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**EXEMPT FROM FEES  
GOV. CODE, § 6103**

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
10 COUNTY OF SAN FRANCISCO

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13 **THE PEOPLE OF THE STATE OF  
CALIFORNIA,**  
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15 Plaintiffs,  
16  
17 **v.**  
18 **JTH TAX, INC. (D/B/A LIBERTY TAX  
SERVICE),**  
19 Defendants.

Case No. CGC-07-460778  
**STIPULATION FOR ENTRY  
OF AMENDED JUDGMENT AND  
PERMANENT INJUNCTION**  
Dept: 611  
Judge: The Honorable Curtis E.A.  
Karnow

20  
21 The People of the State of California (“People”), appearing through their attorney, Rob  
22 Bonta, Attorney General of the State of California, by Deputy Attorneys General Sheldon H. Jaffe  
23 and Adelina Acuña, and Liberty Tax, LLC d/b/a Liberty Tax Service (“Defendant” or “Liberty”),  
24 appearing through its attorneys, Michael Rome and Michael Wong, of Willkie Farr & Gallagher  
25 LLP, stipulate as follows:

26 1. The Amended Final Judgment and Permanent Injunction (“Amended Judgment”),  
27 a true and correct copy of which is attached hereto as Exhibit A, may be entered by any judge of  
28 the San Francisco County Superior Court.

1           2.       The Court has jurisdiction over the subject matter of this action, jurisdiction over  
2 the parties to this action, and venue is proper in this Court.

3           3.       The People and Defendant (collectively, the “Parties”) waive their right to move  
4 to set aside the Amended Judgment through any collateral attack, except as provided in  
5 Paragraphs 5 and 6 below, and further waive their right to appeal from the Amended Judgment.  
6 Nothing herein shall waive any right to appeal from any decision in connection with a future  
7 effort to enforce the Amended Judgment.

8           4.       The People and Defendant are represented by counsel and have agreed entry of the  
9 Amended Judgment will resolve the matters alleged in the People’s Application for: (1) Issuance  
10 of an Order To Show Cause why Liberty Should Not be Sanctioned for Violating the Permanent  
11 Injunction; and (2) Modification of Permanent Injunction (the “Application”). The Parties agree  
12 to entry of the Amended Judgment without the need for a hearing on or adjudication of any issue  
13 of law or fact raised by or alleged in the Application. Defendant enters into this Amended  
14 Judgment freely and without coercion. Defendant acknowledges that it is able to abide by the  
15 provisions of the Amended Judgment. Defendant further acknowledges that a violation of this  
16 Amended Judgment may result in the People seeking additional relief under sections 17207 and  
17 17535.5 of the Business and Professions Code.

18           5.       The People’s agreement to enter into this Stipulation is expressly premised upon  
19 the truthfulness, accuracy, and completeness of Defendant’s representations of its financial  
20 condition. In negotiating and agreeing to the terms of this Stipulation and the attached proposed  
21 Amended Judgment, the People materially relied on the representations of financial condition and  
22 related documents provided by Defendant on February 21, 2024, and March 15, 2024. Should any  
23 of that information prove to be materially untruthful, inaccurate or incomplete, the People will  
24 have the right to petition the Court to impose additional monetary penalties for violations incurred  
25 prior to the date of entry of this Amended Judgment.

26           6.       The People entered into this Stipulation based upon the representation by Liberty  
27 that, as of the date of this Stipulation, it has produced to the People copies of all of the  
28 advertisements for loan products Liberty made available to its California franchise and company-

1 owned stores for the 2024 tax season. Should the People discover additional 2024 tax season  
2 advertisements Liberty made available to its California franchise and company-owned stores for  
3 the 2024 tax season not produced by Liberty, the People will have the right to petition the Court  
4 to impose additional monetary penalties for violations incurred prior to the date of entry of this  
5 Amended Judgment.

6 7. Liberty agrees to make payment of \$150,000 to the People as specified in the  
7 Amended Judgment. If payment is timely made in accordance with the Amended Judgment, the  
8 people waive the right to statutory interest.

9 8. Upon entry of the Judgment, the People release and discharge Liberty from and  
10 against any and all civil claims arising from the conduct alleged in the Application.


11 9. Defendant will accept service of any Notice of Entry of Amended Judgment  
12 entered in this action by electronic delivery of such notice to its counsel of record (at the email  
13 addresses identified in the Amended Judgment), and agrees that service of the Notice of Entry of  
14 Amended Judgment will be deemed personal service upon Defendant for all purposes.

15 10. The individuals signing below represent that they have been authorized by the  
16 Parties they represent to sign this Stipulation.

17 11. This Stipulation may be executed in counterparts, and the Parties agree that a  
18 facsimile or scanned PDF signature shall be deemed to be, and shall have the same force and  
19 effect as, an original signature.

