IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF TENNESSEE Chattanooga Division

UNITED STATES OF AMERICA,)
Plaintiff,))
V.)
JOHN C. and ESTHER R. HELTON 622 Georgia Ave., Chattanooga, TN 37402)
Defendants.)

Case No. 17-cv-54

COMPLAINT

The UNITED STATES OF AMERICA brings this action at the request of the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and at the direction of the Attorney General of the United States to reduce to judgment assessments made against John C. Helton and Esther R. Helton for unpaid federal income taxes, and against John Helton for federal trust fund recovery penalties related to the unpaid federal employment taxes of Helton Law Firm, PLLC.

JURISDICTION AND VENUE

1. This Court has jurisdiction over this civil action pursuant to 28 U.S.C. §§ 1340 and 1345, and 26 U.S.C. § 7402(a).

2. Venue in this district is proper pursuant to 28 U.S.C. §§ 1391 and 1396. Defendants John and Esther Helton reside in Hamilton County, Tennessee.

PARTIES

3. Plaintiff is the United States of America.

4. Defendants John C. and Esther R. Helton reside in Chattanooga, Tennessee.

COUNT I

REDUCE TO JUDGMENT FEDERAL INCOME TAX ASSESSMENTS AGAINST JOHN C. HELTON

5. The United States incorporates paragraphs 1 through 4 of this complaint as if fully set

forth herein.

6. A delegate of the Secretary of the Treasury has made assessments against John C. Helton

for unpaid federal income taxes as follows:

Tax Type	Tax Period Ending	Date of Earliest Assessment	Amount of Earliest Assessment	Outstanding Balance¹ (as of February 27, 2017)
1040	12/31/2004	05/26/2008	\$45,597.00	\$104,431.61
1040	12/31/2005	04/14/2008	\$68,049.00	\$142,545.50
1040	12/31/2006	04/21/2008	\$63,531.00	\$139,118.35
1040	12/31/2007	11/24/2008	\$11,797.00	\$19,026.61
1040	12/31/2009	11/24/2014	\$2,136.00	\$3,199.64
		\$408,321.71		

7. A delegate of the Secretary of the Treasury gave Mr. Helton notice and demand for

payment of the assessments described in paragraph 6 in accordance with 26 U.S.C. § 6303.

8. Statutory additions to tax have accrued and will continue to accrue on the unpaid balance of the assessments set forth in paragraph 6.

¹Includes statutory interest and penalties that have accrued, and which continue to accrue, on the unpaid taxes.

9. Mr. Helton has failed to pay the United States the full amount owed as a result of the tax assessments described in paragraph 6.

10. On account of the assessments described in paragraph 6, Mr. Helton is indebted to the United States in the amount of \$408,321.71 as of February 27, 2017, plus statutory additions that will continue to accrue thereafter until paid.

WHEREFORE, the United States prays:

- A. That the Court enter judgment in favor of the United States and against Defendant John Helton for unpaid federal income tax liabilities in the amount of \$408,321.71 as of February 27, 2017, plus statutory additions that will continue to accrue thereafter until paid; and
- B. That the Court award the United States such further relief that the Court deems appropriate, including the costs of this action.

COUNT II

REDUCE TO JUDGMENT FEDERAL INCOME TAX ASSESSMENTS AGAINST JOHN AND ESTHER HELTON

11. The United States incorporates paragraphs 1 through 10 of this complaint as if fully set forth herein.

12. A delegate of the Secretary of the Treasury has made assessments against John C. and

Esther R. Helton for unpaid federal income taxes as follows:

Tax Type	Tax Period Ending	Date of Earliest Assessment	Amount of Earliest Assessment	Outstanding Balance² (as of February 27, 2017)
1040	12/31/2012	03/23/2015	\$3,653.00	\$1,813.47

²Includes statutory interest and penalties that have accrued, and which continue to accrue, on the unpaid taxes.

1040	12/31/2014	06/08/2015	\$18,865.00	\$18,838.22
Total				\$20,651.69

13. A delegate of the Secretary of the Treasury gave Mr. and Mrs. Helton notice and demand for payment of the assessments described in paragraph 12 in accordance with 26 U.S.C. § 6303.

14. Statutory additions to tax have accrued and will continue to accrue on the unpaid balance of the assessments set forth in paragraph 12.

15. Mr. and Mrs. Helton have failed to pay the United States the full amount owed as a result of the tax assessments described in paragraph 12.

16. On account of the assessments described in paragraph 12, Mr. and Mrs. Helton are

indebted to the United States in the amount of \$20,651.69 as of February 27, 2017, plus statutory additions that will continue to accrue thereafter until paid.

WHEREFORE, the United States prays:

- C. That the Court enter judgment in favor of the United States and against Defendants John
 C. and Esther R. Helton for unpaid federal income tax liabilities in the amount of
 \$20,651.69 as of February 27, 2017, plus statutory additions that will continue to accrue thereafter until paid; and
- D. That the Court award the United States such further relief that the Court deems appropriate, including the costs of this action.

