 ¶ 6 (3292). The investigator never received any reviews. GX 622
15 ¶ 6 (3292). The telemarketer’s representations closely echo those made by ATS Enterprise
16 telemarketers. TRO *See* TRO Motion Part I.A.2 (ECF No. 4, p. 3–4); PI Memo Part I.A.2 (ECF
17 No. 46, p. 12–14).

18 **3. Individual Defendants Failed to Provide Notice of Their New**
19 **Business Activity**

20 Under the TRO and Preliminary Injunction, Selb and Bennett were required to notify
21 Plaintiffs’ Counsel and the Receiver of new business activity. ECF No. 9, Section X; ECF No.
22 64, Section X. Neither Selb nor Bennett notified Plaintiffs’ counsel of either Sunrise Tax Group
23 or Stillwell Tax Group. Additionally, in response to direct interrogatories regarding businesses
24 over which they exercised any control, Selb and Bennett failed to disclose Sunrise and Stillwell.

25
26
27 ⁹ The IRS ended unannounced visits to taxpayers in almost all instances in August 2023. *IRS*
28 *ends unannounced revenue officer visits to taxpayers*, Internal Revenue Service, [irs.gov/newsroom/irs-ends-unannounced-revenue-officer-visits-to-taxpayers](https://www.irs.gov/newsroom/irs-ends-unannounced-revenue-officer-visits-to-taxpayers).

1 GX 641 (3398); GX 642 (3407). In their written responses to Plaintiffs subsequent RFPs
2 concerning new business ventures, Bennett and Selb denied the existence of any responsive
3 documents. GX 645 (3442); GX 646 (3448).

4 On January 6, 2026, one day after the FTC investigator's undercover call, Plaintiffs'
5 counsel informed Selb and Bennett's counsel that Plaintiffs' preliminary investigation of Sunrise
6 Tax Group and Stillwell Tax Group was beginning to suggest that Selb and Bennett may be
7 orchestrating those companies, in potential violation of this Court's TRO and Preliminary
8 Injunction. GX 651 ¶ 3 (3480). Plaintiffs' counsel noted that involvement with these companies
9 would also require Selb and Bennett to update their interrogatory responses and document
10 productions. GX 651 ¶ 3 (3480). By January 7, 2026, websites for Sunrise Tax Group¹⁰ and
11 Stillwell Tax Group had been made private, and telemarketers had stopped answering the phone.
12 GX 622 ¶¶ 7–9 (3292). On January 8, 2026, Plaintiffs' Counsel met with Selb and Bennett's
13 counsel again. GX 651 ¶ 4 (3480). During this meeting, Selb and Bennett's counsel represented,
14 on behalf of their clients, that Liss alone had started both Sunrise and Stillwell Tax Group and
15 that neither Selb nor Bennett had been involved in the formation or operation. GX 651 ¶ 4
16 (3480). Selb and Bennett's counsel further represented that their clients had said that neither
17 Bennett nor Selb had a stake in either entity or provided Liss with ATS customer information.
18 GX 651 ¶ 4 (3480-81).

19 On February 6, 2025, Selb and Bennett submitted their Second Amended Responses to
20 Plaintiffs' First Set of Expedited Interrogatories. GX 647 (3451–61) & GX 648 (3462–72).
21 These amended responses included a narrative regarding Sunrise and Stillwell in which Selb and
22 Bennett admitted to assisting and advising Liss on the formation of Sunrise, including by
23 soliciting a \$150,000 investment from Bennett's own mother and grandparents. GX 647 (3453–
24 55) & 648 (3464–66). In the responses, however, Selb and Bennett continued to claim they “did
25 not have an ownership interest or control of Sunrise,” and “did not participate in, direct, or
26

27
28 ¹⁰ As of February 4, 2026, sunrisetaxgroup.com redirected to stillwelltaxgroup.com. GX 622
¶ 9 (3292).

1 become involved in the operation or formation of StillWell [sic].” GX 647 (3454–55) & 648
 2 (3465–66).

3 **II. Argument**

4 “A district court has inherent authority to modify a preliminary injunction in
 5 consideration of new facts.” *A&M Recs., Inc. v. Napster, Inc.*, 284 F.3d 1091, 1098 (9th Cir. 2002)
 6 (citing *Sys. Fed’n No. 91, Ry. Emp. Dep’t, AFL-CIO v. Wright*, 364 U.S. 642, 647–48 (1961)).

7 [A] sound judicial discretion may call for the modification of the
 8 terms of an injunctive decree if the circumstances, whether of law
 9 or fact, obtaining at the time of its issuance have changed, or new
 10 ones have since arisen. The source of the power to modify is of
 11 course the fact that an injunction often requires continuing
 supervision by the issuing court and always a continuing
 willingness to apply its powers and processes on behalf of the
 party who obtained that equitable relief.

