

IN THE UNITED STATES DISTRICT COURT FOR THE  
 EASTERN DISTRICT OF VIRGINIA  
 NEWPORT NEWS DIVISION

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	No. 4:10-cv-31
	)	
DONALD S. HUNT, <i>et al.</i>	)	
	)	
Defendants.	)	

CONSENT JUDGMENT AS TO COUNT II OF THE COMPLAINT

The Court has determined that judgment should be entered consistent with the agreement of the Plaintiff, the United States of America, and the Defendants Donald S. Hunt, Catherine Askew, and Old Point Bank, which resolves the Count II of the United States' Amended Complaint. Accordingly, it is ORDERED that:

1. The United States' federal tax lien against Hunt is foreclosed against the following parcels of subject property located in Gloucester County, Virginia, and Hampton City, Virginia (together, the "Real Property"):

No.	Description	Location
1	The property identified as RPC No. 12191, as described more particularly in the deed attached as Exhibit A to the First Amended Complaint	Gloucester County, VA
2	The property identified as RPC No. 19626, as described in greater detail as Parcel 1 (One) in the deed attached as Exhibit B to the First Amended Complaint	Gloucester County, VA

3	The property identified as RPC No. 26352, as described in greater detail as Parcel 2 (Two) in the deed attached as Exhibit B to the First Amended Complaint	Gloucester County, VA
4	The property identified as RPC No. 20661, as described in greater detail in the deed attached as Exhibit C to the First Amended Complaint	Gloucester County, VA
5	The property identified as RPC No. 23127, as described in greater detail in the deed attached as Exhibit D to the First Amended Complaint	Gloucester County, VA
6	The property identified as RPC No. 24476, as described in greater detail in the deed attached as Exhibit E to the First Amended Complaint	Gloucester County, VA
7	The property identified as RPC No. 16955, as described more particularly in the deed attached as Exhibit F to the First Amended Complaint	Gloucester County, VA
8	The property identified as RPC No. 19487, as described more particularly in the deed attached as Exhibit G as Lot One (1) to the First Amended Complaint	Gloucester County, VA
9	The property identified as RPC No. 31701, as described more particularly in the deed attached as Exhibit G as Lot Two (2) to the First Amended Complaint	Gloucester County, VA
10	The property known as 114 Colbert Avenue, as described more particularly in the deed attached as Exhibit H to the First Amended Complaint	Hampton City, VA
11	The property known as 213 Union St., as described more particularly in the deed attached as Exhibit J to the First Amended Complaint	Hampton City, VA
12	The property known as Warren St. 21, as described more particularly in the deed attached as Exhibit K to the First Amended Complaint	Hampton City, VA
13	The property known as Lincoln St., as described more particularly in the deed attached as Exhibit L to the First Amended Complaint	Hampton City, VA

14	The property known as N. Back River Road, as described more particularly in the deed attached as Exhibit M to the First Amended Complaint	Hampton City, VA
15	The property known as 218 S. Lincoln, Hampton, Virginia, as described more particularly in the deed attached as Exhibit N to the First Amended Complaint	Hampton City, VA
16	The property known as 218 Lincoln St., Rear, as described more particularly in the deed attached as Exhibit I to the First Amended Complaint	Hampton City, VA

2. The Real Property is to be sold pursuant to 28 U.S.C. § 2001 in the manner set forth below:

A. The United States Marshal for the Eastern District of Virginia or his/her representative, or an Internal Revenue Service Property Appraisal and Liquidation Specialist (“PALS”), is authorized under 28 U.S.C. §§ 2001 and 2002 to offer the Real Property for sale at public auction, and to sell the Real Property to satisfy the United States’ federal tax liens against such property;<sup>1</sup>

B. The sale shall be subject to building lines, if established, all laws, ordinances, and governmental regulations (including building and zoning ordinances) affecting the Real Property, and any easements and restrictions of record, if any;

C. The Real Property shall be sold by public auction to take place either on the premises themselves or at any other place in accordance with the provisions of 28 U.S.C. §§ 2001 and 2002 within the county where the parcel of real property is located;

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<sup>1</sup>The United States shall make the arrangements for the United States Marshal’s Office or the PALS to sell the Real Property as set forth in this order. The United States may choose either the United States Marshal or the PALS to carry out the sales under this order.

D. The time and place for the sale of the Real Property are to be announced by the United States Marshal, his or her representatives, or the PALS;

E. The sale of the Real Property shall be advertised once each week for four (4) consecutive weeks preceding the time fixed for such sale in a daily newspaper of general circulation in the county where the specific parcel of land is located, and by any other notice that the United States Marshal or his/her representative, or the PALS in his/her discretion may deem appropriate. The notice(s) of sale shall contain a description of the property to be sold and shall contain the terms and conditions of sale in this order and decree;

F. The Real Property shall be sold to the highest bidder with the United States having the right to withdraw the Real Property from bidding at any time prior to the acceptance of a bid, if in the opinion of the United States, the bids are inadequate;

G. If there are any municipal liens (including county, borough, and school district property taxes) on the Real Property, the United States shall obtain from the municipality a bill, statement or claim for any delinquent amounts secured by such liens and deliver same to the United States Marshal or the PALS ten days in advance of said sale. Satisfaction of any municipal liens shall be from the sale proceeds pertaining to the property subject to such liens, and the Real Property shall be sold free and clear of such municipal liens;