COUNT III

REDUCE TO JUDGMENT FEDERAL TRUST FUND RECOVERY PENALTY TAX ASSESSMENTS AGAINST JOHN C. HELTON

17. The United States incorporates paragraphs 1 through 16 of this complaint as if fully set forth herein.

18. A delegate of the Secretary of the Treasury has determined that Mr. Helton is a person responsible for remitting to the Internal Revenue Service the federal income and social security taxes withheld from the wages of Helton Law Firm, PLLC employees, and that Mr. Helton has willfully failed to remit those taxes to the United States.

19. At all times relevant to this complaint, Mr. Helton was the president and 100% owner of Helton Law Firm, PLLC. Mr. Helton signed the law firm's federal employment tax returns, and had sole signatory authority over its checking account.

20. Helton Law Firm, PLLC accrued unpaid employment tax liabilities during tax periods ending in tax years 2013 and 2014. Mr. Helton failed to pay those liabilities, and instead paid wages to himself and to his wife.

21. A delegate of the Secretary of the Treasury has made assessments against Mr. Helton for federal trust fund recovery penalty taxes under 26 U.S.C. § 6672 as follows:

Tax Type	Tax Period Ending	Date of Earliest Assessment	Amount of Earliest Assessment	Outstanding Balance³ (as of February 27, 2017)
IRC	09/30/2013	03/02/2015	\$4,477.46	\$42.10
6672				
IRC	03/31/2014	03/02/2015	\$4,409.47	\$4,723.77
6672				
IRC	06/30/2014	03/02/2015	\$4,497.64	\$4,818.22
6672				
		Total	\$9,584.09	

22. A delegate of the Secretary of the Treasury gave Mr. Helton notice and demand for

payment of the assessments described in paragraph 21 in accordance with 26 U.S.C. § 6303.

³Includes statutory interest that has accrued, and which continues to accrue, on the remaining unpaid taxes.

23. Statutory additions to the trust fund recovery penalty tax have accrued and will continue to accrue on the unpaid balance of the assessments set forth in paragraph 21.

24. Mr. Helton has failed to pay the United States the full amount owed as a result of the assessments described in paragraph 21.

25. On account of the assessments described in paragraph 21, Mr. Helton is indebted to the United States for federal trust fund recovery penalty taxes in the amount of \$9,584.09 as of February 27, 2017, plus statutory additions that will continue to accrue thereafter until paid.

WHEREFORE, the United States prays:

- A. That the Court enter judgment in favor of the United States and against John C. Helton for federal trust fund recovery penalty taxes in the amount of \$9,584.09 as of February 27, 2017, plus statutory additions that will continue to accrue thereafter until paid; and
- B. That the Court award the United States such further relief the Court deems appropriate, including the costs of this action.

DATED: February 24, 2017

DAVID A. HUBBERT Acting Assistant Attorney General

NANCY S. HARR United States Attorney

<u>/s/Joycelyn S. Peyton</u> JOYCELYN S. PEYTON Trial Attorney, Tax Division U.S. Department of Justice Post Office Box 227 Washington, D.C. 20044 Tel: 202-514-6576 Fax: 202-514-6866 Joycelyn.S.Peyton@usdoj.gov Counsel for the United States

