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22 **UNITED STATES DISTRICT COURT**  
23 **DISTRICT OF NEVADA**

24 **Federal Trade Commission, and**

25 **State of Nevada,**

26 Plaintiffs,

27 v.

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

Defendants.

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

**Plaintiffs' Motion for Default Judgment  
Against the Corporate Defendants**

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**SUMMARY INDEX OF ALL EXHIBITS**

Plaintiffs have submitted 669 exhibits in support of their allegations against Defendants. In accordance with LR IA 10–3(d), Plaintiffs provide this summary exhibit index (a complete and detailed exhibit list accompanies each set of e-filed exhibits).

| Government Ex. Number(s)  |     | Exhibit Group  | ECF No. |
|---|-----|--|---------|
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| 317   | 324 | Declaration of Janette Hill, former ATS employee, and Hill Exhibits                      | 49-1    |
| 325   | 374 | Declaration of Robert Mayson, State Bar of California (“Cal. Bar”) and Cal. Bar Exhibits |         |
| 375   | 379 | Consumer Declarations  |         |
| 380   | 393 |  | 49-2    |
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| 433   |     | Declaration of Blanca Graham-Cordova, FTC Investigator                                   |         |
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| 594                         | 605 | (Second) Declaration of Reeve Tyndall, FTC Senior Investigator (authenticating GX 437–593 and 595–605), and additional Investigator Exhibits |   |      |
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| Government Ex. Number(s)       |     | Exhibit Group   | ECF No. |
|--------------------------------|-----|---|---------|
| Begin                          | End |   |         |
| <b>Exhibits Filed Herewith</b> |     |   |         |
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## 1 Plaintiffs' Motion for Default Judgment Against the Corporate Defendants

2 The Corporate Defendants,<sup>1</sup> led by Individual Defendants Terrance Selb and Tyler  
 3 Bennett, used government-impersonating mailers to drive inbound calls for their purported tax  
 4 debt relief services. Complaint ¶¶ 5-6, 30-39 (ECF No. 1). On those calls, Defendants'  
 5 telemarketers used deceptive, high-pressure sales tactics to extract huge sums from already debt-  
 6 ridden consumers. *Id.* ¶¶ 7, 30, 40-45. After signup, they did “little—if any—of the promised  
 7 work and seldom—if ever—obtain[ed] the promised results. If Defendants perform[ed] any  
 8 services, they [were] often performed incorrectly, to consumers' detriment, and contrary to  
 9 Defendants' representations[.]” *Id.* ¶ 46. Defendants used false promises to gain consumers'  
 10 trust and then used their most sensitive financial information against them. *See* GX 621 ¶ 6  
 11 (FTC-ATS-3281 to 82). After determining exactly how much money and debt clients had,  
 12 Defendants concocted frightening stories to persuade clients to send Defendants more money.  
 13 GX 621 ¶ 6 (3281–82); GX 652 ¶ 9, 11, 16 (3483–84); *see also* GX 668 (Selb, in a text  
 14 conversation with Bennett about a client who an ATS telemarketer threatened with jail time:  
 15 “Well fear based selling is actually the safest kind of upsell[.]”) (3550). Year after year,  
 16 Defendants drained consumers—many of them older consumers—of thousands, tens of  
 17 thousands, and even hundreds of thousands of dollars. *See* GX 621 ¶¶ 6-8, 10-11, 13, Att. A  
 18 (3281–83, 3286); GX 652 ¶ 18 (Per one former employee: “[T]here were clients that paid over a  
 19 million dollars, and of course that's illegitimate.”)<sup>2</sup> (3484); GX 668 (Selb, in a text conversation  
 20 with Bennett, “I soaked [a client] for 1.2 million over two years.”) (3552).

21 At the highest level, Defendants' operation was less a tax debt relief company with  
 22 marketing problems than it was an outright financial grooming scam.<sup>3</sup> For example, in response

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23 <sup>1</sup> As named in the Complaint: American Tax Service LLC; American Tax Solutions; American  
 24 Tax Solutions LLC; ATS Tax Group LLC; Elite Sales Solutions, also d/b/a American Tax  
 25 Service; GetATaxLawyer.com LLC; TNT Holdings Group LLC; TNT Services Group LLC; and  
 TNT Tax Associates Inc.

26 <sup>2</sup> Shortly after this Court entered the Temporary Restraining Order in October 2025, this  
 former employee, Bobak Forouzan, shared access to ATS customer information with America  
 Tax Group, Inc., a Los Angeles-based tax debt resolution company. American Tax Group used  
 the ATS customer information obtained from Forouzan to solicit former ATS customers.

27 <sup>3</sup> “Criminals will gain their targets' trust and may communicate with them directly online, over  
 28 the phone, and/or through the mail; or indirectly through the TV and radio. Once successful,  
 scammers often keep a scheme going because of the prospect of significant financial gain.”

1 to being told a client had been upsold *seven* times over the course of two years, Selb said: “That  
 2 means the guy is stupid and crazy[.] Actually those clients are least likely to go south[.] *They are*  
 3 *conditioned*[.] ... I feel slightly better if we have hit him 7 times[.]” GX 668 (3551–53) (emphasis  
 4 added). In text conversations about hundred-thousand-dollar (or more) upsells targeting older  
 5 clients—some of whom were sick or bedridden<sup>4</sup>—Selb and one of ATS’s top telemarketers,  
 6 Karim Hanna,<sup>5</sup> bemoaned “adult children lurking in the shadows” and banks that were “killing  
 7 our deals.” GX 667 (3536, 38). “The problem always occurs when we have to talk to a banker ...  
 8 that’s when the deals get blown,” Hanna said. *Id.* (3539). Sometimes, Selb would even ask Hanna  
 9 to “unwind” upsells he thought were too small, and “go in for the big money.” *Id.* (3534); *see also*  
 10 *id.* (“Bobbie Chavez did a half baked upsale [sic] (take a look) this guy has s---loads of cash. He  
 11 just needs Nicole to step in .... If she wants some help unwinding Chavez’[s] upsell let me  
 12 know[.]”) (3543) (expletive omitted).

13 Another of Defendants’ telemarketers, Heath Iliescu, known to clients and other  
 14 employees as “Keith Hamilton,”<sup>6</sup> and later, as “Michael Harrington,”<sup>7</sup> became notorious for his  
 15 fraudulent upsells. *See* GX 621 ¶ 8 (3282); GX 652 ¶ 14 (“One of the ATS salesmen was Keith  
 16 Hamilton, who is a criminal.”) (3483–84). Iliescu started working for ATS in September 2022,  
 17 GX 660 (3510), and he quickly demonstrated talent for “finding the money,” GX 657 (3500). In

18  
 19 *Elder Fraud*, Federal Bureau of Investigation, <https://www.fbi.gov/how-we-can-help-you/scams-and-safety/common-frauds-and-scams/elder-fraud> (last visited Mar. 17, 2026). This  
 20 type of scam is often starkly labeled “pig butchering.” *See Scammers Use Financial Grooming, Known as ‘Pig Butchering,’ to Steal Victims’ Savings*, AARP, <https://www.aarp.org/money/scams-fraud/what-are-pig-butcher-scams/>.

21 <sup>4</sup> Hanna said: “Nicole has two huge cases cooking one already made the transfer for 130k but  
 22 **she’s bed ridden and can’t take the addendum to the door** and the other one 330k just  
 waiting on a signed addendum.” GX 667 (3534) (emphasis added). The next day, Hanna added:

23 Then we have another case \$330,000. Client made the transfer with Nicole on the  
 24 line but **this lady is deathly ill** and every time we send a [courier] over there she  
 25 can’t even make it to the door to give the signed addendum. The last time we sent  
 the courier there she fell and broke her hip on her way to the door to answer the  
 door to sign. The paperwork ... ended up in the hospital for two weeks.

26 *Id.* (3539) (emphasis added).

<sup>5</sup> Karim Hanna used the sales name “Chris Bell.” GX 621 ¶ 7 (3282).

27 <sup>6</sup> GX 661 (Heath Iliescu’s termination paperwork, dated February 2023, includes a notice to  
 employees that: “[ATS has] chosen to end our business relationship with *Keith Hamilton*”  
 (emphasis added)) (3516).

