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STEPHEN J. DONELL

UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION, and
STATE OF NEVADA,

Plaintiff,

v.

AMERICAN TAX SERVICE LLC, a
limited liability company, et. al,

Defendants.

Case No. 2:25-cv-01894-GMN-EJY

DECLARATION OF RECEIVER,
STEPHEN J. DONELL, RE:
COMMENCEMENT OF DUTIES AS
IDENTIFIED IN EX PARTE TEMPORARY
RESTRAINING ORDER WITH ASSET
FREEZE, APPOINTMENT OF A
TEMPORARY RECEIVER, AND OTHER
EQUITABLE RELIEF, AND ORDER TO
SHOW CAUSE WHY A PRELIMINARY
INJUNCTION SHOULD NOT ISSUE

DECLARATION OF STEPHEN J. DONELL

I, Stephen J. Donell, declare as follows:

1. I am the Court-appointed temporary receiver in the above-entitled Federal Trade Commission ("FTC") and State of Nevada ("Nevada") enforcement action for defendants American Tax Service LLC ("ATS"), American Tax Solutions, American Tax Solutions LLC, ATS Tax Group LLC, Elite Sales Solutions, GetATaxLawyer.com LLC, TNT Holdings Group LLC, TNT Services Group LLC, TNT Tax Associates Inc., and each of their respective subsidiaries, affiliates, successors, and assigns (collectively, the "Receivership Entities" or "Entities"), having been appointed pursuant to this Court's October 9, 2025¹ *Ex Parte Temporary Restraining Order with Asset Freeze, Appointment of a Temporary Receiver, and Other Equitable Relief, and Order to Show Cause Why a Preliminary Injunction Should Not Issue* (the "Initial Appointment Order", ECF No. 9). I make this Declaration based on my personal knowledge and on information provided to me by my staff, agents, and retained professionals in the ordinary course of this receivership as established by the Initial Appointment Order, which information I believe to be true. If called as a witness, I could testify competently to the matters set forth herein.

2. In accordance with the provisions of the Initial Appointment Order, I have assumed authority and control over the Receivership Entities, and am in the process of endeavoring to, among other critical tasks: (1) identify and obtain possession of the Receivership Entities' books, records, and assets; (2) review relevant Receivership Entity records in order to, among other things, better understand their business and financial activities and identify the Receivership Entities' customers, critically including customers who engaged the Receivership Entities to provide federal tax preparation services; and (3) identify any litigation pending against the Receivership Entities that may be affected by Section XVII of the Initial Appointment Order, which imposes an immediate stay on the

¹ I first received notice of the then-sealed Initial Appointment Order on October 9, 2025, once counsel for the FTC received a copy from the Court. My team and I promptly began work to carry out my receiver duties that day and performed the takeover of the Receivership Entities' Las Vegas and Los Angeles offices the following day.

1 continued prosecution of litigation against the Receivership Entities absent an order of this
2 Court.

3 3. In accordance with the provisions of the Initial Appointment Order, on
4 October 10, 2025, I and various members of my staff, my proposed general receivership
5 counsel (Allen Matkins Leck Gamble Mallory & Natsis LLP ["Allen Matkins"]), my
6 proposed local counsel (Semenza Rickard Law), and my proposed forensic accounting
7 specialists (Stapleton Group, a division of JS Held), accompanied by FTC and Nevada
8 personnel, and federal law enforcement, assumed possession and control over the
9 Receivership Entities' Las Vegas, Nevada, and Los Angeles, California offices, located at
10 101 Convention Center Dr., Suite 1200, Las Vegas, Nevada 89109, and 6255 W. Sunset
11 Blvd., Suite 650²/850, Los Angeles, CA 90028. During these site visits, I, my staff, and
12 my proposed professionals:

- 13 a. Obtained possession of certain Receivership Entity records, including
- 14 electronic records maintained in computer and cloud databases;
- 15 b. Coordinated with the FTC to provide access to requested materials;
- 16 c. Performed initial inventories of each of the Receivership Entities'
- 17 offices, noting the presence of computer equipment, furniture, various
- 18 apparently sales-related materials (including sales scripts and written
- 19 directions to sales personnel), certain customer records, and various
- 20 legal notices reflecting apparently ongoing litigation matters relating
- 21 to the Receivership Entities;
- 22 d. Conducted an initial interview of defendant Terrance Selb and spoke
- 23 to a number of other employees at the Entities' Las Vegas office.
- 24 Notably, virtually all Receivership Entity employees located at each
- 25 of the offices elected to depart, and not speak to me or my personnel
- 26
- 27

28 ² Upon entry to the Los Angeles premises, my personnel inspected Suite 650 and found
it to be vacant.

