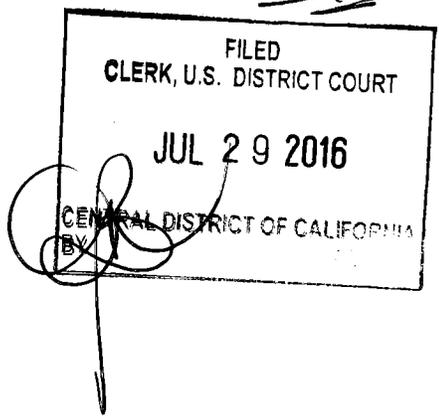


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1 EILEEN M. DECKER
United States Attorney
2 SANDRA R. BROWN
Assistant United States Attorney
3 Chief, Tax Division
GAVIN L. GREENE (Cal. Bar No. 230807)
4 Assistant United States Attorney
Room 7211 Federal Building
5 300 N. Los Angeles Street
Los Angeles, California 90012
6 Telephone: (213) 894-4600
Facsimile: (213) 894-0115
7 E-mail: Gavin.Greene@usdoj.gov

8 Attorneys for the United States of America

9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA
11 EASTERN DIVISION

5:15-cv-02031 VAP (SPx)

Case No. ~~15-2031 VAP (SPx)~~

~~[Proposed]~~ Default Judgment

Date: February 1, 2016
Time: 2:00 p.m.
Address: Brown Federal Building and
United States Courthouse
3470 Twelfth Street
Riverside, California, 92501

13 United States of America,
14 Plaintiff,
15 v.
16 Werdna W. Eure, a.k.a. Wayland W.
Eure; Donald R. Mason; Adrian
17 Monarrez; Riverside County
Treasurer-Tax Collector; State of
18 California Franchise Tax Board; Altura
Credit Union; and Riviera Gardens
19 Home Owner's Association,
20 Defendants.

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1 Based on the Application for (1) Default Judgment against Werdna W. Eure,
2 a.k.a. Wayland W. Eure and Donald R. Mason and (2) reduce assessments to judgment
3 and foreclose on the real properties at issue in this case, and all other matters properly
4 made part of the record:

5 **IT IS ORDERED:**

6 **A. First Claim for Relief: Reduce Tax Assessments to Judgment**

7 Judgment is entered in favor of the United States and against Werdna W. Eure,
8 a.k.a. Wayland W. Eure (Eure) in the amount of \$2,740,422.63 as of November 1, 2015
9 (which includes taxes, additions to tax, penalties, interest, fees, and collection costs)
10 for his unpaid federal income tax liabilities for tax years 2004, 2007, 2008, 2009, 2010,
11 2011, and 2013. Interest on the judgment will run in accordance with the laws of the
12 United States.

13 This resolves the First Claim for Relief in favor of the United States and against
14 Eure.

15 **B. Second Claim for Relief: Foreclosure of Federal Tax Liens Against Real Property**

16 **1. The House**

17 The United States has valid tax liens arising from Eure's unpaid income tax
18 liabilities for tax years 2004 and 2007 which attached to the real property located at
19 28485 San Timoteo Canyon Road, Redlands, California (APN 473-020-047-1)
20 (hereafter, the House) legally described as follows:

21 All that real property situated in the County of Riverside, State of
22 California, described as:

23 Parcel 3 of parcel map number 20797, in the County of Riverside, State of
24 California, on file in Book 137, pages 94 and 95 of maps, in the office of
25 the county recorder of said county.

26 Subject to restrictions, reservations, easements, covenants, oil, gas or
27 mineral rights of record, if any.

28 The tax liens for tax years 2004 and 2007 that attached to the House are hereby
foreclosed.

1 **2. The Condo**

2 The United States has valid federal tax liens arising from Eure’s unpaid income
3 tax liabilities for tax years 2004, 2007, 2008, 2009, 2010, 2011, and 2013, which
4 attached to the real property located at 1925 N. Via Miraleste, Unit 1413, Palm
5 Springs, California (APN 501-092-024-9) (hereafter, the Condo), legally described as
6 follows:

7 The real property in the City of Palm Springs, County of Riverside, State of
8 California, described as:

9 Parcel 1:

10 An undivided 1/221 interest in and to lot 1 of Tract 10754, in the City of
11 Palm Springs, County of Riverside, State of California, as per map
12 recorded in Book 96, pages 54 and 55 of maps, in the office of the county
13 recorder of said county.

14 Except Units 1 through 221 inclusive as shown on condominium plan
15 recorded March 21, 1979 as instrument no. 56321 of Official Records, in
16 the Office of the County Recorder of Riverside County, California.

17 Parcel 2:

18 Unit 123 as shown on the condominium plan recorded March 21, 1979 as
19 instrument no. 56321 of Official Records, in the Office of the County
20 Recorder of Riverside County, California.

