

UAS

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

**If you paid the IRS a fee to obtain your Preparer Tax Identification Number (PTIN),
a class action lawsuit may affect your rights.**

A court authorized this notice. This is not a solicitation from a lawyer.

- Tax return preparers have sued the United States alleging that they have been wrongfully required to pay PTIN fees set by the Internal Revenue Service (IRS) and that the fees charged for the issuance and renewal of a PTIN are excessive.
- The District Court (Court) has allowed the lawsuit to be a class action on behalf of all individuals or entities that paid a fee for the application for or renewal of a PTIN on or after September 30, 2010.
- The Court granted summary judgment in favor of the Class, ruling that the IRS may not charge a fee for PTINs and that the IRS refund all PTIN fees paid. The United States appealed the Court's decision. The Court's decision was vacated by the appellate court. The appellate court ruled that the IRS may charge a fee for PTINs, but remanded the case to the Court to determine whether the amount of the fee was excessive. There is no money now, and no guarantee there will be any recovery. However, **if you paid a PTIN fee for the first time on or after August 17, 2020**, your legal rights are affected, and you have a choice to make now:

LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

DO NOTHING	Stay in this lawsuit. Await the outcome. Give up certain rights. By doing nothing, you keep the possibility of getting money or benefits that may come from a judgment or settlement. But, you give up any rights to sue the United States separately about the same claims in this lawsuit.
ASK TO BE EXCLUDED	Get out of this lawsuit. Get no benefits from it. Keep rights. If you paid a PTIN fee for the first time on or after August 17, 2020, and ask to be excluded, you won't share in any money or benefits that are later awarded. But, you keep any rights to sue the United States separately related to the legal claims in this lawsuit.

- If you paid a PTIN fee for the first time on or after August 17, 2020, your options are explained in this notice. To ask to be excluded, you must act before **June 3, 2022**.
- If you do nothing and if money or benefits are obtained from the United States, you will be notified about how to ask for your share.
- **Any questions? Read on or call 1-866-483-8621.**

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION..... PAGE 2

1. Why is this notice being provided?

2. What is this lawsuit about?

3. What is a class action and who is involved?

4. Why is this lawsuit a class action?

THE CLAIMS IN THE LAWSUIT..... PAGE 3

5. What does the lawsuit complain about?

6. How does the United States answer?

7. Has the Court decided who is right?

8. What are the Plaintiffs asking for?

9. Is there any money available now?

WHO IS IN THE CLASS..... PAGE 3

10. Am I part of this Class?

11. I'm still not sure if I am included.

CLASS MEMBERS' RIGHTS AND OPTIONS..... PAGE 3

12. What happens if I am a Class Member and do nothing at all?

13. If I am a Class Member, why would I ask to be excluded?

14. If I am a Class Member, how do I ask the Court to exclude me from the Class?

THE LAWYERS REPRESENTING THE CLASS..... PAGE 4

15. Do Class Members have a lawyer in this case?

16. If I am a Class Member, should I get my own lawyer?

17. How will the lawyers be paid?

OTHER PROCEEDINGS..... PAGE 4

18. How and when will the Court decide who is right?

19. Do Class Members have to attend any proceedings?

20. Will Class Members get money after the appeal or other resolution?

GETTING MORE INFORMATION..... PAGE 4

21. Are more details available?

BASIC INFORMATION

1. Why is this notice being provided?

This notice is for individuals who, according to the IRS's records, paid a PTIN fee for the first time on or after August 17, 2020. This notice explains that the Court has allowed, or "certified," a class action lawsuit that may affect you. You may have legal rights and options that you may exercise before this action is finally decided. Judge Royce Lamberth of the United States District Court for the District of Columbia is overseeing this class action. The lawsuit is known as *Steele v. United States*, Civil Action No. 1:14-cv-01523-RCL. The Court granted summary judgment in favor of the Class, ruling that the IRS may not charge a fee for PTINs and that the IRS refund all PTIN fees paid. The United States appealed the Court's decision. The Court's decision was vacated by the appellate court. The appellate court ruled that the IRS may charge a fee for PTINs, but remanded the case to the Court to determine whether the amount of the fee was excessive.

2. What is this lawsuit about?

This lawsuit is about whether Congress has authorized the IRS to charge fees for the application for or renewal of a PTIN. The lawsuit is also about whether those fees, if permitted, are excessive.