1 or otherwise provide information, shortly after our entry into the
2 Receivership Entities' premises; and

3 e. Obtained potentially critical materials and information, including a
4 laptop used by defendant Tyler Bennett for business purposes,
5 Mr. Selb's cellular telephones, access to certain cloud-based
6 databases, and certain bank records reflecting accounts held by or for
7 the benefit of the defendants, including Messrs. Selb and Bennett, and
8 the Receivership Entities.

9 4. On October 15, 2025, after the seal in this matter was lifted, my staff
10 transmitted an initial round of freeze and turnover letters to banks, merchant processors,
11 and other third parties believed to have conducted business with the Receivership Entities
12 or the individual defendants. The letters enclosed a copy of the Initial Appointment Order
13 and provided formal notice of the receivership, directed immediate preservation and
14 freezing of accounts, reserves, and records relating to the Receivership Entities, and
15 demanded timely compliance with the Initial Appointment Order's turnover provisions for
16 funds held by or for the benefit of Receivership Entities and all documents related thereto.
17 I intend to continue this outreach on a rolling basis, including further distribution of
18 notices of the Initial Appointment Order (and, if entered, any preliminary injunction or
19 other order of the Court) and additional asset and document turnover demands, as
20 appropriate.

21 5. Since my and my staff's initial visit to the Entities' Las Vegas and Los
22 Angeles offices, I have arranged for calls to the Entities' telephone lines to be forwarded to
23 my office, and ensured that the ATS website includes a notation regarding the pending
24 receivership and directing customers and other interested parties to the receivership
25 website I have established for this matter: [www.fedreceiver.com/case/american-tax-](http://www.fedreceiver.com/case/american-tax-service/)
26 [service/](http://www.fedreceiver.com/case/american-tax-service/).

27 6. In addition, I understand that my lead counsel at Allen Matkins has
28 successfully engaged in dialogue with prospective counsel for individual defendants

1 Terrance Selb and Tyler Bennet, as well as the Entities' apparent in-house counsel,
2 attorney Ronald E. Gillette, each of whom has at least verbally agreed to provide certain
3 requested information or assistance in connection with my efforts to obtain access to
4 critical consumer records.

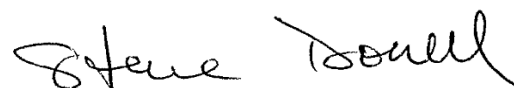
5 7. I was advised on October 13, 2025, that the individual defendants, and
6 attorney Gillette, had expressed concerns regarding the status of the Entities' ability to
7 submit federal tax returns on behalf of certain Entity customers who had obtained an
8 extension of their return deadline to October 15, 2025. Given that, at the time I and my
9 staff obtained possession of the Entities' Las Vegas and Los Angeles offices, the
10 overwhelming majority of the Receivership Entities' employees elected to vacate the
11 premises without providing contact information, a description of the work they were
12 performing for the Entities, or identifying critical tasks then in-process, it was not possible
13 for the Entities to complete such tasks, let alone locate and review draft tax returns for
14 accuracy and completeness, or file tax returns on behalf of unknown or unidentified
15 customers. Nonetheless, I remain extremely sensitive to the concerns of any customers
16 who had engaged the Receivership Entities to perform tax preparation services, and whose
17 returns were not timely prepared or submitted. Accordingly, I have already posted a
18 recommendation to consult with alternative tax professionals on my receivership website,
19 and am presently engaged in discussions with the Internal Revenue Service in order to
20 determine whether there is a mechanism for Entity customers to avoid penalties from a late
21 filing. I will endeavor to continue to coordinate, through counsel, with defendants Selb
22 and Bennett, and attorney Gillette, in an effort to identify affected customers in order to
23 provide them special notice.