21 Subject to restrictions, reservations, easements, covenants, oil, gas or
22 mineral rights of record, if any.

23 Donald R. Mason (Mason) holds title to the Condo as the nominee for Eure. The
24 tax liens that attached to the Condo and are hereby foreclosed.

25 This resolves the Second Claim for Relief in favor of the United States.

26 **C. Third Claim for Relief: Set Aside Fraudulent Transfer**

27 The third claim for relief is dismissed as moot.
28

1 **D. Procedure for Foreclosure**

2 The subject property will be sold according to the following procedure for
3 foreclosure:

4 1. The real properties described above shall be sold by the Area Director of
5 the Internal Revenue Service, Los Angeles, California Area (hereinafter "Area
6 Director"), or his delegate, the Internal Revenue Service Property Appraisal and
7 Liquidation Specialist ("PALS") in accordance with the provisions of Title 28, United
8 States Code, Sections 2001 and 2002.

9 2. Any party to this proceeding or any person claiming an interest in either
10 property may move the Court, pursuant to Title 28, United States Code, Section
11 2001(b), for an order for a private sale of the subject property. Any such motion shall
12 be filed within twenty (20) days of the date of this Judgment and shall set forth with
13 particularity (a) the nature of the moving party's interest in the property, (b) the
14 reasons why the moving party believes that a private sale would be in the best
15 interests of the United States of America and any other claimant involved herein,
16 (c) the names of three proposed appraisers and a short statement of their
17 qualifications, and (d) a proposed form of order stating the terms and conditions of
18 the private sale. Any such motion shall comply with Rule 7 of the Local Rules of the
19 District Court for the Central District of California.
20

21 3. The Area Director, or the PALS, is ordered to sell the properties if they do
22 not become the subject of a motion pursuant to the preceding paragraph, in
23 accordance with Title 28, United States Code, Sections 2001(a) and 2002. The
24 properties shall be sold separately by public sale at the Riverside County Superior
25 Court at 4050 Main Street, Riverside, California as follows:

26 a. The PALS shall announce the date and time for sale.
27
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1 b. Notice of each sale shall be published once a week for at least four
2 (4) consecutive weeks prior to the sale in at least one newspaper regularly
3 issued and of general circulation in Riverside County, California. Said notice
4 shall describe the subject property by both its street address and its legal
5 description, and shall contain the terms and conditions of sale as set out herein.

6 c. The terms and conditions of sale shall be as follows:

7 i. A minimum bid determined by reference to the current fair
8 market value shall be required. The minimum bid shall be 75% of the
9 current fair market value as determined by an appraisal of the
10 property by the PALS. The terms of sale as to all persons or parties
11 bidding shall be by money order or by certified or cashier's check
12

13 ii. The PALS shall set the minimum bid. If the minimum bid is
14 not met or exceeded, the PALS may, without further permission of this
15 Court, and under the terms and conditions in this order of sale, hold a
16 new public sale, if necessary, and reduce the minimum bid.

17 iii. At the time of the sale, the successful bidder shall be
18 required to deposit with the PALS, by cash, money order, or by
19 certified or cashier's check payable to the United States District Court
20 for the Central District of California, a deposit equal to twenty percent
21 (20%) of the bidder's total bid immediately upon the property being
22 struck off and awarded to such bidder as the highest and best bidder.

23 iv. The successful bidder shall remit the remaining eighty
24 percent (80%) of said purchase price to be paid on or before 5:00 p.m.,
25 within three (3) business days of the date of sale, by cash, money
26 order, or by certified or cashier's check payable to the United States
27 District Court for the Central District of California.
28

1 v. The cash, money order, or certified or cashier's check
2 payable to the United States District Court for the Central District of
3 California shall be given to the PALS by the successful bidder, who will
4 deposit the funds with the Clerk of this Court.

5 vi. Should the successful bidder fail to comply with the terms of
6 the sale, such bidder shall be liable to the United States for twenty
7 percent (20%) of the value of the property as a penalty. The Clerk shall
8 distribute the 20% penalty as directed by the PALS by check made to
9 the "United States Treasury" to be applied toward payment of said
10 penalty. Payment of said penalty shall not be a credit on the judgment
11 of the United States. The subject property shall again be offered for
12 sale under the terms and conditions of this order for sale or, in the
13 alternative, sold to the second highest bidder.
14

15 4. The Clerk of the District Court is directed to accept the proceeds of each
16 sale and deposit it into the Court's registry for distribution pursuant to a further order.

17 5. Upon selling each property, the United States of America shall prepare
18 and file with this Court an Application by the United States of America Confirming Sale
19 and Directing Distribution of Sale Proceeds, which will set forth an accounting and
20 report of sale for the subject property. The sale of each property shall be subject to
21 confirmation by this Court. The Application by the United States of America
22 Confirming Sale and Directing Distribution of Sale Proceeds shall be filed within thirty
23 (30) days from the date of such sale. If no objections have been filed in writing in this
24 case with the Clerk of the Court within fifteen (15) days of the date of sale, the sale
25 shall be confirmed by the Court without necessity of motion. On confirmation of the
26 sale, the Court will direct the Internal Revenue Service to execute and deliver its deed
27 conveying the subject property to the purchaser. On confirmation of the sale, all
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1 interests in, liens against, or claims to the subject property that are held or asserted by
2 all parties to this action are discharged and extinguished.