28 <sup>7</sup> GX 662 (a May 2025 commission report shows that Heath Iliescu returned to ATS and used  
 the sales name “Michael Harrington”) (3519).

1 October 2022, Selb flagged a case for Iliescu, noting: “This guy has huge amounts of money[.]  
2 [W]e have already hit him several times. I am not sure what the upsell would be for but he has  
3 lots of cash. But be warned- if the deal goes south thats [sic] a real problem-so b[e] careful- its  
4 [sic] your call.” GX 658 (3503).

5 To find and extract consumer money, Iliescu simply lied. GX 621 ¶ 8 (3282), GX 652  
6 ¶ 14 (3483–84). Iliescu told consumers that the IRS had agreed to a settlement and if they wired  
7 the final payment to Defendants—generally a substantial sum—Defendants would forward the  
8 payment to the IRS. GX 652 ¶ 14 (3483–84); GX 385 ¶ 27 (1562); *see also* GX 654 (3490–91). In  
9 reality, the IRS had made no such settlement offers and Defendants pocketed the proceeds. GX  
10 652 ¶ 14 (3483–84). Although ATS fired Iliescu in February 2023, GX 661 (3513–18), “Keith  
11 cases” as they became known, were not refunded, *see, e.g.*, GX 655 (3492), GX 385 ¶ 58 (1571),  
12 and ATS rehired him in May 2025. GX 659 (3505); *see also* GX 652 ¶ 15 (“they brought him  
13 back—I think because they needed money and they needed an aggressive salesman”) (3484).

14 To the extent Defendants reevaluated “Keith cases” during Iliescu’s temporary absence  
15 from ATS, it was to consider whether more money could safely be siphoned without risking  
16 blowback. For example, on March 13, 2024, Selb texted Bennett: “It was hysterical today a Keith  
17 client who paid us \$350k just paid Chris Bell [Karim Hanna] \$60 grand because she didn’t like  
18 ‘the other company’! I remember her: [H.J.]”<sup>8</sup> GX 663 (3522). Selb quickly added: “So take her  
19 off our Keith worry list!” *Id.* (3522). Bennett replied: “I think she paid us 60 before too[.]” *Id.*  
20 (3522). The next day, March 14, 2024, Selb texted telemarketer Hanna: “[W]e should take a look  
21 at some of those Kieth [sic] cases .... I think there are a few more that we can go in on  
22 carefully[.]” GX 664 (3524). Selb continued: “One guy paid us 500k and I had James [P]arks go  
23 in about 8 months ago and hit him up for another 60 or 70k.” *Id.* (3524). Hanna responded:  
24 “Well let me know. We have combed them several times. We don’t want more charge backs. Text  
25 or email me the cases and I’ll call them[.]” *Id.* (3524). Shortly after, Selb said: “[H.J.] [i]s a good  
26 example there are a few more like [t]hat.” *Id.* (3525). As of July 2025, ATS had taken at least  
27

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28 <sup>8</sup> Plaintiffs are using this consumer’s initials to protect her privacy.

1 \$468,169.60 from H.J. GX 666 (3530).

2 The Individual Defendants, Terrance Selb and Tyler Bennett, orchestrated their  
3 audacious confidence scam through a maze of interrelated companies—the Corporate  
4 Defendants. They ran payroll through **Elite Sales Solutions**, GX 317 ¶ 5 (0839–40), GX 318  
5 (0847), GX 431 ¶ 1 (2140), *see* GX 394 ¶ 53 (1917), and operated their own toll-free numbers  
6 using **TNT Tax Associates Inc.**, GX 394 ¶ 10 (1905). **American Tax Service, American Tax**  
7 **Solutions, GetATaxLawyer.com, and ATS Tax Group** were consumer-facing fronts, which  
8 they viewed as expendable, depending on law enforcement interest. *See* GX 589 (discussing  
9 Wisconsin’s investigation of American Tax Solutions, Bennett said: “It may be time to change  
10 our corporate name[,] but I don’t think so.”) (3080). These companies, along with **TNT**  
11 **Holdings Group** and **TNT Services Group**, constituted the **ATS Enterprise**, under the  
12 common ownership and direction of Individual Defendants Terrance Selb and Tyler Bennett  
13 (the “T” and “T” in “TNT”).

14 As set forth more fully below, the Corporate Defendants, now in receivership, *see*  
15 Preliminary Injunction §§ XI–XIX (ECF No. 64, p. 13–21), violated Section 5(a) of the FTC  
16 Act, 15 U.S.C. § 45(a), Section 521(a) of the Gramm-Leach-Bliley Act (“GLB Act”), 15 U.S.C.  
17 § 6821(a), Sections 461.2(a) & (b) of the Trade Regulation Rule on Impersonation of  
18 Government and Businesses (“Impersonation Rule”), 16 C.F.R. § 461.2(a) & (b), Section  
19 310.3(a)(2)(iii) of the Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.3(a)(2)(iii), and Nevada  
20 Revised Statutes (“NRS”) §§ 598.0915(5), (9), and 598.0923(1)(c). The Corporate Defendants  
21 have not appeared to defend themselves in this litigation, and the Clerk has entered their default.  
22 Default by Clerk (ECF No. 95). Because: (1) the Corporate Defendants are in default, (2) every  
23 step of the default judgment analysis would allow default judgment here, and (3) the relief  
24 requested is necessary and appropriate, the Court should now enter default judgment against the  
25 Corporate Defendants in the form of the attached Proposed Order.

## 26 I. Statement of Facts

### 27 A. Procedural History

28 Plaintiffs, the Federal Trade Commission and State of Nevada, filed their Complaint

1 against the nine Corporate Defendants, *see supra* note 1, and Selb and Bennett, on October 6,  
2 2025. *See* Complaint (ECF No. 1). At the same time, Plaintiffs moved for a Temporary  
3 Restraining Order, *see* TRO Motion (ECF No. 4), which the Court granted the next day, *see* TRO  
4 (ECF No. 9). The TRO put the Corporate Defendants under the supervision of Receiver  
5 Stephen J. Donell. *See* TRO §§ XI–XX (ECF No. 9, p. 12–20). Plaintiffs served all eleven  
6 Defendants on October 10, 2025. *See* Proofs of Service (ECF Nos. 21–31). Counsel for only the  
7 Individual Defendants appeared on October 17, 2025, *see* Notice of Appearance (ECF No. 35),  
8 and only the Individual Defendants opposed Plaintiffs’ request for a preliminary injunction, *see*  
9 Opp. at 1 (ECF No. 44). At the preliminary injunction hearing on October 27, 2025, the only  
10 appearance for Defendants was for the Individual Defendants. *See* Tr. 5:6–12 (ECF No. 53). The  
11 Court granted Plaintiffs’ request and issued its Preliminary Injunction on November 20, 2025,  
12 continuing the receivership over the Corporate Defendants. *See* Preliminary Injunction §§ XI–  
13 XIX (ECF No. 64, p. 13–21). The Individual Defendants answered the Complaint on December  
14 2, 2025. *See* Defendants Terrance Selb and Tyler Bennett’s Answer to Complaint (ECF No. 66).  
15 The Corporate Defendants have not answered the complaint or otherwise defended themselves  
16 in this action. Accordingly, the Clerk has noted their default. *See* Default by Clerk (ECF No. 95).

## 17 **B. The ATS Enterprise’s Business Practices**

18 For years, Defendants: (1) generated calls to the ATS Enterprises’ telemarketers through  
19 mailers that impersonated government taxation authorities, and (2) made egregious  
20 misrepresentations on telemarketing calls about how Defendants would protect consumers from  
21 taxation authorities and reduce or eliminate consumers’ tax debt. Defendants failed to provide  
22 the contracted services or obtain the promised results and often refused refund requests.  
23 Defendants’ false promises induced consumers to pay—or borrow—huge sums. Through this  
24 scheme, Defendants swindled as much as \$153 million from consumers from 2018 to early 2025.  
25 GX 610 (3216–17); *see* GX 620 ¶ 16 (3279).