3. What is a class action and who is involved?

In a class action lawsuit, one or more people called "Class Representatives" (in this case Adam Steele, Brittany Montrois, and Joseph Henchman) sue on behalf of other people who have similar claims. The people together are a "Class" or "Class Members." The people who sued—and all the Class Members like them—are called the Plaintiffs. The United States, which they sued, is called the Defendant. One court resolves the issues for everyone in the Class—except for those people who choose to exclude themselves from the Class.

4. Why is this lawsuit a class action?

The Court decided that this lawsuit can be a class action because it meets the requirements of Federal Rule of Civil Procedure 23, which governs class actions in federal district courts. Specifically, the Court found that:

- The Class is so numerous that joining all Class Members is impracticable;
- There are legal questions and facts that are common to the Class;
- The Class Representatives' claims are typical of the claims of the rest of the Class;
- The Class Representatives and the lawyers representing the Class will fairly and adequately represent the Class's interests;
- The common legal questions and facts are more important than questions that affect only individuals; and

- This class action will be more efficient than having many individual lawsuits.

More information about why the Court is allowing this lawsuit to be a class action is in the Court’s rulings on Motion for Class Certification and on the Motion for Reconsideration, which are available on the website at www.PTINClassAction.com.

THE CLAIMS IN THE LAWSUIT

5. What does the lawsuit complain about?

In the lawsuit, the Plaintiffs say that Congress has not authorized the IRS to charge fees for the application for or renewal of a PTIN. The complaint also alleges that even if the IRS has authority, the fee is excessive. In addition, Plaintiffs seek to have any improper fees refunded. You can read the Plaintiffs’ Second Amended Class Action Complaint at www.PTINClassAction.com.

6. How does the United States answer?

The United States denies Plaintiffs’ allegations, denies any wrongdoing, and denies any liability to Plaintiffs or any member of the Class. The United States maintains that it is immune from suit, that the Court lacks jurisdiction, and that Congress authorized the PTIN user fee and that it was not excessive. The United States’ Answer to the Second Amended Class Action Complaint is available at www.PTINClassAction.com.

7. Has the Court decided who is right?

The Court granted summary judgment in favor of the Class, ruling that the IRS may not charge a fee for PTINs and that the IRS refund all PTIN fees paid. The United States appealed the Court’s decision. The Court’s decision was vacated by the appellate court. The appellate court ruled that the IRS may charge a fee for PTINs, but remanded the case to the Court to determine whether the amount of the fee was excessive. The Court has not determined yet whether the PTIN fees were excessive.

8. What are the Plaintiffs asking for?

The Plaintiffs are asking for the Court to order the United States to stop charging PTIN fees, and seek the recovery of either all PTIN fees paid or the excessive portion of the PTIN fees.

9. Is there any money available now?

No money or benefits are available now because there has been no final judgment or settlement in the case. There is no guarantee that money or benefits ever will be obtained. If they are, you will be notified about how to ask for your share.

WHO IS IN THE CLASS

10. Am I part of this Class?

You need to determine whether you are affected by this lawsuit.

The Court decided: All persons who paid a fee for the application for or renewal of a PTIN on or after September 30, 2010 are Class Members.

11. I’m still not sure if I am included.

If you are still not sure whether you are included, you can get free help at www.PTINClassAction.com, or by calling or writing to the lawyers in this case, at the phone number or address listed in Question 21.

CLASS MEMBERS’ RIGHTS AND OPTIONS

If you are a Class Member and if you paid a PTIN fee for the first time on or after August 17, 2020, you have to decide whether to stay in the Class or ask to be excluded by **June 3, 2022**.

12. What happens if I am a Class Member and I do nothing?

You don’t have to do anything now if you want to keep the possibility of getting money or benefits from this lawsuit. By doing nothing, you are staying in the Class. If you stay in the Class and the Plaintiffs obtain money or benefits, either as a result of a court ruling or a settlement, you will be notified about how to apply for your share. Keep in mind that if you do nothing now, regardless of whether the Plaintiffs win or lose the case, you will not be able to sue, or continue to sue, the United States—as part of any other lawsuit—about the same legal claims that are the subject of this lawsuit. This means that you will not be able to sue the United States or the IRS for any PTIN fees paid on or after September 30, 2010. You will also be legally bound by all of the Orders the Court issues and judgments the Court makes in this class action.

