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THE PEOPLE OF THE STATE OF CALIFORNIA

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO**

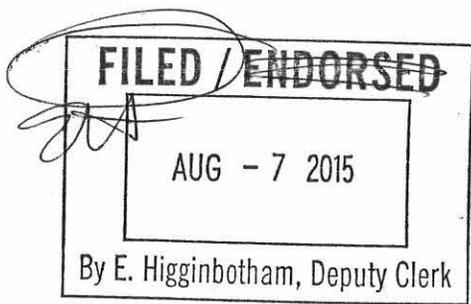
THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

RONI DEUTCH, A PROFESSIONAL TAX CORPORATION, a California corporation;
RONI LYNN DEUTCH, an individual; and
DOES 1 through 100, inclusive,

Defendants.



Case No. 34-2010-00085933

**~~PROPOSED~~ FINAL JUDGMENT AND
PERMANENT INJUNCTION AS TO
DEFENDANT RONI LYNN DEUTCH**

Trial Date: None set
Action Filed: August 24, 2010

1 7. IT IS ORDERED that, pursuant to Business and Professions Code section 17200 et seq.,
2 Roni Lynn Deutch and anyone acting pursuant to her direct authority and/or control, including her
3 agents, employees, officers, representatives, successors, or partners (collectively DEUTCH), are
4 enjoined from committing or performing the following acts:

5 8. Making or causing to be made any untrue or misleading statements in connection with
6 soliciting for, advertising for, or performing any services for clients or taxpayers who seek
7 assistance with their tax liability, including any representations that:

8 a. DEUTCH has “saved” specific clients money, when DEUTCH has not saved those
9 clients any money or that DEUTCH has “saved” specific clients a certain amount of money, when
10 DEUTCH has not saved those clients that amount of money;

11 b. DEUTCH guarantees, promises, or in any way assures taxpayers that DEUTCH
12 will be able to resolve their tax liability or that the taxpayers qualify for a tax debt resolution with
13 the IRS;

14 c. DEUTCH can or will eliminate interest and penalties that have accrued or that will
15 accrue on a taxpayer’s tax liability;

16 d. DEUTCH can or will reduce the taxpayer’s liability to a specific dollar amount or
17 that DEUTCH can or will secure a specific monthly payment amount for the taxpayer as part of
18 an installment agreement;

19 e. DEUTCH has achieved a specific success rate in negotiating tax debt resolutions
20 with the IRS or suggest or imply in any way that DEUTCH has a high success rate in negotiating
21 tax debt resolutions with the IRS;

22 f. DEUTCH can or will stop or prevent IRS actions to collect on a taxpayer’s tax
23 liability;

24 g. DEUTCH charges a “flat fee” or in any way suggest or imply that the client’s fee
25 cannot increase during the representation;

26 h. DEUTCH will provide a refund of all unearned fees if either DEUTCH resigns
27 from the representation or the client terminates the representation; and
28

1 i. DEUTCH spent a certain amount of time completing tasks on a client's behalf,
2 unless DEUTCH actually spent that amount of time completing the tasks and DEUTCH has
3 written time records that substantiate that amount of time.

4 9. Advising taxpayers to stop communicating with the IRS or to ignore the IRS's attempts to
5 contact taxpayers.

6 10. Advising taxpayers to stop making their monthly installment payments to the IRS or in
7 any way implying that taxpayers are not legally obligated to continue making their monthly
8 installment payments to the IRS.

9 11. Failing to record in their entirety all sales calls with potential clients, unless those
10 potential clients specifically refuse to give their consent to have the sales calls recorded.

11 12. Agreeing to represent any taxpayer or selecting an IRS tax debt resolution program for the
12 taxpayer until Defendants have reviewed the documents requested from prospective clients.

13 13. Charging or collecting any fees from a client before DEUTCH has reviewed the client's
14 documents and received a fee agreement signed by the client.

15 14. Billing a client for time spent on that client's matter or reducing the amount of a client's
16 refund based on charges for time spent on that client's matter, unless DEUTCH actually spent the
17 amount of time billed on that client's matter and DEUTCH has written time records that
18 substantiate the amount of time billed.

19 15. Billing a client or reducing the amount of a client's refund using the same hourly rate for
20 DEUTCH's attorney and non-attorney employees without previously disclosing to the client that
21 it is doing so.

22 16. Failing to refund all unearned fees to clients, even if a client has not requested a refund,
23 within 60 days of either (1) the date the client terminated DEUTCH's representation or (2) the
24 date DEUTCH resigned from the client's representation.

25 17. Failing to place fees in a client trust account if there is a dispute over whether DEUTCH
26 has earned those fees.

27 18. Providing or paying any of DEUTCH's employees bonuses, rewards, incentives, prizes, or
28 any other type of cash, cash equivalent, or non-cash compensation other than the employee's base

1 salary or hourly wage, that are based in whole or in part on the amount of money the firm refunds
2 to its clients.

3 19. The provisions of Paragraphs 6-18 above operate prospectively only, and are not intended
4 to create any duty, obligation or liability regarding past representation of any client prior to the
5 date of entry of this Judgment and Injunction.

6 MONETARY PAYMENT

7 20. IT IS ORDERED that, pursuant to Business and Professions Code sections 17200 et seq.,
8 defendant RONI LYNN DEUTCH shall pay to Office of the Attorney General \$2,500,000.00;
9 \$50,000 of the total sum constitutes a civil penalty. The balance of this judgment, \$2,450,000, is
10 payable to the Office of the Attorney General of the State of California as a civil restitution award
11 to, among other things, pay restitution to former customers of corporate defendant Roni Lynn
12 Deutch, PTC.

13 OPERATIVE COMPLAINT

14 21. The governing complaint in this action is the First Amended Complaint (FAC) filed
15 December 18, 2013.

16 22. The FAC contains two causes of action: (a) Violation of Business and Profession Code
17 section 17500; and (b) Violation of Business and Profession Code section 17200.

18 23. The FAC does not contain a cause of action for: (a) fraud; (b) dishonesty; or (c) moral
19 turpitude.

20 OTHER PROVISIONS

21 24. The Stipulation and this Final Judgment shall constitute a full and final resolution of all
22 claims, counterclaims, and defenses, known or unknown, that the Parties have asserted against
23 each other, based on, or arising out of, the allegations of the People's Complaint in this case.
24 However, nothing herein is intended nor shall be construed to prevent the Parties from taking
25 action to enforce the terms of the Stipulation or this Final Judgment. The Stipulation and this
26 Final Judgment are not intended to and do not resolve or waive any claims held by any individual
27 or government entity, department, or agency not a party to the Stipulation.
28