### 26 **1. Government-Impersonating Mailers**

27 The first stage of the ATS scam involved millions of deceptive mailers designed to look  
28 like actual notices from federal and state tax authorities. These mailers threatened, for example:

1 Unless payment is made to the Federal Tax Authorities [or a state]  
 2 within seven (7) days of the date of this letter, further action may  
 3 be taken to collect outstanding liability. To prevent action call [an  
 4 800 number registered to Defendant TNT Tax Associates] by  
 5 10/24/2025.

6 *Id.* at ¶ 8 (3106).<sup>9</sup> With a page layout almost entirely copied from real IRS notices, and such  
 7 threatening language, it's no wonder that ATS's mailers drove thousands to call in to ATS  
 8 seeking to stave off collections. But, of course, the phone number on the mailer isn't a  
 9 government agency. The number routed to Defendants, and led to the next phase of the scam.<sup>10</sup>

## 10 2. Deceptive Sales Calls

11 Defendants' telemarketers answered inbound calls as "the Tax Group."<sup>11</sup> They told  
 12 consumers that Defendants would immediately protect consumers from levies and  
 13 garnishments.<sup>12</sup> These false assurances left some consumers blindsided by IRS garnishments  
 14 and levies.<sup>13</sup> Defendants' telemarketers also claimed Defendants would reduce or eliminate  
 15 consumers' tax debt.<sup>14</sup> Defendants' scripts instructed telemarketers to tell consumers they were  
 16 eligible for forgiveness programs or for an Offer in Compromise ("OIC") before any attorney,  
 17 CPA, or enrolled agent reviewed their information.<sup>15</sup> However, gauging a taxpayer's OIC  
 18 eligibility requires careful analysis of their income, expenses, assets, and liabilities. *See generally*

19 <sup>9</sup> *See also* GX 1 ¶¶ 11–15 (0003–04); GX 5–309 (0018–0731); GX 394 ¶¶ 30, 31–34 (1911–12);  
 20 GX 594 ¶ 6–7 (3105); GX 595–602 (3121–3140).

21 <sup>10</sup> For more about the mailers and other advertising, see TRO Motion Part I.A.1 (ECF No. 4,  
 22 p. 1–3); PI Memo Introduction & Part I.A.1 (ECF No. 46, p. 1–5, 8–12).

23 <sup>11</sup> GX 394 ¶ 10(a), (b), (d), (e), & (f) (1905); GX 408, at 3:6–15 (2011); GX 409, at 3:6 (2016);  
 24 GX 410, at 3:6–7 (2018); GX 411, at 3:6–8 (2022); GX 412, at 3:6–7 (2025).

25 <sup>12</sup> GX 381 ¶ 4 (1488); GX 382 ¶ 10 (1492); GX 384 ¶¶ 2, 3(b) 3(d) (1511–12); GX 388 ¶ 22 (1757);  
 26 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  
 27 (2028); GX 413, at 6:14–7:10, 19:6–16 (2032, 2035); GX 433 ¶ 6(d) (2160); GX 500 (2647); GX 524  
 28 (2742–66); GX 504 (2657); GX 530 (2802); GX 531 (2805); GX 533 (2807); GX 534 (2812); GX  
 536 (2832).

<sup>13</sup> *See* GX 388 ¶¶ 23–24 (1757); GX 393 ¶¶ 7–8 (1895).

<sup>14</sup> 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); GX 502  
 (2651–54); GX 509 (2680–81); GX 524 (2757); GX 508 (2671); GX 536 (2832); GX 616 ¶ 3  
 (3233); GX 617 ¶ 3 (3241); GX 618 ¶ 3 (3249).

<sup>15</sup> *See* GX 492 (2614); *see also* GX 493 (2621); GX 533 (2807); GX 534 (2819); *cf.* GX 491  
 (2608); GX 534 (2812); GX 548 (2944).

1 [IRS Form 656](#). Defendants’ telemarketers often claimed that Defendants were tax attorneys or a  
 2 tax firm.<sup>16</sup> They also claimed Defendants had resolved tax debts for tens of thousands of  
 3 clients.<sup>17</sup> In some cases, they told consumers that Defendants would forward some or all of  
 4 consumers’ payments to the IRS or a state tax authority.<sup>18</sup> Defendants’ telemarketers  
 5 exaggerated consumers’ tax problems,<sup>19</sup> and told consumers that time was of the essence, and  
 6 they must act fast.<sup>20</sup> If consumers could not pay Defendants’ fees, Defendants’ telemarketers  
 7 arranged for high-interest financing.<sup>21</sup> Defendants’ telemarketers also discouraged consumers  
 8 from engaging directly with taxation authorities, suggesting that doing so would leave consumers  
 9 worse off.<sup>22</sup>

### 10 3. Failure to Follow Through

11 Once consumers paid Defendants, Defendants did little—if any—of the promised  
 12 work, and seldom—if ever—obtained the promised results.<sup>23</sup> Defendants failed to communicate  
 13 with their clients.<sup>24</sup> Defendants frequently changed consumers’ “case managers,” resulting in

14  
 15 <sup>16</sup> GX 378 ¶¶ 9, 43 & Att. G (1280, 1288, 1332–34); GX 380 ¶¶ 4, 6, 13, 16 (1414–16); GX 385 ¶¶  
 16 2, 13–14 (1559–60); GX 391 ¶ 12 (1835); GX 394 ¶¶ 10(a), (d), (e), (f), & 11 (1905–06); GX 408, at  
 17 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  
 18 (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),  
 19 17(b) (2060, 2162–63); GX 524 (2743); GX 533 (2807); GX 491 (2607–11); GX 536 (2832); GX  
 20 608 ¶ 4 (3204).

21 <sup>17</sup> GX 394 ¶¶ 10(d), (f) & 11 (1905–06); GX 410, at 8:10–9:3 (2019); GX 412, at 12:18–13:13  
 22 (2027); GX 413, at 12:21–13:20 (2033).

23 <sup>18</sup> GX 385 ¶ 27 (1562); GX 652 ¶ 14 (3483–84); *see also* GX 616 ¶¶ 4, 10 (3233–35); GX 665  
 24 (3526–28).

25 <sup>19</sup> GX 379 ¶ 4 (1335), GX 385 ¶¶ 16–24 (1561–62), GX 392 Att. B, at 4 (1866), GX 618  
 26 ¶¶ 10–11 (3251), *see also* GX 317 ¶ 13 (0841–42).

27 <sup>20</sup> GX 379 ¶ 7 (1336); GX 382 ¶ 5 (1491); GX 387 ¶ 10 (1723); GX 388 ¶¶ 8, 15 (1754–56);  
 28 GX 389 ¶ 6 (1818–19); GX 392 Att. B (1867–68); GX 433 ¶ 6(a) (2159); *see also* GX 488 (2599–  
 29 602); GX 487 (2597); GX 524 (2743, 2754–55, 2761); GX 529 (2798); GX 533 (2807); GX 491  
 30 (2607–11); GX 536 (2832).

31 <sup>21</sup> GX 376 ¶ 4 (1261); GX 378 ¶ 15 (1281); GX 386 ¶ 6 (1688); GX 387 ¶ 12 (1723); GX 388  
 32 ¶ 10 (1755); GX 389 ¶ 9 (1819); GX 392 Att. B (1868).

33 <sup>22</sup> GX 394 ¶¶ 10(d), (f) & 11 (1905–06); GX 410, at 7:4–13 (2019); GX 412, at 3:16–20, 9:19–  
 34 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  
 35 (2033, 2035).

36 <sup>23</sup> GX 375 ¶¶ 10–15 (1250); GX 378 ¶¶ 38–41 (1287); GX 379 ¶ 24 (1339); GX 380 ¶ 23 (1417);  
 37 GX 382 ¶ 14 (1493); GX 383 ¶ 11 (1507); GX 384 ¶ 3(f) (1512); GX 385 ¶ 56(a)–(b) (1568); GX 387  
 38 ¶ 17 (1724); GX 388 ¶ 39 (1760); GX 389 ¶ 11 (1819); GX 390 ¶ 7 (1821); GX 391 ¶¶ 10(e), 11  
 39 (1835); GX 393 ¶ 10 (1895).