12 *Sys. Fed’n*, 364 U.S. at 647; *see also United States v. Oregon*, 769 F.2d 1410, 1416 (9th Cir. 1985)
 13 (“Furthermore, the court retains the power to modify the terms of its [preliminary] injunction in
 14 the event that changed circumstances require it.”); *Anderson v. Central Point School District No. 6*,
 15 746 F.2d 505, 507 (9th Cir. 1984) (per curiam) (“Moreover, the district court retains jurisdiction
 16 to modify the terms of its injunctions in the event that a change in circumstances requires it.”).

17 The Court issued the TRO and PI based on substantial evidence Plaintiffs submitted
 18 concerning the Individual Defendants’ operations from roughly 2018 through the filing of this
 19 case in 2025. Now, new facts “have since arisen”: the Individual Defendants’ violations of the
 20 TRO and PI between October 10, 2025, and January 2026. *See supra* Part I. This conduct, which
 21 constitutes contempt of court,¹¹ also justifies greater restrictions on the Individual Defendants
 22 for the remainder of this litigation. Selb and Bennett should be banned from working in debt
 23 relief and telemarketing until a final judgment is entered.

24
 25 ¹¹ Plaintiffs have not moved to have the Individual Defendants held in contempt because it is
 26 not clear that traditional contempt remedies seeking to coerce compliance or compensate for
 27 violations are necessary. It appears that Sunrise and Stillwell have ceased operations, and the
 28 Individual Defendants assert that the few customers who patronized those businesses were
 refunded. GX 647 (3455) & 648 (3466). Plaintiffs reserve the right to seek to have the Individual
 Defendants held in contempt if it becomes apparent that coercive or compensatory contempt
 remedies are necessary and proper; and Plaintiffs maintain that the evidence detailed above
 would be sufficient for a finding of civil contempt.

1 **A. The Individual Defendants Have Violated the TRO and Preliminary**
 2 **Injunction**

3 The Individual Defendants have violated the TRO and PI by: (1) creating, operating, or
 4 exercising any control over any business entity without first making the required written
 5 disclosures to Plaintiffs’ counsel and the Receiver; and (2) misrepresenting to consumers that
 6 Individual Defendants will protect consumers from levies and garnishments or reduce or
 7 eliminate consumers’ tax debt.

8 **1. The Individual Defendants Failed to Provide Notice to Plaintiffs of**
 9 **Their New Business in Violation of TRO and PI Section X**

10 In its TRO and PI, this Court expressly prohibited the Individual Defendants from:

11 creating, operating, or exercising any control over any business
 12 entity ... without first providing Plaintiffs’ counsel and the
 13 Receiver with a written statement disclosing:

- 14 1) the name of the business entity;
 15 2) the address and telephone number of the business entity;
 16 3) the names of the business entity’s officers, directors,
 principals, managers, and employees; and
 17 4) a detailed description of the business entity’s intended
 activities.

18 ECF No. 9, Section X; ECF No. 64, Section X.

19 Bennett and Selb used an intermediary, Ethan Liss, to hide their involvement in Sunrise.
 20 When they suspected Plaintiffs had discovered Sunrise after receiving Plaintiffs’ RFPs in
 21 December, they changed the name to Stillwell Tax Group (but kept the same office space).
 22 Compare GX 634 (3347–48) with GX 626 (3303). Messages between Liss and former AT&T
 23 telemarketer William Haskell show that Selb and Bennett were more careful with Stillwell Tax
 24 Group. Liss told Haskell that, after Sunrise was “burned,” he would “rebuild[] a new name that
 25 TNT won’t know, *right now*,” and that “TNT” were “in the dark *for now*.” GX 628 (3321–22)
 26 (emphasis added).

27 Bennett and Selb’s belated narrative disclosing their involvement in Sunrise but denying
 28 their control is belied by the evidence set forth above. Selb and Bennett were not merely
 informal advisors to Liss as he happened to launch a tax debt relief business mere weeks after

1 Bennett's and Selb's had been sued by the FTC and State of Nevada. Rather, the evidence shows
 2 that Bennett and Selb used Liss—as they had done in the past—as a figurehead to avoid
 3 detection as they set about rebuilding their enterprise. Only after Plaintiffs' counsel informed
 4 Selb and Bennett's counsel of Sunrise and Stillwell did those companies cease operations,
 5 confirming that Bennett and Selb—not Liss—controlled them.

6 Due to the Individual Defendants' intentional obfuscation, Plaintiffs were required to
 7 conduct an extensive investigation and propound discovery requests to many third parties to
 8 discover Selb and Bennett's new enterprise. Plaintiffs' investigation revealed that contrary to Selb
 9 and Bennett's denials, they defied the Court's TRO and PI by launching a new tax debt relief
 10 business.

