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10 UNITED STATES DISTRICT COURT
11 EASTERN DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 LIEN C. THOMAS, et al.,

16 Defendants.

Case No. CIV-F-02-6578 AWI LJO

(1) **STIPULATION FOR ENTRY OF
JUDGMENT,**
(2) **JUDGMENT IN A CIVIL CASE,**
and
(3) **ORDER**

17 The active parties in this case are the United States, Lien C. Thomas (individually and
18 as trustee of various trusts), Jeffrey A. Thomas, Maria D. Anthony, the California Franchise
19 Tax Board ("FTB"), Clara Sharp, Danny D. Byker, and Judith L. Byker. It is hereby stipulated
20 and agreed by all active parties that final judgment may be entered as follows:

21 **JUDGMENT IN A CIVIL CASE**

22 1. Judgment is entered in favor of the United States and against Lien C. Thomas,
23 in the amount of \$221,242.82, plus interest accruing after November 1, 2002, pursuant to
24 26 U.S.C. § 6601, 6621, and 6622, and 28 U.S.C. § 1961(c) until paid, for the unpaid federal
25 individual income tax, penalties, and interest for the taxable years ending December 31,
26 1988, 1989, 1991, and 1992.

27 2. The collection of this judgment and related tax liens on the property of Alan
28 Thomas has been settled by the following agreement. If the following obligations are

1 performed within 60 days of the date of this Judgment, the United States will file with the
2 Court a Satisfaction of Judgment.

3 a. The proceeds and payments described below will be paid to the Court
4 to be divided between the California and United States taxing authorities
5 in full satisfaction of the federal individual income tax liabilities of Allan
6 Thomas and Lien Thomas for 1988, 1989, 1991, and 1992 (the “years
7 in suit”).

8 b. Lien C. Thomas, Jeffrey A. Thomas, and Maria D. Anthony as
9 individuals and on behalf of the Peabody Trust, the Homequity Trust,
10 the Common Sense Trust, the Gemini Funding Group, and the
11 Thomas/Pioneer Trust (collectively the “Thomases”) relinquish any
12 interest in the proceeds of the property and the property which was
13 identified in the amended complaint in the above-referenced case
14 (except the Thomas residence, discussed below). All such assets
15 (except the Thomas residence) will be liquidated and the proceeds
16 would be deposited to the Court to be divided later between the FTB
17 and the United States.

18 c. In addition to the foregoing, Lien Thomas would pay to the Court 80% of
19 the equity in her residence (3908 Lindenwood Ct, Modesto, California,
20 as described in the amended complaint) in the amount of \$150,000.00
21 to be divided later between the FTB and the United States.

22 d. All parties would cooperate in government efforts to obtain Clara
23 Sharpe’s payment of the outstanding balance of the Sharp Note, in the
24 amount of \$188,000; which proceeds would be deposited to the Court to
25 be divided later between the FTB and the United States.

26 e. From the foregoing payments, the United States and the State of
27 California would agree to a division and distribution of the proceeds in
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1 accordance with the priority of assessments or as otherwise agreed.

2 f. The Internal Revenue Service will retain any funds previously levied
3 relating to the liabilities for the years in suit. The Thomases would
4 waive any right to seek a refund of the settlement payments or
5 previously levied funds.

6 g. The United States and the FTB agree to cooperate in subordinating or
7 discharging the tax liens from the Thomas residence to permit the
8 Thomases to borrow the settlement payment in a loan secured by the
9 Thomas residence.

10 h. If the proceeds and payments are deposited to the Court as set forth
11 above, and after the division of the deposited funds, within a reasonable
12 time the United States will file a satisfaction of the judgment, release the
13 federal tax liens relating to the years in suit, and abate any unpaid
14 balance for the years in suit.

15 i. The parties are to bear their respective costs, including any possible
16 attorney's fees or other expenses of this litigation.

17 3. Numerous other parties were named as defendants due to their claim of
18 interest in the notes and deeds of trust described in the amended complaint in this case.
19 With the exception of the Sharp note, all such obligations have been liquidated and the
20 proceeds deposited to the Court. All defendants except those specifically named above are
21 dismissed from this case.

22 4. The Court retains jurisdiction to enforce this agreement, or, in the event of a
23 material default, to adjudicate all remaining issues raised in the amended complaint.

1 The parties agree and request an order directing entry of final judgment in
2 accordance with the foregoing. This judgment resolves all claims in this case.

3 McGREGOR W. SCOTT
4 United States Attorney

5 Dated: December 13, 2005

/s/ G. Patrick Jennings
6 G. PATRICK JENNINGS
7 Trial Attorney, Tax Division
8 U.S. Department of Justice
9 Telephone: (202) 307-6648

BILL LOCKYER, Attorney General
for the State of California

10 Dated: November 17, 2005

/s/ Michael Cornez (as authorized 11-17-2005)
11 MICHAEL CORNEZ
12 Deputy Attorney General
13 Telephone: (916) 327-0305
14 Attorneys for the California Franchise Tax Board

15 Dated: September 16, 2005

/s/ Lori Mersereau (as authorized 9-16-2005)
16 LORI MERSEREAU
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18 Telephone: (916) 966-1860

19 Attorney for defendant Lien C. Thomas (as
20 individual and as trustee), Jeffrey A. Thomas,
21 (as individual and trustee), and Maria D.
22 Anthony

23 Dated: September 17, 2005

/s/ Michael Lee Abbott (as authorized 9-17-
24 2005)
25 MICHAEL LEE ABBOTT,
26 Telephone:
27 Attorney for Clara Sharp

28 Dated: November 18, 2005

/s/ Kenneth M. Foley (as authorized 11-18-
29 2005)
30 KENNETH M. FOLEY,
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32 Attorney for Danny and Judith Byker

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ORDER

In accordance with the agreement of the parties, the Clerk shall enter the Judgment set forth above in the paragraphs numbered 1 through 4. The dates in the scheduling order dated June 1, 2005, are vacated. The parties are directed to contact the Court to schedule a status conference to be held within 90 days.

IT IS SO ORDERED.

Dated: December 14, 2005
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/s/ Anthony W. Ishii
UNITED STATES DISTRICT JUDGE