40 <sup>24</sup> GX 375 ¶ 11 (1250); GX 376 ¶ 9 (1262); GX 378 ¶¶ 23, 37 (1283–84, 1286–87); GX 379 ¶ 13  
 41 (1337); GX 380 ¶¶ 7, 10–11, 14 (1415–16); GX 382 ¶ 12 (1492); GX 383 ¶ 10 (1506–07); GX 384  
 42 ¶¶ 3(c), 3(e) (1511–12); GX 386 ¶ 7 (1688–89); GX 387 ¶ 15 (1724); GX 388 ¶¶ 13, 26, 28 (1755,  
 43 1758); GX 389 ¶ 7 (1819); GX 390 ¶ 6 (1821); GX 391 ¶ 11 (1835); GX 392 Att. B (1870); GX 618  
 44 ¶ 9 (3250); GX 619 ¶¶ 5, 7–10 (3257–59).

1 supposed lost paperwork and additional delay.<sup>25</sup> This problem is exemplified in a September 25,  
 2 2025 email from ATS’s Director of Retention and Client Services, Winston Parker, to Selb and  
 3 Bennett, saying: “[W]e have 3165 unassigned cases. This is a nightmare about to awaken.” GX  
 4 575 (3031). In a follow-up email to only Bennett, he clarified: “in any event, i [sic] am not  
 5 refunding a dime.” *Id.* These messages epitomize ATS’s approach to customer service.

6 For some consumers, it got worse. Former employees report that ATS’s customer  
 7 database was open to all of its salespeople.<sup>26</sup> Any ATS employee could call any client to try to  
 8 extract more money. *Id.* Consumers tell harrowing stories of ATS salespeople convincing them  
 9 that the IRS was coming for them imminently—to take their homes or have them arrested.<sup>27</sup>  
 10 Telemarketers ratcheted up the pressure until consumers paid exorbitant sums for additional  
 11 (often non-existent) services, or even to pay off debt with ATS as a supposed intermediary to  
 12 the IRS.<sup>28</sup> Defendants’ practices drove dissatisfaction with their businesses. Defendants’ offices  
 13 were replete with evidence of angry consumers, including cancellation and refund requests.<sup>29</sup>

#### 14 4. Consumer Injury

15 Consumer declarations attest to the devastating consequences of ATS’s deception.  
 16 Consumer money that could have gone to pay down tax debt was instead diverted to ATS, under  
 17 the promise that ATS would reduce the debt.<sup>30</sup> ATS’s subsequent inaction resulted in *more*  
 18 interest and penalties on the tax debt.<sup>31</sup> Because ATS told consumers that they have matters in

20 <sup>25</sup> GX 317 ¶¶ 15–16 (842–43); GX 375 ¶ 12 (1250); GX 378 ¶ 21 (1283); GX 379 ¶ 17 (1337–38);  
 21 GX 388 ¶¶ 15, 19, 25, 27 (1755–56, 1758); GX 389 ¶ 7 (1819); GX 393 ¶ 9 (1895).

<sup>26</sup> GX 317 ¶ 14 (842); GX 652 ¶ 5 (3482).

22 <sup>27</sup> GX 385 ¶ 24 (1562); *see also* GX 618 ¶¶ 10–11 (3251); GX 619 ¶ 8 (3258); GX 652 ¶ 16  
 (3484).

23 <sup>28</sup> GX 621 ¶ 6 (3281–82); GX 652 ¶ 15–18 (“The salesmen would just come up with new  
 24 excuses to get clients to pay them every year.”) (3484); GX 668 (3545–53); *see also supra*  
 Introduction.

25 <sup>29</sup> *See* Appendix B to PI Memo—Complaint Letter Excerpts, p. 37–40 (ECF No. 46); GX 447  
 26 (2349–50); GX 448 (2351); GX 457 (2373); GX 459 (2378); GX 460 (2379); GX 461 (2380); GX 462  
 (2381); GX 463 (2385–86); GX 464 (2387); GX 465 (2388); GX 466 (2390); GX 468 (1–2) (2394–95);  
 GX 469 (2403); GX 499 (2646); GX 550 (2964); GX 576 (4) (3035–36); GX 579 (4) (3044–45); GX 572  
 (1, 8) (3020); GX 582 (3051); GX 585 (3064–65).

27 <sup>30</sup> 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).

28 <sup>31</sup> GX 375 ¶ 4 (1249); GX 378 ¶¶ 26, 29–30, 32 (1284–86); GX 388 ¶ 38 (1760); GX 391 ¶ 14  
 (1835); GX 616 ¶ 18 (3237); GX 618 ¶ 13 (3251); GX 619 ¶¶ 11–12 (3259).

1 hand, and consumers should not deal with the IRS themselves, consumers overlooked their  
 2 worsening tax situation until they suddenly found themselves subject to garnishments and  
 3 levies.<sup>32</sup> Consumers were left wrestling with more tax debt, less money available to pay it, and  
 4 sometimes even ongoing loan payments from loans obtained to pay ATS's fees.<sup>33</sup>

5 \* \* \*

6 The ATS Enterprise used government-impersonating mailers to trick consumers into  
 7 calling ATS, deceived consumers with false promises of relief from tax debt over the phone, and  
 8 took consumers' money without offering much of anything in the way of actual tax debt relief.  
 9 This egregious financial grooming scam, *see supra* Introduction, was spearheaded by Selb and  
 10 Bennett and carried out for their enrichment, *see* TRO Motion Parts I.C.2 & II.B.4 (ECF No. 4,  
 11 p. 9–11, 18–19); PI Memo Part I (introduction) & I.B (ECF No. 46, p. 5–8, 14–15). Selb and  
 12 Bennett used the defaulted Corporate Defendants to execute their scheme. As discussed further  
 13 below, the Corporate Defendants are jointly and severally liable for their collective violations of  
 14 the law and default judgment should be entered against them.

### 15 C. The Corporate Defendants

16 The nine Corporate Defendants constitute the ATS Enterprise. Selb and Bennett used  
 17 these companies interchangeably over time to conduct their scheme and evade detection. For a  
 18 review of the Corporate Defendants' checkered past involving government investigations and  
 19 enforcement actions, *see* TRO Motion, Part I.C.1, and PI Memo, Part I.A.1.

20 **American Tax Service LLC.** American Tax Service LLC is a Wyoming LLC that, as of  
 21 the filing of the Complaint, listed its principal place of business at 1055 W. 7th St., Suite 1600, in  
 22 Los Angeles. GX 394 ¶ 3(a) (1901); GX 395 (1923, 1931). As noted below, Defendant Elite Sales  
 23 Solutions also did business as "American Tax Service," operating from 101 Convention Center  
 24 Dr., Suite 1200 in Las Vegas. American Tax Service LLC has also operated from 2300 W Sahara  
 25 Ave., Suite 700, Las Vegas, Nevada 89102, GX 394 ¶¶ 16, 27, 35 (1906, 1910, 1912); GX 386 Att. B

27 <sup>32</sup> GX 388 ¶¶ 23–24 (1757); GX 393 ¶¶ 5, 7–8, 11 (1894–95); GX 617 ¶ 7 (3242).

28 <sup>33</sup> GX 376 ¶ 17 (per two consumers: "We're still paying off the people who stole from us!") (1263); GX 388 ¶¶ 31, 38–39 (1759–60).

1 (1695–1704), and 6255 W. Sunset Blvd., Suite 650, Los Angeles, California 90028, GX 395 (1929).  
2 Nevada corporate records show that Defendant TNT Services Group LLC became the manager  
3 of American Tax Service LLC on February 16, 2024. GX 395 (1926–27). Defendants Bennett  
4 and Selb signed bank records on July 5, 2022, stating that they were each a manager of the LLC.  
5 GX 394 ¶ 35 (1912–13). As of the filing of the Complaint, the ATS Enterprise used the name  
6 “American Tax Service” as its principal consumer-facing identity.