20  
21  
22 Dated: May 20, 2024

ROB BONTA  
Attorney General of the State of California  
MICHELE VAN GELDEREN  
Supervising Deputy Attorney General  
ADELINA ACUÑA  
Deputy Attorney General

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27 By:   
Deputy Attorney General  
*Attorneys for the People*

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Dated: May 13, 2024

**WILLKIE FARR & GALLAGHER**

By:   
Michael Rome  
Michael Li-Ming Wong

*Attorneys for Defendant  
JTH Tax LLC (d/b/a/ Liberty Tax Service),  
formerly known as JTH Tax, Inc.*

Dated: May 14, 2024

By:   
Scott Terrell

*Chief Executive Officer of Defendant  
Defendant JTH Tax, LLC d/b/a  
Liberty Tax*

# **EXHIBIT A**

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SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN FRANCISCO

**THE PEOPLE OF THE STATE OF CALIFORNIA,**  
  
Plaintiffs,  
  
v.  
  
**JTH TAX, INC. (D/B/A LIBERTY TAX SERVICE),**  
  
Defendant.

Case No. CGC-07-460778

**[PROPOSED] AMENDED JUDGMENT AND PERMANENT INJUNCTION**

Dept: 611  
Judge: The Honorable Curtis E.A. Karnow

1 This equitable action pursuant to Business and Professions Code sections 17200 et seq.  
2 and 17500 et seq. was tried to the bench before the Honorable Curtis E.A. Karnow in Department  
3 608 of this Court on October 1-3, 6-10, and 14, 2008. Post-trial briefing was complete May 26,  
4 2009 and the matter was then submitted.

5 Plaintiff People of the State of California (People) appeared and were represented by Paul  
6 Stein, Sheldon H. Jaffe, Amy C. Teng, Margaret Reiter, and Zuzana Ikels. Defendant JTH Tax,  
7 Inc. d/b/a Liberty Tax Service<sup>1</sup> (Liberty) appeared and was represented by William L. Stern,  
8 Brian J. Martinez, and, appearing *pro hac vice*, Carl T. Khalil. This Court considered the  
9 evidence, proposed statements of decision and objections to those, briefing from the parties, and  
10 argument. The Court then issued its statement of decision and found that Liberty violated the  
11 Unfair Competition Law, Business and Professions Code section 17200 et seq., and the False  
12 Advertising Law, Business and Professions Code section 17500 et seq.

13 On June 15, 2009, the Court entered a Final Judgment and Permanent Injunction that in  
14 part ORDERED, ADJUDGED, AND DECREED that:

- 15 1. Judgment is entered in favor of Plaintiff People of the State of California;
- 16 2. Liberty violated Business and Professions Code sections 17200 and 17500 as set  
17 forth in the Statement of Decision;
- 18 3. Liberty shall pay, pursuant to Business and Professions Code sections 17206 and  
19 17536, civil penalties to the Attorney General of California totaling \$1,161,699.
- 20 4. Pursuant to Business and Professions Code §§ 17203 and 17535, Liberty shall pay  
21 restitution in the sum of \$135,886.
- 22 5. That Liberty shall take nothing from the People;
- 23 6. That the People, as the prevailing party, shall recover from Liberty, pursuant to  
24 Code of Civil Procedure section 1032 et seq., its costs of suit from Liberty; and

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<sup>1</sup> On February 1, 2024, Defendant amended the Complaint to correct Defendants' true  
name to JTH Tax, LLC.





1 C. The term “Advertisement” refers to advertising in any medium, including but not  
2 limited to television and radio; newspapers, magazines, and other periodicals; the Internet;  
3 computer software; electronic mail; facsimile; wireline and wireless telecommunications; direct  
4 mail; live on-street solicitation; billboards and outdoor signs; outside-facing window displays;  
5 and off-site flyers and placards; and advertising within Liberty offices or other location of direct  
6 interaction with consumers, including but not limited to wall posters, brochures, desk signs,  
7 flyers, charts, and computer screens.

8 D. Defendants are immediately and permanently enjoined and restrained from doing  
9 any of the following:

10 Advertising and Marketing

11 1. Disseminating or causing to be disseminated any Advertisement that  
12 directly or indirectly represents a refund anticipation loan as a client’s actual refund. This  
13 includes, but is not limited to, describing a refund anticipation loan as “refund money” or  
14 “your money,” or promising “most refunds in one day.”

15 2. In any Advertisement that mentions refund anticipation loans: (1) failing to  
16 state conspicuously that the product being offered is a loan and that a fee or interest will  
17 be charged by the lending institution; and (2) failing to state the name of the lending  
18 institution. This includes failing in any Advertisement for a loan product to place the word  
19 “loan” immediately following the name of the product and presented in an identical  
20 graphic or audio manner in such a way that it is unavoidable. For example, the “Easy  
21 Advance” product must be presented as an “Easy Advance loan” in all mentions of the  
22 product.