3 6. Possession of each property that is sold shall be yielded to the purchaser
4 upon the production of the Certificate and Sale of Deed; and if there is refusal to so
5 yield, a Writ of Assistance may, without further notice, be issued by the Clerk of this
6 Court to compel delivery of the subject property sold to the purchaser.

7 7. Until the Condo is sold, defendants Eure and Mason:

- 8 a. Shall take all reasonable steps necessary to preserve the Condo
9 (including all buildings, improvements, fixtures and appurtenances on
10 the property) in its current condition including, without limitation,
11 maintaining a fire and casualty insurance policy on the Condo;
12 b. Shall timely pay all real property taxes, mortgage payments,
13 homeowners association dues (if any), and homeowner insurance
14 premiums;
15 c. Shall neither commit waste against the Condo nor cause nor permit
16 anyone else to do so;
17 d. Shall neither do anything that tends to reduce the value or
18 marketability of the Condo nor cause nor permit anyone else to do so;
19 and
20 e. Shall not record any instruments, publish any notice, or take any other
21 action (such as running newspaper advertisements, posting signs, or
22 making internet postings) that may directly or indirectly tend to
23 adversely affect the value of the Condo or that may tend to deter or
24 discourage potential bidders from participating in the public auction,
25 nor cause nor permit anyone else to do so.
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8. Until the House is sold, defendants Adrian Monarrez:
- a. Shall take all reasonable steps necessary to preserve the House (including all buildings, improvements, fixtures and appurtenances on the property) in its current condition including, without limitation, maintaining a fire and casualty insurance policy on the House;
 - b. Shall timely pay all real property taxes, mortgage payments, homeowners association dues (if any), and homeowner insurance premiums;
 - c. Shall neither commit waste against the House nor cause nor permit anyone else to do so;
 - d. Shall neither do anything that tends to reduce the value or marketability of the House nor cause nor permit anyone else to do so; and
 - e. Shall not record any instruments, publish any notice, or take any other action (such as running newspaper advertisements, posting signs, or making internet postings) that may directly or indirectly tend to adversely affect the value of the House or that may tend to deter or discourage potential bidders from participating in the public auction, nor cause nor permit anyone else to do so.

1 9. After the Court confirms the sale of the House, and by Order on the
2 application made by the United States of America as to the specific amounts at issue,
3 the sale proceeds deposited with the Clerk of this court shall be applied to the
4 following items, in the order specified:

- 5 a. First, to the United States of America, for the expenses of the sale of
6 the House;
7 b. Second, to the Riverside County Treasurer-Tax Collector, for any real
8 property taxes and other local assessments due and owing;
9 c. Third, to the United States of America for Eure's income tax liabilities
10 for tax years 2004 and 2007;
11 d. If any amounts remain after payment to the United States for tax years
12 2004 and 2007, the remainder shall remain with the Court subject to
13 further order of the Court.
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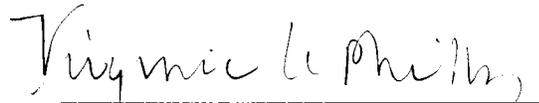
15 10. After the Court confirms the sale of the Condo, and by Order on the
16 application made by the United States of America as to the specific amounts at issue,
17 the sale proceeds deposited with the Clerk of this court shall be applied to the
18 following items, in the order specified:

- 19 a. First, to the United States of America, for the expenses of the sale of
20 the House;
21 b. Second, to the Riverside County Treasurer-Tax Collector, for any real
22 property taxes and other local assessments due and owing;
23 c. Third, to the United States of America for Eure's income tax liabilities
24 for tax years 2004 and 2007;
25 d. If any amounts remain after payment to the United States for tax years
26 2004 and 2007, the remainder shall remain with the Court subject to
27 further order of the Court.
28

1 11. The Court hereby retains jurisdiction of this action for the purpose of
2 making proper distributions of the proceeds of the sales, and resolving any dispute, if
3 any, pursuant to the Application by the United States of America Confirming Sale and
4 Directing Distribution of Sale Proceeds, and Order of this Court upon said Application.
5

6 **IT IS SO ORDERED.**

7
8 DATED: July 29 2016



VIRGINIA A. PHILLIPS
United States District Judge

9
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11 Presented by:

12 EILEEN M. DECKER
13 United States Attorney
14 SANDRA R. BROWN
15 Assistant United States Attorney
16 Chief, Tax Division

17 /s/

18 GAVIN L. GREENE
19 Assistant United States Attorney
20 Attorneys for United States of
21 America
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