7 **American Tax Solutions.** American Tax Solutions is a California corporation that, as of  
8 the filing of the Complaint, listed its principal place of business at 6255 W. Sunset Blvd., Suite  
9 850, Los Angeles, CA 90028. GX 394 ¶ 3(b) (1901); GX 396 (1932). It also operated from 101  
10 Convention Center Dr., Suite 1200, in Las Vegas. GX 394 ¶ 35 (1912–13). It has also operated  
11 from 1055 W. 7th St., Suite 1600, in Los Angeles (it has also been associated with Suites 1760  
12 and 3050), and 3435 Wilshire Blvd, Suite 2630, in Los Angeles. GX 394 ¶¶ 13, 17, 18, 20, 25 (1907–  
13 09); GX 396 (1934, 1937); GX 387 Att. A (1726); GX 325 ¶¶ 45, 48 (868); GX 367 (1155); GX 370  
14 (1164); GX 435 Att. A (2176). In various records, Bennett has been identified as the COO, CFO,  
15 45%, 50%, or 100% owner, and “Chief Executive Officer, Director, and co-owner” of this  
16 entity; and Selb has been identified as the CEO, 50% owner, and Secretary. GX 394 ¶¶ 17, 18, 20,  
17 25, 35 (1907–09, 1912–13); GX 435 Att. A (2176); GX 325 ¶ 13 (865); GX 335 (909). Before  
18 “American Tax Service,” the ATS Enterprise’s principal consumer-facing entity was “American  
19 Tax Solutions,” and therefore, received significant attention from law enforcement over the  
20 years.

21 **American Tax Solutions LLC.** American Tax Solutions LLC is a Delaware LLC that,  
22 as of the filing of the Complaint, listed its principal place of business at 1055 W. 7th St., Suite  
23 1600, in Los Angeles. GX 394 ¶¶ 3(c), 26 (1901, 1909–10); GX 397 (1940, 1942–43). Bennett  
24 signed its California registration. GX 397 (1943). In bank records, Bennett and Selb have been  
25 identified as members of this entity. GX 394 ¶ 26 (1909–10).

26 **ATS Tax Group LLC.** ATS Tax Group LLC is a Wyoming LLC that, as of the filing of  
27 the Complaint, listed its principal place of business at 101 Convention Center Dr., Suite 1200, in  
28 Las Vegas. GX 394 ¶¶ 3(d), 35, 36 (1901, 1912–15). It has also operated from 6255 W. Sunset

1 Blvd., Suite 650, in Los Angeles GX 394 ¶ 36 (1913–15); GX 398 (1947–48), and 811 Wilshire  
2 Blvd, Suite 1700, in Los Angeles GX 394 ¶ 15 (1907). Bennett and Selb signed bank records on  
3 October 5, 2023, and April 18, 2024, stating that they were each a managing member of the  
4 LLC. GX 394 ¶ 35 (1912–13).

5 **Elite Sales Solutions.** Elite Sales Solutions, also doing business as American Tax  
6 Service, is a Wyoming LLC that, as of the filing of the Complaint, listed its principal place of  
7 business at 101 Convention Center Dr., Suite 1200, in Las Vegas. GX 394 ¶¶ 4, 23, 35, 36 (1901,  
8 1909, 1912–15). It has also operated from 2300 W Sahara Ave., Suite 700, Las Vegas, Nevada  
9 89102 (it has also been associated with Suite 430). GX 394 ¶¶ 4, 14, 23 (1901, 1907, 1909); GX  
10 404 (1976, 1978). In a tax abatement application, it identified Bennett as its COO and Selb as its  
11 CEO. GX 404 (1986). Nevada records identify Bennett as the President and Treasurer, and Selb  
12 as the Secretary. GX 394 ¶ 3(e) (1901); GX 399 (1950–52). Bennett and Selb signed bank  
13 records on October 27, 2023, stating that they were the Treasurer and Secretary, respectively.  
14 GX 394 ¶ 35 (1912–13). As of the filing of the Complaint, the ATS Enterprise used the name  
15 “Elite Sales Solutions” as its principal business-facing identity, for example, in employment  
16 contracts, payroll, and a tax abatement application. *See, e.g.*, GX 317 ¶ 5 (839–40); GX 318 (847);  
17 GX 404 (1978).

18 **GetaTaxLawyer.com LLC.** GetaTaxLawyer.com LLC (“GATL”) is a Delaware LLC  
19 that, as of the filing of the Complaint, listed its principal place of business at 1055 W. 7th St.,  
20 Suite 1600, in Los Angeles. GX 394 ¶¶ 19, 21 (1908); GX 391 Att. A (1838). It has also operated  
21 from 25910 Acero, Suite 140, in Mission Viejo, California (it has also been associated with Suite  
22 306 at that address). GX 394 ¶¶ 3(f), 26 (1901, 1909–10); GX 400 (1958–60); GX 385 Att. E  
23 (1604); GX 325 ¶¶ 37–38, 50–52 (867–69); GX 369 (1462); GX 370 (1170); GX 372 (1183); GX 373  
24 (1198); GX 374 (1215). Bennett and Selb signed bank records on August 5, 2020, stating that  
25 they were each a member of GATL. GX 394 ¶ 26 (1909–10).

26 On June 6, 2024, an arbitrator awarded a consumer: “\$182,774.00 for breach of contract  
27 and alternatively for fraud” from GATL, plus “\$548,322.00 for punitive or exemplary damages  
28 resulting from the fraudulent and malicious conduct of GATL and the direct behavior of

1 employees, agents, officers, and managing agents and as result of the ratification of the tortious  
 2 conduct.” GX 385 ¶ 56 & Att. M (1665).<sup>34</sup> About two months after the arbitral award, the entity  
 3 filed for termination in California under Bennett’s signature. GX 400 (1962).

4 **TNT Holdings Group LLC.** TNT Holdings Group LLC is a Wyoming LLC that, as of  
 5 the filing of the Complaint, listed its principal place of business at 101 Convention Center Dr.  
 6 Suite 1200, in Las Vegas. GX 394 ¶ 35 (1912–13). Bennett and Selb signed bank records on  
 7 January 10, 2024, stating that each were managing members. *Id.*

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

14 **TNT Tax Associates Inc.** TNT Tax Associates Inc. is a Nevada corporation that, as of  
 15 the filing of the Complaint, listed its principal place of business at a residential address in West  
 16 Hollywood, California, where Selb and Bennett have lived. GX 394 ¶¶ 3(i), 22, 24, 26, 28, 36, 39  
 17 (1901, 1908–11, 1913–15); GX 403 (1973); GX 418 (2057). It has also operated from 1055 W. 7th  
 18 St., Suite 1760, in Los Angeles. GX 394 ¶ 22 (1908–09); GX 403 (1971). Nevada corporate  
 19 records identify Selb as President, Treasurer, and Director. GX 403 (1970). Selb signed bank  
 20 records on August 31, 2016, stating that he was the Secretary. GX 394 ¶ 26 (1909–10). Selb  
 21 signed a merchant account application on April 14, 2018, stating that he was the President and  
 22 either 89% or 91% owner. GX 394 ¶ 24 (1909).

## 23 **II. Argument: Default Judgment is Appropriate**

24 Default judgment is appropriate because: (1) the Clerk properly entered default against  
 25 the Corporate Defendants; (2) the factors that the Ninth Circuit set forth in *Eitel v. McCool* weigh  
 26

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27  
 28 <sup>34</sup> Despite winning in arbitration, including treble punitive damages, the consumer has not  
 gotten any money back. GX 385 ¶ 58 (1571).

1 in favor of default judgment; and (3) the requested relief is reasonable and appropriate. The  
2 substantial extrinsic evidence on the record more than justifies the requested relief.

3 **A. The Clerk’s Entry of Default Was Proper**

4 Once it is established that a defendant has “failed to plead or otherwise defend” against  
5 the complaint, the Clerk of Court must enter a default against that defendant. Fed. R. Civ. P.  
6 55(a). Here, Plaintiffs properly served the Corporate Defendants; but they failed to respond to  
7 the Complaint within the required twenty-one days.<sup>35</sup> Accordingly, the Clerk of Court properly  
8 entered default against the Corporate Defendants.

9 **B. The Court Should Enter Default Judgment Against the Corporate**  
10 **Defendants**

11 After the clerk enters default against a defendant, granting default judgment against that  
12 party is within the Court’s sound discretion. Fed. R. Civ. P. 55(b); *Aldabe v. Aldabe*, 616 F.2d 1089,  
13 1092 (9th Cir. 1980).