23 For purposes of paragraph D.2 of this Amended Judgment:

24 a. “Conspicuously” in the context of a written disclosure means a  
25 statement in a type, size, and location that enables it to be easily noticed, read, and  
26 understood. A written disclosure required to be made “conspicuously” under  
27 paragraph D.2 of this Amended Judgment must not be obscured in any manner,  
28 and a consumer shall not be required to take any affirmative action, such as

1 clicking on a hyperlink or tool-tip, to view such a disclosure. A disclosure may not  
2 contradict or be inconsistent with any other information with which it is presented.  
3 If a statement modifies or clarifies other information with which it is presented, it  
4 must be presented in proximity to the information it modifies or clarifies, in the  
5 same size, font, color, and contrast and in a manner that is likely to be noticed,  
6 read, and easily understood.

7 b. “Conspicuously” in the context of audible disclosures such as radio  
8 or streaming videos means a statement delivered in a volume, speed, and cadence  
9 sufficient for consumers to easily hear and understand the disclosure. A disclosure  
10 may not contradict or be inconsistent with any other information with which it is  
11 presented. If a statement modifies or clarifies other information with which it is  
12 presented, it must be presented in proximity to the information it modifies, in the  
13 same volume, speed, and cadence as this information.

14 c. In any Advertisement that mentions Refund Anticipation Loans  
15 audibly, the disclosure must be made audibly. In any Advertisement that mentions  
16 Refund Anticipation Loans visually, the disclosure must be made visually. In any  
17 Advertisement that mentions Refund Anticipation Loans both audibly and  
18 visually, the disclosure must be made both audibly and visually.

19 3. Failing to adopt and comply with policies and procedures that require  
20 Liberty to (1) review any and all franchisee Advertisements prior to their being  
21 disseminated in California, and (2) ensure such Advertisements comply with the terms of  
22 Paragraphs D.1. and D.2. of this Amended Judgment.

23 4. Failing to Discipline Liberty employees and franchisees who violate the  
24 policies and procedures cited in D.3 of this Amended Judgment. “Discipline” in this  
25 Paragraph with respect to (i) employees means a written warning of possible termination  
26 and other sanctions for the first violation, suspension without pay for a period of three  
27 weeks for a second violation, and termination for a third violation; (ii) franchisees means a  
28 written warning of possible fines and termination for a first violation, a fine payable to the

1 Attorney General of California of \$15,000 for a second violation, and termination as a  
2 franchisee for a third violation. Nothing in this Paragraph bars, inhibits, or diminishes any  
3 punishment this Court may impose on any person or entity for violation of this Amended  
4 Judgment.

5 5. Failing to audit at least 10 California franchise owners each year to  
6 determine their compliance with Liberty's advertising approval policies and procedures  
7 and the terms of this Amended Judgment and, as part of these audits, to require the  
8 franchise owner to provide copies of any Advertisements run or to be run during the  
9 current tax season (January 1-April 15), and to independently verify whether such  
10 Advertisements comply with Liberty's advertising approval policies and procedures and  
11 with the terms of Paragraphs D.1. and D.2. of this Amended Judgment.

12 6. Failing, on a monthly basis during the tax season (January 1-April 15), to  
13 monitor any advertising outlet that Liberty knows is being used by, or has within the last  
14 twelve months been used by, California franchisees to check for any Advertisement in the  
15 name of Liberty Tax and/or Liberty Tax Service, and to determine whether such  
16 Advertisements comply with Liberty's advertising approval policies and procedures and  
17 the terms of Paragraphs D.1. and D.2. of this Amended Judgment.

18 7. Failing, on a monthly basis during tax season (January 1-April 15), to send  
19 an e-mail or other bulletin to all of its California franchisees reminding them of Liberty's  
20 advertising approval policies and procedures and of the potential Discipline stated in  
21 Paragraph D.4.

22 8. Failing, upon discovering any Advertisement by a California franchisee  
23 that fails to comply with the terms of Paragraphs D.1. and D.2. of this Amended  
24 Judgment, to notify the California Attorney General's Office, Consumer Law Section,  
25 within one week of discovering the Advertisement.

26 9. Imposing on consumers, directly or indirectly, any fee incident to an  
27 extension of credit in connection with the sale of tax preparation services without first  
28 disclosing in writing that (1) the fee is a finance charge, and (2) the cost of the fee stated

1 as an annual percentage rate, and in the manner and form required by 15 U.S.C. § 1601 et  
2 seq. and its implementing regulations. Fees incident to an extension of credit include any  
3 fees charged, no matter how denominated, for products that allow a consumer to have  
4 their tax preparation fees taken out of their tax refund, such as the “Refund Transfer.”

