

1 MCGREGOR W. SCOTT
United States Attorney

2 HENRY C. DARMSTADTER
3 Trial Attorney, Tax Division
4 U.S. Department of Justice
5 P.O. Box 683
6 Ben Franklin Station
7 Washington, D.C. 20044-0683
8 Telephone: (202) 307-6481

9 Attorneys for the United States of America

10 IN THE UNITED STATES DISTRICT COURT FOR THE
11 EASTERN DISTRICT OF CALIFORNIA

12 UNITED STATES OF AMERICA,)	
)	
13 Plaintiff,)	Civil No. CIV-S-04-1476 FCD GGH
)	
14 v.)	STIPULATION AND ORDER
)	REGARDING LIEN PRIORITY ON
15 WALTER ALLEN "AL" THOMPSON,)	HANLAND COURT PROPERTY
16 individually and d/b/a CENCAL AVIATION,)	
CENCAL SALES COMPANY and CENCAL,)	
17 AVIATION PRODUCTS;)	
DENISE THOMPSON;)	
18 WELLS FARGO HOME MORTGAGE INC.,)	
and JP MORGAN CHASE BANK,)	
)	
19 Defendants.)	
)	
)	

20 IT IS HEREBY STIPULATED AND AGREED between plaintiff United States of
21 America, defendant Wells Fargo Home Mortgage (hereinafter "Wells Fargo") and defendant JP
22 Morgan Chase Bank, through its mortgage loan servicer and authorized agent, HomeComings
23 Financial Network, Inc. (hereinafter "JP Morgan"), by and through undersigned counsel, as
24 follows:

25 1. On July 28, 2004, the United States commenced this action to reduce to judgment
26 federal tax assessments made against defendants Walter Allen Thompson and Denise Thompson.
27 The tax assessments sought to be reduced to judgment are for individual income taxes (IRS Form
1040) against Walter and Denise Thompson for the year 1998, for frivolous income tax return
penalties (IRC § 6702) against Walter and Denise Thompson for the years 1996, 1997 and 1998,
for employment taxes (IRS Form 941) against Walter Thompson for all quarterly periods ending

1 September 30, 2000 through December 31, 2002 and for annual federal unemployment taxes
2 against Walter Thompson for the years 2000, 2001 and 2002. The amounts and dates of the
3 subject tax assessments are set forth and reflected in Certificates of Assessments and Payments
4 (IRS Form 4340) on file with the Court.

5 2. The United States also seeks in this action to foreclose federal tax liens upon real
6 property located within this district at 504 Hanland Court in Redding, California (hereinafter
7 “Hanland Court Property”) and more particularly described as follows:

8 Lot 7 as shown on the Map of Blue Oak Terrace Subdivision No.
9 11-86 Unit Three, filed May 10, 1989, in the Office of the Shasta
10 County Recorder in Book 19 of Maps at page 9 and on the Revised
11 Map of said Subdivision recorded on January 3, 1990 in Book 19
12 of Maps at page 49, Shasta County Records.

13 In accordance with IRC § 7403(b), The United States named Wells Fargo and JP Morgan as
14 defendants in this action because they have an interest in the Hanland Court Property.

15 3. Wells Fargo has a first priority lien interest on the Hanland Court Property by
16 virtue of a Deed of Trust, dated March 21, 1996 and recorded on March 29, 1996, to secure an
17 original indebtedness in the amount of \$123,200 owed by Walter and Denise Thompson,
18 husband and wife.

19 4. JP Morgan has a second priority lien interest on the Hanland Court Property by
20 virtue of a Deed of Trust, dated June 26, 1996 and recorded on July 11, 1996, to secure an
21 original indebtedness in the amount of \$23,000 owed by Walter and Denise Thompson, husband
22 and wife.

23 5. Based upon the dates of assessment, both the first Deed of Trust held by Wells
24 Fargo, described in Paragraph 3, and the second Deed of Trust held by JP Morgan, described in
25 Paragraph 4, are senior to the United States’s tax liens for the liabilities sought to be reduced to

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1 judgment in this action. In the event that the Court orders a judicial sale of the Hanland Court
2 Property to satisfy the tax liabilities of Walter and Denise Thompson, the parties stipulate and
3 agree that the proceeds of the sale shall be distributed to in the following order: first, to Wells
4 Fargo on its loan secured by the first Deed of Trust; second, to JP Morgan on its loan secured by
5 the second Deed of Trust; and third, to United States on the subject tax liabilities.

6 Dated this 11th day of October, 2005.

7 MCGREGOR W. SCOTT
8 United States Attorney

9 s//Henry C. Darmstadter
10 HENRY C. DARMSTADTER
11 Trial Attorney, Tax Division
12 U.S. Department of Justice
13 Post Office Box 683
14 Ben Franklin Station
15 Washington, D.C. 20044
16 Telephone: (202) 307-6481

17 Dated this 4th day of October, 2005.

18 PITE DUNCAN & MELMET, LLP

19 s//Donald E. Royer (signature in file)
20 DONALD E. ROYER, ESQ.
21 1820 E. First Street, Suite 420
22 Santa Ana, CA 92705
23 (714) 285-2644
24 Attorney for Defendant
25 Wells Fargo Home Mortgage

26 ///
27 ///
///

1 Dated this 11th day of October, 2005.

2 ROBERT E. WEISS, INC.

3
4 s//Cris A. Klingerman (signature in US file)
5 CRIS A. KLINGERMAN, ESQ.
6 920 Village Oaks Drive
7 Covina, California 91724
8 (626) 967-4302
9 Attorney for Defendant
10 JP Morgan Chase Bank, Trustee by and
11 through its Mortgage Loan Servicer and
12 Agent, Homecomings Financial Network,
13 Inc.

14 GOOD CAUSE APPEARING, IT IS SO ORDERED.

15 DATED: October 12, 2005

16 /s/ Frank C. Damrell Jr.
17 Judge, United States District Court
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