14 This Court is well versed in the Ninth Circuit’s seven factor test for determining whether  
15 to grant a default judgment, set forth in *Eitel v. McCool*, 782 F.2d 1470, 1471–72 (9th Cir. 1986).  
16 As this Court has summarized, the seven *Eitel* factors a district court may consider in exercising  
17 discretion whether to grant default judgment are: (1) the possibility of prejudice to the plaintiff;  
18 (2) the merits of plaintiff’s substantive claim; (3) the sufficiency of the complaint; (4) the  
19 amount of money at stake in relation to the seriousness of the defendant’s conduct; (5) the  
20 possibility of a dispute concerning material facts; (6) whether the default was due to excusable  
21 neglect; and (7) the strong policy underlying the Federal Rules of Civil Procedure favoring  
22 decisions on the merits. *See, e.g., BBK Tobacco & Foods, LLP v. Aims Grp. USA Corp.*, 723 F. Supp.  
23 3d 973, 981 (D. Nev. 2024) (Navarro, J.).

24 When considering the *Eitel* factors, “the factual allegations of the complaint, except  
25 those relating to the amount of damages, will be taken as true.” *TeleVideo Sys., Inc. v. Heidenthal*,

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<sup>35</sup> *See* Fed. R. Civ. P. 12(a)(1)(A)(i); Proofs of Service on the Corporate Defendants via  
Terrance Selb (ECF Nos. 21–29); Request for Clerk’s Entry of Default as to the Corporate  
Defendants (ECF No. 89); and Default by Clerk (ECF No. 95).

1 826 F.2d 915, 917–18 (9th Cir. 1987); *BBK Tobacco*, 723 F. Supp. 3d at 981; *Pepsico, Inc. v. Cal. Sec.*  
2 *Cans*, 238 F. Supp. 2d 1172, 1175 (C.D. Cal. 2002); Fed. R. Civ. P. 8(b)(6).

3 As demonstrated below, the application of the *Eitel* factors here warrants the entry of  
4 default judgment against the Corporate Defendants.

5 **1. The First *Eitel* Factor Weighs in Favor of Entering Default**  
6 **Judgment Because Plaintiffs Will Suffer Prejudice if Default**  
7 **Judgment is not Entered**

8 The first *Eitel* factor considers whether Plaintiffs will suffer prejudice if default judgment  
9 is not entered. The Corporate Defendants have failed to answer the Complaint or otherwise  
10 defend Plaintiffs’ claims against them. Absent default judgment, “Plaintiffs will likely be without  
11 other recourse for recovery.” *BBK Tobacco*, 723 F. Supp. 3d at 982 (quoting *Pepsico*, 238 F. Supp.  
12 2d at 1177). Moreover, “[c]ourts have found that government agencies, including the FTC, are  
13 prejudiced when they are forced to commit time, resources, and personnel to prosecute a lawsuit  
14 against absent defendants.” *FTC v. A to Z Mktg., Inc.*, No. 13-cv-919, 2014 WL 12595332, at \*3  
15 (C.D. Cal. Oct. 17, 2014) (citing *FTC v. 1263523 Ontario, Inc.*, 205 F. Supp. 205, 208–09 (S.D.N.Y.  
16 2002)). Here, Plaintiffs “would be prejudiced if the Court required [them] to continue litigating  
17 against defendants that refuse to participate in the litigation.” *Id.* Accordingly, the first *Eitel*  
18 factor weighs in favor of a default judgment against the Corporate Defendants.

19 **2. The Second and Third *Eitel* Factors Weigh in Favor of Granting a**  
20 **Default Judgment Because Plaintiffs Have Stated a Claim on Which**  
21 **They May Recover and Produced Substantial Evidence Supporting**  
22 **that Claim**

23 This Court often analyzes the second and third *Eitel* factors together. *BBK Tobacco*, 723 F.  
24 Supp. 3d at 982. They “require courts to determine whether a plaintiff has ‘state[d] a claim on  
25 which [it] may recover.” *Id.* (citing *PepsiCo*, 238 F. Supp. 2d at 1175).





1 The allegations of the Complaint, supported by the substantial evidence cited above and  
 2 in the TRO Motion and PI Memo, demonstrate that Defendants’ business was permeated with  
 3 deception and that Defendants made constant misrepresentations to consumers. Specifically,  
 4 Count I alleges that Defendants made the following material representations:

- 5 a) Defendants are a government entity responsible for tax collection;
- 6 b) Defendants are affiliated with a government entity responsible for tax  
 7 collection, including the Internal Revenue Service;
- 8 c) Defendants will protect consumers from levies and garnishments;
- 9 d) Defendants will reduce or eliminate consumers’ tax debt;
- 10 e) Defendants will work for consumers in furtherance of items (c) and (d);
- 11 f) Defendants have resolved tax debts for thousands of clients; and/or
- 12 g) Defendants will forward some or all of consumers’ payments to the IRS  
 13 or relevant state tax authority.<sup>36</sup>

14 In reality, these representations were false and misleading, as discussed above. *See supra*  
 15 Introduction & Parts I.B.3 & 4. Therefore, they are likely to mislead consumers acting  
 16 reasonably under the circumstances in a way that is material and thus constitute deceptive acts or  
 17 practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

18 **c. The ATS Enterprise Violated the GLB Act**

19 “Section 521(a)(2) of the GLB Act makes it unlawful ‘for any person to obtain or  
 20 attempt to obtain ... customer information of a financial institution relating to another person ...  
 21 by making a false, fictitious, or fraudulent statement or representation to a customer of a  
 22 financial institution.’” *FTC v. RCG Advances, LLC*, 695 F. Supp. 3d 368, 389 (S.D.N.Y. 2023). A  
 23 “customer” of a financial institution is anyone to whom a financial institution provides a  
 24 product or service. *Id.* at 390. Here, those are the consumers who paid ATS via their bank  
 25 accounts held at, and credit cards issued by, financial institutions. “Customer information of a  
 26 financial institution” is “any information maintained by or for a financial institution which is  
 27

28 <sup>36</sup> *See supra* Part I.B.1 regarding items (a)–(b), and Part I.B.2 regarding items (c)–(g).

1 derived from the relationship between the financial institution and a customer of the financial  
2 institution and is identified with the customer.” *Id.* Here, that includes consumers’ bank account  
3 and credit card information. Thus, under the GLB Act, when taking payment information from  
4 consumers, ATS must not have made any “false, fictitious, or fraudulent statement or  
5 representation” to the consumers. Count II alleges that the Defendants made the same  
6 representations listed above under Count I. Those representations are false, fictitious, or  
7 fraudulent in violation of Section 521(a) of the GLB Act, 15 U.S.C. § 6821(a), for the same  
8 reasons those representations are deceptive in violation of Section 5(a) of the FTC Act, 15  
9 U.S.C. § 45(a).

10 **d. The ATS Enterprise Violated the Impersonation Rule**

11 Section 461.2(a)–(b) of the Impersonation Rule prohibits “materially and falsely pos[ing]  
12 as, directly or by implication, a government agency or officer thereof” or “materially  
13 misrepresent[ing], directly or by implication, affiliation with ... a government entity or officer  
14 thereof.” 16 C.F.R. § 461.2. Consistent with items (a) and (b) under Count I, Count III alleges  
15 that the Defendants have materially and falsely posed as, directly or by implication, a  
16 government taxation authority or officer thereof and/or materially misrepresented, directly or  
17 by implication, that they are affiliated with a government taxation authority. These acts or  
18 practices violate sections 461.2(a) & (b) of the Impersonation Rule, 16 C.F.R. § 461.2(a) & (b).

19 **e. The ATS Enterprise Violated the TSR**

20 Section 310.3(a)(2)(iii) of the TSR prohibits sellers and telemarketers from  
21 misrepresenting, directly or by implication, any material aspect of the performance, efficacy,  
22 nature, or central characteristics of goods or services that are the subject of a sales offer. 16  
23 C.F.R. § 310.3(a)(2)(iii). Count IV alleges that the Defendants made material misrepresentations  
24 of the performance, efficacy, nature, or central characteristics of their services consistent with  
25 items (c) through (g) under Count I. These material misrepresentations violate section  
26 310.3(a)(2)(iii) of the TSR. 16 C.F.R. § 310.3(a)(2)(iii).