11 **2. The Individual Defendants' New Operation Made**
 12 **Misrepresentations to Consumers, in Violation of TRO and PI**
 13 **Section I**

14 In its TRO and PI, this Court expressly prohibited the Individual Defendants from:

15 misrepresenting or assisting others in misrepresenting, expressly or
 16 by implication, any material fact, including, but not limited to: ...

- 17 C. Defendants will protect consumers from levies and
garnishments;
- 18 D. Defendants will reduce or eliminate consumers' tax debt;
- 19 E. Defendants will perform work for consumers in furtherance
of items (C) and (D); ... and
- 20 H. Any other fact material to consumers concerning any good
or service, such as: the total costs; any material restrictions,
21 limitations, or conditions; or any material aspect of its
performance, efficacy, nature, or central characteristics.

22 ECF No. 9, Section I; ECF No. 64, Section I.

23 Based on the FTC investigator's undercover call, Sunrise/Stillwell Tax Group operated
 24 out of the ATS playbook. *See supra* Part I.D.2. The Stillwell telemarketer embellished the firm's
 25 credentials, alluded to severe and unlikely consequences of inaction, and claimed the company
 26 could dramatically reduce tax debts. Despite the new name, location, and purported director,
 27 Sunrise and Stillwell were essentially ATS 2.0.

1 **B. The Court Should Modify the Preliminary Injunction to Ban the Individual**
2 **Defendants from Any Involvement in Telemarketing and Debt Relief**
3 **Services**

4 Because defendants have engaged in precisely the same activity that led to the original
5 lawsuit, in violation of the TRO and PI, Plaintiffs request that the Court issue an amended
6 preliminary injunction as to the Individual Defendants banning them from engaging or
7 participating in all types of telemarketing and debt relief during the pendency of the litigation.
8 A proposed order is attached.

9 “‘It is beyond question that obedience to judicial orders is an important public policy. An
10 injunction issued by a court acting within its jurisdiction must be obeyed until the injunction is
11 vacated or withdrawn.’” *W.R. Grace and Co. v. Local Union 759, Int’l Union of United Rubber Workers*,
12 461 U.S. 757, 766 (1983). A district court has broad discretion to modify an existing preliminary
13 injunction order when factual circumstances have changed or new ones have arisen since the
14 order was issued. *Sys. Fed’n*, 364 U.S. at 647; *A&M Recs.*, 284 F.3d at 1098; *Oregon*, 769 F.2d at
15 1416.

16 Since the entry of the TRO and PI, Plaintiffs have uncovered facts showing that the
17 Individual Defendants have violated the TRO and PI through their personal involvement with
18 the ongoing operation of the same telemarketing scam prohibited by the Court’s orders.
19 Strengthened bans are an appropriate sanction for Selb and Bennett’s conduct. *See McGregor v.*
20 *Chierico*, 206 F.3d 1378, 1386 n.9 (11th Cir. 2000) (upholding modification of permanent
21 injunction to ban recidivist toner seller from telemarketing); *FTC v. Nat’l Vending Consultants, Inc.*,
22 No. 2:05-cv-160 (D. Nev. Mar. 10, 2006), ECF No. 418 (granting a modified preliminary
23 injunction banning defendants after the FTC showed (ECF No. 211) violations of the TRO and
24 PI); *FTC v. Think Achievement Corp.*, 144 F. Supp. 2d 1013, 1018 (N.D. Ind. 2000) (finding a ban
25 appropriate “given the [Defendants’] extensive and prolonged engagement in fraudulent,
26 deceptive trade practices, the failure of prior enforcement efforts in requiring lawful activity and
27 stopping unlawful activity, and the likelihood of future violation”), *aff’d*, 312 F.3d 259 (7th Cir.
28 2002); *FTC v. Du Pont*, 1992-2 Trade Cas. (CCH) ¶ 69,898 (E.D. Pa. 1992), *available at* 1992 WL

1 176410 (entering a ban upon finding defendant in civil contempt for violating a prior order by
2 continuing to operate a fraudulent modeling business in substantially the same manner). Given
3 Selb and Bennett’s violations of the TRO and PI, bans on debt relief services and telemarketing
4 are now the best means for the Court to ensure their obedience with the Court’s authority. *See,*
5 *e.g., Chierico*, 206 F.3d at 1386 n.9

6 **III. Conclusion**

7 Plaintiffs respectfully request that the Court modify the Preliminary Injunction to ban
8 the Individual Defendants from telemarketing and debt relief services for the remainder of this
9 litigation.

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Respectfully submitted,

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/s/ Simon Barth

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