

IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No. 03: 10-cv-00037
)	
GEORGE K. PRAGOVICH d/b/a)	District Judge Aleta A. Trauger
NATIONAL JUSTICE CENTER,)	Magistrate Judge John S. Bryant
)	
Defendant.)	

INITIAL CASE MANAGEMENT ORDER

Pursuant to LR 16.01(d), the following Initial Case Management Plan is **adopted**.

1. Jurisdiction:

This civil action has been requested by the Chief Counsel of the Internal Revenue Service, a delegate of the Secretary of the Treasury, and commenced at the direction of a delegate of the Attorney General of the United States. Jurisdiction is conferred upon this Court by I.R.C §§ 7402(a) and 7408, and 28 U.S.C. §§ 1340 and 1345.

2. Plaintiff's theory of the case:

The United States has filed a complaint in which it seeks a permanent injunction under 26 U.S.C. §§ 7402(a) and 7408 against George K. Pragovich, doing business as National Justice Center. The United States alleges that Pragovich has promoted an abusive tax scheme which involves assisting others to file frivolous lawsuits in order to

avoid collection of federal income taxes and impede the proper administration of the federal tax laws.

Pragovich allegedly sells services and materials that help customers, many of whom have substantial federal income tax liabilities, to file frivolous lawsuits against the United States in the U.S. District Court for the District of Columbia. Customers from at least 35 different states have allegedly used Pragovich's scheme to file over 200 of the frivolous lawsuits. Pragovich allegedly falsely tells customers that he can fix their tax problems and, in addition, help them get thousands of dollars from the government in damages, by helping them file the lawsuits. Pragovich also allegedly falsely tells customers that if their lawsuit is successful, they will never have to file a federal income tax return or pay federal income taxes again and that all of the lawsuits will eliminate the IRS.

Despite the repeated dismissals, Pragovich allegedly continues to promote the frivolous scheme, and frivolous suits continue to be filed with the court in the District of Columbia.

3. Defendant's theory of the case:

Defendant Pragovich has refused to participate in preparing this proposed scheduling order.

4. Identification of the issues:

The issues in this case are: 1) whether Pragovich has promoted a frivolous lawsuit scheme; and 2) whether Pragovich should be permanently enjoined from promoting the

frivolous lawsuit scheme and/or any other scheme that interferes with the proper administration of the internal revenue laws.

5. **Need for other claims or special issues under Rules 13-15, 17-21, and Rule 23 of the Federal Rules of Civil Procedure:**

The United States does not anticipate a need for other claims or special issues.

6. **Witnesses, if known, subject to supplementation for each party.**

The United States has not at this time determined the witnesses it intends to rely on at trial in this matter but has been in recent contact with the following potential witnesses:

Marshall Spahr
710 Majestic Pkwy
Woodland, Colorado 80863

R. Scott Puhn
Post Office Box 1735
Poulsbo, Washington 98370

Manfred Stockwell
5027 Cree Way
Boise, Idaho 83709

Joe Tiepel
3813 Pukalani Place
Honolulu, Hawaii 96816

Matthew Brandt
Post Office Box 116
Andover, Illinois 61233

7. **Initial Disclosures and Staging of Discovery:**

Initial Disclosures shall be due 30 days from the entry of the scheduling order.

Discovery shall close January 14, 2011. Prior to filing any discovery-related motion the parties will schedule and conduct a telephone conference with the Magistrate Judge.

8. **Dispositive motions:**

Dispositive motions are due March 14, 2011. Responses are due April 15, 2011. Replies are due April 29, 2011. If dispositive motions are filed early, the response and reply dates are moved up accordingly. The motion and response memoranda are limited to **25 pages** and the reply, if a reply is filed, is limited to **five pages**, absent Court permission for longer pleading.

9. **Other deadlines:**

Motions to amend pleadings or add parties are due July 5, 2010.

10. **Subsequent case management conferences:**

A subsequent case management conference is set for **December 14, 2010, at 10:00 a.m.**

The conference will be conducted by **telephone**, and the United States will initiate the call.

11. **Alternate dispute resolution**

The United States does not believe alternate dispute resolution is appropriate.

12. **Target trial date: August 2, 2011**

The case will be a bench trial and will be approximately 2-3 days in length.

The parties request a target trial date of October 17, 2011.

It is so **ORDERED:**

s/ John Bryant

JOHN S. BRYANT
United States Magistrate Judge

APPROVED FOR ENTRY:

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