1 **f. The ATS Enterprise Violated Nevada Law**

2 The NRS defines deceptive trade practices to include: “knowingly mak[ing] a false  
3 representation as to the characteristics ... of goods or services for sale or lease or a false  
4 representation as to the sponsorship, approval, status, affiliation or connection of a person  
5 therewith,” NRS § 598.0915(5); “advertis[ing] goods or services with intent not to sell or lease  
6 them as advertised,” § 598.0915(9); and “violat[ing] a state or federal statute or regulation  
7 relating to the sale or lease of goods or services,” § 598.0923(1)(c). Count V alleges the  
8 misrepresentations alleged in Count I are false or misleading about the characteristics of  
9 Defendants’ services in violation of NRS § 598.0915(5). Count VI alleges that Defendants  
10 advertise their services without intending to perform the service in violation of NRS  
11 § 598.0915(9). Finally, Count VII alleges Defendants’ knowing violations of GLB, the  
12 Impersonation Rule, and TSR further violate NRS § 598.0923(1)(c).

13 \* \* \*

14 Beyond just accepting the factual allegations of the complaint as true, *BBK Tobacco*, 723 F.  
15 Supp. 3d at 981, overwhelming evidence demonstrates that the Corporate Defendants have  
16 made deceptive misrepresentations to consumers in violation of multiple federal and state  
17 statutes. The harm this deception caused consumers must be redressed through entry of default  
18 judgment against the Corporate Defendants in the form of the attached proposed order.

19 **3. The Fourth *Eitel* Factor Weighs in Favor of Entering the Default**  
20 **Judgment Because the Recovery Sought is Directly Proportional to**  
21 **the Harm Caused by Defendants’ Serious Misconduct**

22 The fourth *Eitel* factor examines “the amount of money requested in relation to the  
23 seriousness of the defendant’s conduct, whether large sums of money are involved, and whether  
24 the recovery sought is proportional to the harm caused by the defendant’s conduct.” *BBK*  
25 *Tobacco*, 723 F. Supp. 3d at 987 (cleaned up). This factor is not a hinderance to default judgment  
26 “when the sum of money at stake is tailored to the specific misconduct of the defendant.” *Yelp*  
27 *Inc. v. Catron*, 70 F. Supp. 3d 1082, 1100 (N.D. Cal. 2014) (cleaned up). The attached Proposed  
28 Order imposes a monetary judgment against the Corporate Defendants of \$77,719,908. This

1 figure is tailored to the serious and specific misconduct of the Corporate Defendants because it  
 2 is derived directly from their own financial records, showing that ATS took in at least \$77.7  
 3 million from consumers through its deceptive practices between February 2022 and mid-2025.  
 4 GX 434 ¶ 10 (2172). Indeed, this figure may only be around half of what ATS took in over its  
 5 existence—an internal document stated that Defendants swindled as much as \$153 million from  
 6 consumers from 2018 to early 2025. GX 610 (3216–17); *see* GX 620 ¶ 16 (3279).

7 There are two sources of legal authority for a monetary award to redress the violations in  
 8 this case: (1) Defendants’ violations of the GLB Act, the Impersonation Rule, and the TSR  
 9 trigger equitable monetary relief under § 19 of the FTC Act, 15 U.S.C. § 57b—specifically,  
 10 “rescission or reformation of contracts [and] the refund of money or return of property,”<sup>37</sup> and  
 11 (2) Defendants’ violations of NRS §§ 598.0915(5) and (9), and 598.0923(1)(c), trigger equitable  
 12 monetary relief under NRS § 598.0963(3)—specifically, “disgorgement [or] restitution.” Because  
 13 Defendants induced consumers to pay through deception, the appropriate figure representing  
 14 “rescission or reformation of contracts [and] the refund of money or return of property” under  
 15 § 19 of the FTC Act and “disgorgement [or] restitution” under NRS § 598.0963(3) is the entire  
 16 amount of money Defendants brought in through that deception, less refunds already provided.  
 17 *Figgie Int’l*, 994 F.2d at 606; *FTC v. Consumer Def., LLC*, No. 2:18-cv-30, 2022 WL 18106047, at \*4  
 18 (D. Nev. Dec. 30, 2022) (“[T]he proper monetary award here is ... defendants’ net revenues.”);  
 19 *OMICS Grp.*, 374 F. Supp. 3d at 1014.

20 Defendants’ conduct was egregious and fraudulent. The Corporate Defendants are in  
 21 receivership and defunct, so essentially this request for monetary relief is a request to order the  
 22 Receiver to transfer the remainder of the Receivership Estate to Plaintiffs after the Receivership  
 23 winds down and the Receiver’s final invoices are paid. The requested judgment, which represents  
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26 <sup>37</sup> The statutory structure linking violations of the GLB Act, the Impersonation Rule, and the  
 27 TSR to monetary relief under § 19 of the FTC Act is laid out in the Complaint. *See* Compl.  
 28 ¶¶ 68–70 (GLB), 77–78 (Impersonation Rule), 84–86 (TSR). Additionally, as set forth in the PI  
 Memo (ECF No. 46, p. 20:22-24), violations of NRS §§ 598.0915(5) and (9), and 598.0923(1)(c)  
 trigger equitable monetary relief under NRS § 598.0963(3).

1 consumer losses and far exceeds the Corporate Defendants’ assets in the Receivership Estate, is  
2 justified. A default judgment, including a monetary judgment, should be entered.

3 **4. The Fifth *Eitel* Factor Weighs in Favor of Entering the Default**  
4 **Judgment Because No Factual Disputes Exist**

5 The fifth *Eitel* factor, the possibility of a dispute concerning material facts, *PepsiCo*, 238  
6 F. Supp. 2d at 1177, favors entry of a default judgment as well. Upon entry of default, the  
7 factual allegations of the Complaint are taken as true. *BBK Tobacco*, 723 F. Supp. 3d at 988 (citing  
8 *PepsiCo*, 238 F. Supp. 2d at 1177). Since Plaintiffs’ factual allegations are presumed true (and are  
9 also verified by voluminous undisputed evidence, most of the Defendants’ own making), and  
10 the Corporate Defendants have failed to defend this action, “no genuine dispute of material  
11 facts would preclude granting Plaintiffs’ motion.” *PepsiCo*, 238 F. Supp. 2d at 1177.

12 **5. The Sixth *Eitel* Factor Weighs in Favor of Entering Default**  
13 **Judgment Because There is No Excusable Neglect**

14 “The sixth [*Eitel*] factor considers whether the Defendants’ defaults are due to excusable  
15 neglect. If a defendant is properly served with the complaint, the notice of entry of default, as  
16 well as the papers in support of the instant motion, the default cannot be attributed to excusable  
17 neglect.” *BBK Tobacco*, 723 F. Supp. 3d at 988 (cleaned up). Plaintiffs properly served the  
18 Corporate Defendants with summonses and the Complaint by serving their officer, Individual  
19 Defendant Terrance Selb (ECF Nos. 21–29). And Plaintiffs will serve them, via the Receiver,  
20 with the Default by Clerk (ECF No. 95) and this Motion. *See infra* Certificate of Service. The  
21 Corporate Defendants’ default is not due to excusable neglect.