24 8. While it is still too early in the receivership for me to present any
25 conclusions regarding the business and financial activities of the Receivership Entities –
26 indeed, document recovery and review efforts are in their nascent stages given that, as of
27 the date of this Declaration, the receivership is not even two weeks old – I have begun my
28 review of Entity and customer documents and reports, including reports received from

1 Entity customers after notice of the commencement of the instant receivership. Taken
2 together, these materials suggest that, among other things: (a) the Entities were engaged in
3 providing tax-related services to at least some customers; (b) the Entities were engaged in
4 direct outreach to prospective customers, which outreach included some sales "scripts"
5 which appeared to solicit sales based on suggestions that customers might face dire
6 consequences from inaction, and which in some cases included proposed responses to
7 customers calling in with complaints of non-performance of services; and (c) some Entity
8 customers paid substantial sums to the Entities for services that were not performed. By
9 way of example, I and my staff located various customer power of attorney forms
10 maintained at the Entities' premises – albeit not in organized customer files – along with
11 correspondence suggesting that Entity personnel may have performed tax-related services
12 for certain customers. On the other hand, I have already been contacted by multiple Entity
13 customers who claim to have paid tens of thousands of dollars each to the Entities, without
14 receiving any services in return, including one customer who claimed no services were
15 performed for a period of at least four years. Another customer reported that Entity sales
16 personnel threatened to conclude a foreclosure of the customer's home absent an
17 immediate payment for services, a tactic potentially consistent with some of the sales
18 scripts observed during the initial site visits on October 10, 2025. Nonetheless, it is too
19 early for me to present any conclusions, initial or definitive, and I expect to provide
20 additional information to the Court in a subsequent Interim Report, assuming the Court
21 elects to continue the receivership.

22 I declare under penalty of perjury that the foregoing is true and correct.

23 Executed on October 17, 2025, at Los Angeles, California.

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27 Stephen J. Donell
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CERTIFICATE OF SERVICE

I am employed by the law firm of Semenza Rickard Law in Clark County, Nevada. I am over the age of 18 and not a party to this action. The business address is 10161 Park Run Drive, Suite 150, Las Vegas, Nevada 89145.

I hereby certify that on the 17th day of October, 2025, I served the document(s), described as:

DECLARATION OF RECEIVER, STEPHEN J. DONELL, RE: COMMENCEMENT OF DUTIES AS IDENTIFIED IN EX PARTE TEMPORARY RESTRAINING ORDER WITH ASSET FREEZE, APPOINTMENT OF A TEMPORARY RECEIVER, AND OTHER EQUITABLE RELIEF, AND ORDER TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION SHOULD NOT ISSUE

☒ by placing the ☐ original ☒ a true copy of the above and foregoing via:

☒ a. **CM/ECF System** to the following registered e-mail addresses:

FEDERAL TRADE COMMISSION

Simon Barth, Esq., sbarth@ftc.gov

James E. Evans, Esq., james.evans@ftc.gov

Attorneys for Plaintiff Federal Trade Commission

STATE OF NEVADA, OFFICE OF THE ATTORNEY GENERAL

Aaron D. Ford, Attorney General, usdcfilings@ag.nv.gov

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Ziwei Zheng, Esq., zzheng@ag.nv.gov

Samantha B. Feeley, Esq., sfeeley@ag.nv.gov

Attorneys for Plaintiff State of Nevada

☐ b. **BY U.S. MAIL.** I deposited such envelope in the mail at Las Vegas, Nevada. The envelope(s) were mailed with postage thereon fully prepaid. I am readily familiar with Semenza Rickard Law's practice of collection and processing correspondence for mailing. Under that practice, documents are deposited with the U.S. Postal Service on the same day which is stated in the proof of service, with postage fully prepaid at Las Vegas, Nevada in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date stated in this proof of service.

☐ c. **BY PERSONAL SERVICE.**

☐ d. **BY DIRECT EMAIL.**

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1 ☐ e. **BY FACSIMILE TRANSMISSION.**

2 I declare under penalty of perjury that the foregoing is true and correct.

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4 /s/ Olivia A. Kelly

5 An Employee of Semenza Rickard Law
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