# IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

Adam Steele, Brittany Montrois, and ) Joseph Henchman, on behalf of ) themselves and all others similarly ) situated, ) *Plaintiffs*, )

v.

United States of America, Defendant. Civil Action No.: 1:14-cv-01523-RCL

# JOINT STATUS REPORT

On January 24, 2023, this Court remanded this matter to the IRS to determine an appropriate refund for the class. (ECF 222 ("Order")). The Order also required the parties to file a joint status report every 30 days informing the Court of the "IRS's work on remand until such time as that work is complete." *Id.* The parties submit this joint status report as required by the Order.

## **United States:**

The United States reports as follows: during the past 30 days, counsel for the United States and the IRS continued to work on developing the methodology and process for calculating a refund for the class in accordance with the Court's order and held regular meetings with the IRS regarding the IRS's work on remand. In July, the IRS reached a preliminary determination as to the IRS portion of the user fee and submitted that calculation to the appropriate officials for review and approval. The IRS has now received approval as to the appropriate refund for the IRS portion of the user fee.

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Regarding the vendor fee, the IRS continues to work on costs associated with the various Return Preparer Office components, and the pro rata calculation of that portion as reported in the July Status Report. Although a final calculation on the vendor fee has not been determined, the IRS has made progress over the last 30 days towards resolution for the purposes of its work on remand. Nothing reported in this Status Report shall be deemed an admission of any kind or waiver of any appeal right.

### Position of Plaintiffs' Co-Counsel Allen Buckley:

As stated in the last two months' filings: Except for ghost preparer costs and foreign preparer identification costs (which are under consideration by the Court), Plaintiffs' co-counsel Allen Buckley (a CPA) has prepared a reasonable estimate of the costs of issuing and renewing PTINs (and maintaining a PTINs database) in a manner believed (by Allen Buckley) to be in accordance with the costs terms of the Court's order dated January 24, 2023, for IRS fiscal years ended in 2011, 2012, 2013, 2014, 2015, 2016 and 2017 (i.e., the years for which the IRS was directed to calculate PTIN related costs). Mr. Buckley worked on numerous other clients' matters during the time period in which he assembled the estimate. It took Buckley much more time to calculate the vendor's fee than it did to calculate IRS costs. Plaintiffs are concerned the spirit of the January court order is not being fulfilled.

Dated: August 22, 2023

<u>/s/William H. Narwold</u> MOTLEY RICE LLC William H. Narwold bnarwold@motleyrice.com D.C. Bar No. 502352 Respectfully submitted,

<u>/s/ Benton T. Morton</u> BENTON T. MORTON STEPHANIE A. SASARAK EMILY K. MILLER JOSEPH E. HUNSADER One Corporate Center 20 Church Street, 17th Floor Hartford, CT 06103 Telephone: (860) 882-1676 Facsimile: (860) 882-1682

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Additional Counsel for Plaintiffs

# **CERTIFICATE OF SERVICE**

I hereby certify that on August 22, 2023, I electronically filed the Joint Status Report in the CM/ECF system. I understand that notice of this filing will be sent to all parties by operation of the Court's electronic filing system.

> <u>/s/ Benton T. Morton</u> BENTON T. MORTON Trial Attorney, Tax Division U.S. Department of Justice