22 **6. The Seventh *Eitel* Factor Does Not Preclude Entry of Default**  
23 **Judgment**

24 The seventh *Eitel* factor considers the policy that “cases should be decided upon their  
25 merits whenever reasonably possible.” *BBK Tobacco*, 723 F. Supp. 3d at 988 (quoting *Eitel*, 782  
26 F.2d at 1472). “However, the mere existence of [Rule] 55(b) indicates that this preference,  
27 standing alone, is not dispositive” and does not preclude the entry of default judgment. *PepsiCo*,  
28 238 F. Supp. 2d at 1177 (cleaned up). Here, the Corporate Defendants’ “failure to answer

1 Plaintiffs' Complaint makes a decision on the merits impractical, if not impossible." *Id.*

2 Accordingly, entry of default judgment is appropriate.

### 3 **III. The Requested Injunctive Relief Is Reasonable and Appropriate**

#### 4 **A. A Permanent Injunction is Appropriate**

5 Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), authorizes a court to issue a permanent  
6 injunction whenever a defendant violates any of the laws enforced by the Commission and there  
7 is a likelihood of recurrence of such violations. *FTC v. H.N. Singer, Inc.*, 668 F.2d 1107, 1111–13  
8 (9th Cir. 1982); *FTC v. Evans Prods. Co.*, 775 F.2d 1084, 1086–88 (9th Cir. 1985); *FTC v. Pantron I*  
9 *Corp.*, 33 F.3d 1088, 1102 (9th Cir. 1994). To determine whether there is a likelihood of  
10 recurrence, courts may consider: (1) the deliberateness and seriousness of the present violation;  
11 (2) the defendant's history of prior violations; and (3) the adaptability or transferability of the  
12 practice to other products. *Sears, Roebuck and Co. v. FTC*, 676 F.2d 385, 392 (9th Cir. 1982). "The  
13 more egregious the facts with respect to a particular element, the less important it is that another  
14 negative factor be present. In the final analysis, [courts] look to the circumstances as a whole and  
15 not to the presence or absence of any single factor." *Id.* Prior illegal conduct is highly suggestive  
16 of the likelihood of future violations. *SEC v. Murphy*, 626 F.2d 633, 655 (9th Cir. 1980); *see also*  
17 *SEC v. Am. Bd. of Trade*, 751 F.2d 529, 537–38 (2d Cir. 1984); *SEC v. Mgmt. Dynamics, Inc.*, 515  
18 F.2d 801, 807 (2d Cir. 1975). "The Court may deem a defendant's 'ready willingness to flout the  
19 law' as 'sufficient cause for concern regarding further, additional violations' for which injunctive  
20 relief may be appropriate." *Grant Connect*, 827 F. Supp. 2d at 1232 (quoting *Sears, Roebuck & Co.*,  
21 676 F.2d at 392).

22 Here, the facts indicate that there is a likelihood of recurrence. The Corporate  
23 Defendants engaged in a deliberate and serious campaign to deceive consumers on a massive  
24 scale. *See, e.g., supra* Introduction. Demonstrating their "ready willingness to flout the law," the  
25 Corporate Defendants simply shrugged off government actions by the States of Arkansas,  
26 California, Maryland, Minnesota, North Dakota, and Wisconsin, the IRS, and the Treasury  
27 Inspector General for Tax Administration, as well as consumer victim plaintiffs and arbitrants.  
28 *See* TRO Motion, Part I.C.1, & PI Memo, Part I.A.1. The Corporate Defendants' leaders,

1 Individual Defendants Selb and Bennett, have a documented history of violating the law, both  
2 through the ATS Enterprise and, particularly for Selb, in other past ventures going back to the  
3 80s. *See* TRO Motion Part I.C.2. And Defendants’ prior conduct shows that the corporate  
4 structure of a fraudulent operation is easily transferrable—after being shut down by the TRO,  
5 Selb and Bennett attempted to start a new tax debt relief operation in violation of the TRO and  
6 PI. *See* Plaintiffs’ Motion to Modify the Preliminary Injunction (ECF No. 79). Uniform  
7 injunctions against all of the Corporate Defendants are appropriate and provide the most  
8 reliable regime for ensuring that these Defendants’ illegal conduct avoids recurrence.

9 **B. The Proposed Permanent Injunction is Reasonable**

10 As to the scope of injunctive relief, Plaintiffs are “not limited to prohibiting the illegal  
11 practice in the precise form in which it is found to have existed in the past.” *Grant Connect*, 763  
12 F.3d at 1105 (quoting *FTC v. Ruberoid Co.*, 343 U.S. 470, 473 (1952)). Rather, “those ‘caught  
13 violating’ the FTC Act ‘must expect some fencing in.’” *Id.* (quoting *FTC v. Nat’l Lead Co.*, 352  
14 U.S. 419, 431 (1957)). “Accordingly, injunctive relief under the FTC Act may be framed ‘broadly  
15 enough to prevent respondents from engaging in similarly illegal practices in future  
16 advertisements.’ The injunction will be upheld so long as it bears a ‘reasonable relation to the  
17 unlawful practices found to exist.’” *Id.* (quoting *FTC v. Colgate-Palmolive Co.*, 380 U.S. 374, 394–95  
18 (1965)). In some cases, the most appropriate form of fencing in relief is a complete ban on  
19 certain acts or practices. For example, numerous courts have imposed bans enjoining defendants  
20 from engaging in some or all forms of telemarketing.<sup>38</sup>

21 Here, the Proposed Default Judgment and Final Order for Permanent Injunction,  
22 Monetary Judgment, and Other Relief as to the Corporate Defendants (attached) contains the  
23 following conduct restrictions: Section I, a ban on debt relief products or services; Section II, a  
24 ban on tax preparation services; Section III, a ban on telemarketing; Section IV, a ban on

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26 <sup>38</sup> *See, e.g., FTC v. John Beck Amazing Profits LLC*, 888 F. Supp. 2d 1006, 1013–1015 (C.D. Cal.  
27 2012) (ban on telemarketing and production or dissemination of any infomercial); *FTC v.*  
28 *INC21.com Corp.*, 745 F. Supp. 2d 975, 1010 (N.D. Cal. 2010) (ban on telemarketing and billing  
customers by placing charges on telephone bills).

1 impersonation; and Section V, a prohibition on misrepresentations. Banning the Corporate  
2 Defendants from these activities and prohibiting them from engaging in other deceptive  
3 practices bears “a reasonable relation to the unlawful practices found to exist.” *Grant Connect,*  
4 *LLC*, 763 F.3d at 1105 (cleaned up). The reasonableness of the proposed bans and prohibitions  
5 is underscored by the massive fraud perpetrated by the Corporate Defendants. Additionally, the  
6 monetary judgment imposed in the Proposed Order is reasonable and supported by the  
7 evidence. *See supra* Part II.B.3.

8 The reporting, monitoring, and recordkeeping requirements set forth in the Proposed  
9 Order will help ensure compliance with the injunctive provisions of the order. *See, e.g., FTC v.*  
10 *Hope for Car Owners, LLC*, No. 2:12-cv-778, 2013 WL 322895, at \*5 (E.D. Cal. Jan. 24, 2013)  
11 (finding monitoring and recordkeeping provisions appropriate in default judgment). The  
12 proposed reporting, monitoring, and recordkeeping requirements are similar to those entered by  
13 this Court in default judgment orders in other FTC cases. *E.g., FTC v. Lead Express, Inc.*, No.  
14 2:20-cv-840, 2021 WL 4173922 (D. Nev. Sept. 13, 2021); *FTC & Nevada v. EMP Media, Inc.*, No.  
15 2:18-cv-35, 2018 WL 3025942 (D. Nev. June 15, 2018); *FTC v. Ideal Fin. Sols., Inc.*, No. 2:13-cv-  
16 143, 2016 WL 756527 (D. Nev. Feb. 23, 2016); *FTC v. FANS, Inc.*, No. 96-cv-191, 1996 WL  
17 523554 (D. Nev. July 30, 1996).

18 The Proposed Order is reasonable and will most effectively prevent the Individual  
19 Defendants from any further use of the Corporate Defendants as corporate fronts for their  
20 illegal activities.

### 21 **Conclusion**

22 For the reasons set forth above, Plaintiffs respectfully request that the Court enter  
23 default judgment against the Corporate Defendants and issue the attached Proposed Order.

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Respectfully submitted,

Dated: May 7, 2026

/s/ Simon Barth

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**CERTIFICATE OF SERVICE**

I hereby certify that on May 7, 2026, I electronically filed the foregoing Plaintiffs’ Motion for Default Judgment Against the Corporate Defendants with the Clerk of the Court using CM/ECF, causing an electronic copy of the same to be served on the parties below. Additionally, I caused a copy of the Default by Clerk (ECF No. 95) to be served on the same via PDF email attachment.

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/s/ Simon Barth  
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