H. No bid on the Real Property (except as to the United States) shall be accepted unless the same is accompanied by a certified check or a cash deposit of at least ten percent (10%) of the amount of the bid. Before being permitted to bid at the sale, bidders shall display to the United States Marshal, his/her representative, or to the PALS proof that they are able to comply with this requirement. No bids will be received from any person who has not

presented proof that, if they are the successful bidder, they can make the deposit required by this order;

I. The balance of the purchase price of the Real Property shall be paid to the United States Marshal or the PALS (whichever person is conducting the sale as arranged by counsel for the United States) within sixty (60) days after the date the bid is accepted. Payment shall be by a certified or cashier's check payable to the United States Marshal for the Eastern District of Virginia if the sale is conducted by the Marshal or to the Clerk of the United States District Court for the Eastern District of Virginia in the case of the PALS. If the bidder fails to fulfill this requirement, the deposit shall be forfeited and shall be applied first to cover the expenses of the sale, with any amount remaining to be distributed to the United States, to be applied against the tax liabilities of Hunt, and the Real Property shall be again offered for sale under the terms and conditions of this order.

J. The sale of the Real Property shall be subject to confirmation by this Court. On confirmation of the sale, the United States Marshal or the PALS shall execute and deliver a deed of judicial sale conveying the Real Property to the purchaser(s). On confirmation of the sale, all interests in, liens against, or claims to, the Real Property that are held or asserted by any of the parties to this lawsuit are discharged and extinguished.

K. No later than twenty (20) days after receipt of the balance of the purchase price, the United States Marshal or the PALS shall file a report of sale with the Court, together with a proposed order of confirmation of sale and proposed deed.

L. The recorder of deeds of within the county where the parcel of real property is located, shall proceed to record the deed in favor of the purchaser(s).

M. Until the Real Property is sold, Hunt shall take all reasonable steps necessary to preserve the Real Property (including all improvements, fixtures and appurtenances) in its current condition including, without limitation, maintaining fire and casualty insurance on the Real Property at their own expense. Hunt shall not commit waste against the property, nor shall it cause or permit anyone else to do so. He shall not do anything that tends to reduce the value or marketability of the Real Property, nor shall it cause or permit anyone else to do so. It shall take no action which may tend to deter or discourage potential bidders from participating in the public auction.

N. If the United States Marshal, or his or her representative, conducts the sale, the proceeds from the sale of Properties 1-14 (as noted in paragraph 1) shall be distributed in the following order:

1. First, to the United States Marshal for the costs of the sale(s);
2. Second, to any municipality to satisfy any municipal liens (including county, borough, and school district property taxes) on the Real Property as stated in paragraph g above;
3. Third, to the United States, on account of its federal tax liens, to be applied against the judgment of \$ 575,000 against Hunt, as of June 6, 2011, plus any interest and penalties that have accrued, for the 1990, 1992, 1993, and 1996 tax years, and to be applied against the judgment of \$29,747.58 against Hunt, as of November 24, 2008, plus any interest and penalties that have accrued, for the 1991, 1994, 1995, and 1999-2001 tax years;
4. Fourth, any surplus of the sale proceeds from the Real Property shall be returned to the current owner of the Real Property, Hunt;

O. If the United States Marshal, or his or her representative, conducts the sale, the proceeds from the sale of Properties 15-16 (as noted in paragraph 1) shall be distributed in the following order:

1. First, to the United States Marshal for the costs of the sale(s);
2. Second, to any municipality to satisfy any municipal liens (including county, borough, and school district property taxes) on the Real Property as stated in paragraph g above;
3. Third, to Old Point National Bank of Phoebus in an amount not to exceed \$ 60,000.
4. Fourth, to Catherine Askew in an amount representing 50% of 95% of the proceeds remaining after disbursement of the funds pursuant to paragraphs O.1, O.2, and O.3 herein.
5. Fifth, to the United States, on account of its federal tax liens, to be applied against the judgment of \$ 575,000 against Hunt, as of June 6, 2011, plus any interest and penalties that have accrued, for the 1990, 1992, 1993, and 1996 tax years, and to be applied against the judgment of \$29,747.58 against Hunt, as of November 24, 2008, plus any interest and penalties that have accrued, for the 1991, 1994, 1995, and 1999-2001 tax years;
6. Sixth, any surplus of the sale proceeds from the Real Property shall be paid to Hunt;

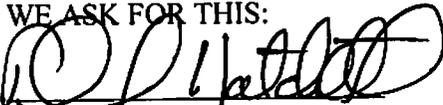
P. If the PALS conducts the sale of the Real Property, the United States shall apply to the Court for a distribution order requiring the Clerk of the Court to make payments in accordance with and under the conditions set forth in paragraph N and O, above, except that any

expenses of sale will be paid to the PALS instead of the United States Marshal.

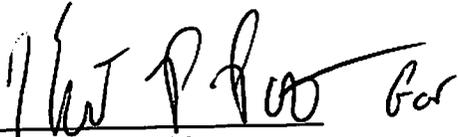
The Clerk of Court shall enter judgment accordingly pursuant to Fed. R. Civ. P. 58.

Signed this 13 day of July, 2011. JB  
Jerome B. Friedman  
Senior United States District Judge  
UNITED STATES MAGISTRATE/DISTRICT JUDGE

WE ASK FOR THIS:

  
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A handwritten signature in black ink, appearing to read 'R. Knee', with a stylized flourish at the end.

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