5 Debt Collection

6 10. Participating in or facilitating any program to collect refund anticipation  
7 loan debts that involves any of the following practices:

8 a. Failing to inform alleged debtors, before the alleged debtors take  
9 any step that would commit them to having the amount of the debt deducted or  
10 withheld, even temporarily, from their refund, that they purportedly owe a debt,  
11 and the name of the creditor to whom the alleged debt is owed; or

12 b. Attempting to obtain or obtaining a customer’s authorization to  
13 collect stale debts - that is, debts as to which the limitations period has expired - as  
14 part of the process of offering refund anticipation loans or electronic refund  
15 checks, unless the customer revives the debt in the manner required by law.

16 Distribution of Injunctive Terms

17 11. Failing to provide to the managers of all California corporate-owned  
18 Liberty offices, all California Liberty franchisees (with instructions to provide the  
19 materials to the manager of each office), and all of Liberty’s lending partner banks a copy  
20 of this Amended Judgment.

21 Conduct Inconsistent With the Amended Judgment

22 12. Providing information, materials or training that is inconsistent with the  
23 terms of this Amended Judgment to any Liberty corporate-owned or franchised offices in  
24 California or their personnel; or permitting conduct that is inconsistent with the terms of  
25 this Amended Judgment by any Liberty corporate-owned or franchised offices in  
26 California or their personnel.

27 Temporal Applicability of Amended Injunctive Terms

1 E. The Amended Permanent Injunction portion of this Amended Judgment  
2 shall only apply to Advertisements created on or after the date on which the Court entered this  
3 Amended Judgment.

4 Retention of Jurisdiction

5 F. This Court shall retain jurisdiction over this matter for purposes, among  
6 others, of enabling any party to this Amended Judgment to apply to the Court at any time, after  
7 serving notice on the other party, for such further orders and directions as may be necessary or  
8 appropriate for the construction or carrying out of this Amended Judgment, for modification or  
9 termination of any injunctive provision of this Amended Judgment, and for punishment for any  
10 violation of this Amended Judgment.

11 **II. Additional General Provisions**

12 A. The terms of the Amended Injunction shall become effective as of the date it is  
13 entered by the Court.

14 B. Notices under this Amended Judgment shall be served by email and regular mail  
15 as follows unless modified in writing:

16 To the People or the People's counsel:

17  
18 ROB BONTA

19 Attorney General of California

20 MICHELE VAN GELDEREN

21 Supervising Deputy Attorney General

22 SHELDON H. JAFFE (SBN 200555)

23 ADELINA ACUÑA (SBN 284576)

24 Deputy Attorneys General

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E-mail: Sheldon.Jaffe@doj.ca.gov; Adelina.Acuna@doj.ca.gov; Michele Van

Michele.VanGelderens@doj.ca.gov

To Defendant or Defendant's counsel:

MICHAEL ROME

MICHAEL LI-MING WONG

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TARIQ MUNDIYA  
Willkie Farr & Gallagher LLP  
333 Bush Street  
San Francisco, CA 94104  
Telephone: (415) 858-7400  
E-mail: MRome@willkie.com; mlwong@willkie.com; tmundiya@willkie.com

- C. This Amended Judgment shall take effect immediately upon entry thereof.
- D. The clerk is directed to enter this Amended Judgment forthwith.

**IT IS SO ORDERED.**

Dated:

\_\_\_\_\_  
Judge of the Superior Court

**DECLARATION OF SERVICE BY E-MAIL**

**Case Name:** *The People of the State of California vs. JTH Tax, Inc. (D/B/A Liberty Tax Service) et al.*

**Case No.:** CGC-07-460778

I declare:

I am employed by the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am over the age of 18 years and not a party to this matter.

On May 20, 2024, I served the attached document described as:

**“STIPULATION FOR ENTRY OF AMENDED JUDGMENT AND PERMANENT INJUNCTION (with Exhibit A: [PROPOSED] AMENDED JUDGMENT AND PERMANENT INJUNCTION)”**

by transmitting a true copy via electronic mail to the following e-mail addresses:

*Counsel for Defendant JTH Tax Inc., D/B/A Liberty Tax Service:*

Michael Rome, Esq.

**E-mail:** MRome@willkie.com

Michael L. Wong, Esq.

**E-mail:** MLWong@willkie.com

Tariq Mundiya, Esq.

**E-mail:** tmundiya@willkie.com

Clayton S. Friedman, Esq.

**E-mail:** Clayton.Friedman@troutman.com

Bonnie Gill, Esq.

**E-mail:** Bonnie.Gill@troutman.com

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct.

This declaration was executed on May 20, 2024, at San Francisco, California.

\_\_\_\_\_  
Vanessa Jordan  
Declarant

\_\_\_\_\_  
*Vanessa Jordan*  
Signature