13. If I am a Class Member, why would I ask to be excluded?

If you already have your own lawsuit against the United States alleging that it wrongfully charged you PTIN fees on or after September 30, 2010, and want to continue with that lawsuit, you must ask to be excluded from this Class. If you exclude yourself from the Class—which also means to remove yourself from the Class, and is sometimes called “opting out” of the Class—you won’t get any money or benefits from this lawsuit even if the Plaintiffs obtain them as a result of a court ruling or from any settlement (that may or may not be

reached) between Plaintiffs and the United States. However, you may then be able to sue or continue to sue the United States for the PTIN fees at issue in this case. If you exclude yourself, you will not be legally bound by the Court's judgments in this class action.

If you exclude yourself and start your own lawsuit against the United States, you'll have to hire and pay your own lawyer for that lawsuit, and you'll have to prove your claims. If you choose to exclude yourself so you can start or continue your own lawsuit against the United States, you should talk to your own lawyer soon, because your claims may be subject to a statute of limitations.

14. If I am a Class Member, how do I ask the Court to exclude me from the Class?

To ask to be excluded, you must send an "Exclusion Request" in the form of a letter sent by mail, stating that you want to be excluded from *Steele v. United States* Case, No. 1:14-cv-1523-RCL. Be sure to include your name, address, telephone number, email address, and signature. You must mail your Exclusion Request postmarked by **June 3, 2022**, to: PTIN Fees Class Action Administrator, P.O. Box 43434, Providence, RI 02940-3434. You may also get an Exclusion Request form on the website at www.PTINClassAction.com.

THE LAWYERS REPRESENTING THE CLASS

15. Do Class Members have a lawyer in this case?

Yes, the Court decided that the law firm of Motley Rice LLC of Mount Pleasant, South Carolina is qualified to represent all Class Members. This law firm is called "Class Counsel." They are experienced in handling other class actions. More information about Motley Rice LLC, its practices, and its lawyers' experience is available at www.motleyrice.com. The law firms of The Law Office of Allen Buckley LLC, Gupta Wessler PLLC, and Caplin & Drysdale, Chartered are also acting as counsel in this matter.

16. If I am a Class Member, should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel is working on your behalf. But, if you want your own lawyer, you will have to pay that lawyer. For example, you can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you.

17. How will the lawyers be paid?

If Class Counsel get money or benefits for the Class, they may ask the Court for fees and expenses. If the Court grants Class Counsel's request, Class Counsel's and their co-counsel's fees and expenses would be deducted from any money obtained for the Class. By participating in the Class, you agree to pay Class Counsel together with their co-counsel up to 30 percent of the total recovery in attorneys' fees and expenses.

OTHER PROCEEDINGS

No hearing or other proceeding has been scheduled at this time.

18. How and when will the Court decide who is right?

The Court granted summary judgment in favor of the Class, ruling that the IRS may not charge a fee for PTINs and that the IRS refund all PTIN fees paid. The United States appealed the Court's decision. The appellate court found that the Court's final judgment was not correct and that the IRS may charge fees for PTINs. Class Counsel will have to prove the Plaintiffs' excessiveness claim in court, as long as the case isn't resolved by a settlement or otherwise. Therefore, there is no money now, and no guarantee there will be any recovery.

19. Do Class Members have to attend any proceedings?

If there are any court hearings, Class Members do not need to attend them. Class Counsel will present the case for the Class, and the United States will present its defenses. You or your own lawyer are welcome to come at your own expense.

20. Will Class Members get money after the appeal or other resolution?

If the Plaintiffs obtain money or benefits as a result of a court decision or a settlement, Class Members will be notified about how to obtain a share. It is not known how long this will take.

GETTING MORE INFORMATION

21. Are more details available?

Visit the website, www.PTINClassAction.com, where you will find the Court's Order Certifying the Class, the Second Amended Class Action Complaint that the Plaintiffs filed, the Defendant's Answer to the Second Amended Class Action Complaint, as well as an Exclusion Request form. You may also obtain more information by calling 1-866-483-8621, or by writing to PTIN Fees Class Action Administrator, P.O. Box 43434, Providence, RI 02940-3434. You may speak to one of the lawyers by calling 1-800-967-0768.

DATE: April 7, 2022