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CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS				DEFENDANTS			
UNITED STATES OF AMERICA				JOHN C. AND ESTHER R. HELTON			
(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)				County of Residence of First Listed Defendant <u>(IN U.S. PLAINTIFF CASES ONLY)</u> NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.			
(c) Attorneys (Firm Name, Joycelyn S. Peyton P.O. Box 227, Ben Frank (202) 514-6576				Attorneys (If Known)			
II. BASIS OF JURISDI	CTION (Place an "X" in O	ne Box Only)	II. CI	TIZENSHIP OF P	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff	
¥ 1 U.S. Government Plaintiff	□ 3 Federal Question (U.S. Government 1	Not a Party)		(For Diversity Cases Only) P1 en of This State			
□ 2 U.S. Government Defendant	☐ 4 Diversity (Indicate Citizenshi	ip of Parties in Item III)	Citize	en of Another State		Principal Place	
				en or Subject of a reign Country	3 🗖 3 Foreign Nation		
IV. NATURE OF SUIT			_	- ·	Click here for: Nature of S		
CONTRACT	1	RTS		DRFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
 110 Insurance 120 Marine 130 Miller Act 140 Negotiable Instrument 150 Recovery of Overpayment & Enforcement of Judgment 151 Medicare Act 152 Recovery of Defaulted 	330 Federal Employers' Liability	 PERSONAL INJURY 365 Personal Injury - Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal 		5 Drug Related Seizure of Property 21 USC 881 0 Other	 422 Appeal 28 USC 158 423 Withdrawal 28 USC 157 PROPERTY RIGHTS 820 Copyrights 830 Patent 840 Trademark 	 375 False Claims Act 376 Qui Tam (31 USC 3729(a)) 400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 	
Student Loans (Excludes Veterans) 153 Recovery of Overpayment of Veteran's Benefits 160 Stockholders' Suits 190 Other Contract 195 Contract Product Liability 196 Franchise	 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury - Medical Malpractice 	Injury Product Liability PERSONAL PROPERT 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage Product Liability	 72 74 75 	LABOR 0 Fair Labor Standards Act 0 Labor/Management Relations 0 Railway Labor Act 1 Family and Medical Leave Act 0 Other Labor Litigation	SOCIAL SECURITY 861 HIA (1395ff) 862 Black Lung (923) 863 DIWC/DIWW (405(g)) 864 SSID Title XVI 865 RSI (405(g))	 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 850 Securities/Commodities/ Exchange 890 Other Statutory Actions 891 Agricultural Acts 893 Environmental Matters 895 Freedom of Information 	
REAL PROPERTY 210 Land Condemnation 220 Foreclosure 230 Rent Lease & Ejectment 240 Torts to Land 245 Tort Product Liability	CIVIL RIGHTS 440 Other Civil Rights 441 Voting 441 Voting 442 Employment 443 Housing/ Accommodations	PRISONER PETITIONS Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General		1 Employee Retirement Income Security Act	FEDERAL TAX SUITS	Act 896 Arbitration 899 Administrative Procedure Act/Review or Appeal of Agency Decision 950 Constitutionality of	
290 All Other Real Property	 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 448 Education 	 535 Death Penalty Other: 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement 		IMMIGRATION 2 Naturalization Application 5 Other Immigration Actions		State Statutes	
	moved from \Box 3	Remanded from Appellate Court		stated or 5 Transfe bened Anothe (specify)	r District Litigatio	n - Litigation -	
VI. CAUSE OF ACTION	DN 26 U.S.C. § 7402 Brief description of ca	use:		Do not cite jurisdictional stat			
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER RULE 2	IS A CLASS ACTION 3, F.R.Cv.P.		EMAND \$ 438,556.00	CHECK YES only JURY DEMAND	y if demanded in complaint: D: □ Yes XNo	
VIII. RELATED CASI IF ANY	E(S) (See instructions):	JUDGE			DOCKET NUMBER		
DATE 02/24/2017		SIGNATURE OF ATTO /s/ Joycelyn S. F					
FOR OFFICE USE ONLY RECEIPT # Case 1:17	n@W-00054-HSM-	SKLAPDocumer	nt 1-1	Filed 02/24/1	.7 Page 1 of 2G. J	RageID #: 7	

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- **I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below. United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box. Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes

precedence, and box 1 or 2 should be marked. Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)

- **III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit. Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: <u>Nature of Suit Code Descriptions</u>.
- V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date. Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.

Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket. **PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statue.

- VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. Do not cite jurisdictional statutes unless diversity. Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases. This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

UNITED STATES DISTRICT COURT

for the

Eastern District of Tennessee

)

UNITED STATES OF AMERICA

Plaintiff(s)

v.

Civil Action No.

JOHN C. and ESTHER R. HELTON

Defendant(s)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) JOHN C. HELTON 622 GEORGIA AVE. CHATTANOOGA, TN 37402

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Joycelyn S. Peyton P.O. Box 227, Ben Franklin Station, Washington, D.C. 20044

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No.

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

was re	This summons for <i>(name)</i> ceived by me on <i>(date)</i>	ne of individual and title, if any)			
	□ I personally served	the summons on the individual	at (place)		
			on (date)	; or	
	\Box I left the summons	at the individual's residence or u			
			n of suitable age and discretion who res		
	on (date)	, and mailed a copy to	the individual's last known address; or		
		ons on (name of individual)		,	who is
	designated by law to a	accept service of process on beh	on (date)	; or	
	\Box I returned the summ	nons unexecuted because			; or
	□ Other (specify):				
	My fees are \$	for travel and \$	for services, for a total of \$	0.00	
	I declare under penalty	y of perjury that this information	is true.		
Date:					
			Server's signature		
			Printed name and title		
			Server's address		

Additional information regarding attempted service, etc:

UNITED STATES DISTRICT COURT

for the

Eastern District of Tennessee

)

UNITED STATES OF AMERICA

Plaintiff(s)

v.

Civil Action No.

JOHN C. and ESTHER R. HELTON

Defendant(s)

SUMMONS IN A CIVIL ACTION

To: (Defendant's name and address) ESTHER R. HELTON 622 GEORGIA AVE. CHATTANOOGA, TN 37402

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

Joycelyn S. Peyton P.O. Box 227, Ben Franklin Station, Washington, D.C. 20044

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date:

Signature of Clerk or Deputy Clerk

Civil Action No.

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

was re	This summons for <i>(name)</i> ceived by me on <i>(date)</i>	ne of individual and title, if any)			
	□ I personally served	the summons on the individual	at (place)		
			on (date)	; or	
	\Box I left the summons	at the individual's residence or u			
			n of suitable age and discretion who res		
	on (date)	, and mailed a copy to	the individual's last known address; or		
		ons on (name of individual)		,	who is
	designated by law to a	accept service of process on beh	on (date)	; or	
	\Box I returned the summ	nons unexecuted because			; or
	□ Other (specify):				
	My fees are \$	for travel and \$	for services, for a total of \$	0.00	
	I declare under penalty	y of perjury that this information	is true.		
Date:					
			Server's signature		
			Printed name and title		
			Server's address		

Additional information regarding attempted service, etc: