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UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

United States of America,	)	
	)	
Plaintiff,	)	CR 10-00400-PHX-DGC
	)	
vs.	)	Phoenix, Arizona
	)	April 19, 2011
Janice Sue Taylor,	)	
	)	
Defendant.	)	
	)	

BEFORE: THE HONORABLE DAVID G. CAMPBELL, JUDGE

REPORTER'S TRANSCRIPT OF PROCEEDINGS

TRIAL DAY 1 (Pages 1 - 232)

Official Court Reporter:  
Patricia Lyons, RMR, CRR  
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Proceedings Reported by Stenographic Court Reporter  
Transcript Prepared with Computer-Aided Transcription

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**A P P E A R A N C E S**

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**P R O C E E D I N G S**

(The following proceedings took place in open court outside the presence of the jury.)

THE COURTROOM DEPUTY: Criminal case 10-400, United States of America versus Janice Sue Taylor. This is the time set for jury trial.

MR. KNAPP: Morning, Your Honor. Jim Knapp and Frank Galati for the United States.

THE COURT: Good morning.

MS. TAYLOR: Morning, Your Honor. Janice Sue Taylor.

MS. ANDERSON: Morning, Your Honor. Susan Anderson.

THE COURT: Good morning. Okay. We are going to be picking a jury and starting a trial this morning. We set aside this time to talk about whether there are any last-minute issues that need to be addressed. Are there any from the government?

MR. KNAPP: Your Honor, the only one I can think of is we will invoke the rule of exclusion, but there is one thing we mentioned in our trial brief related to that, which is for Ms. Bradley, our expert witness who is also in part a fact witness. What we'd like to do is have her present throughout the trial in addition to the case agent. We believe there is good reason for that. We wanted to take that up before we get started.

08:34:33 1 THE COURT: All right. Do you understand,  
2 Ms. Anderson, what the rule of exclusion is?

3 MS. ANDERSON: Ms. Taylor.

4 THE COURT: I'm sorry. Excuse me. Ms. Taylor. Do  
08:34:43 5 you understand what the rule of exclusion is?

6 MS. TAYLOR: Would you mind telling me that?

7 THE COURT: I would not. Why don't you pull the mike  
8 down right in front of you.

9 The rule of exclusion provides that witnesses who are  
08:34:52 10 going to testify during trial are excluded from the courtroom  
11 during the time when they're not testifying. And they're also  
12 not allowed to talk to other witnesses who have testified.

13 The idea is that the testimony that is heard from the  
14 witnesses will be their own testimony and will not be  
08:35:10 15 influenced by what other people have said during trial. There  
16 are some -- well, either side can invoke the rule of  
17 exclusion. The government is invoking it. That means their  
18 witnesses, and yours, will be outside of the courtroom during  
19 the trial and will just come in for purposes of testifying.

08:35:29 20 There are a few exceptions to a rule of exclusion.  
21 One, obviously, is for a party such as you. You may be a  
22 witness in the trial, but you're a party as well. So you can  
23 remain in the courtroom.

24 Another is for a representative of a party. So, for  
08:35:45 25 example, the government is allowed to have its case agent

08:35:49 1 throughout the trial even if the case agent may testify,  
2 because that person is the representative of the government  
3 for purposes of the trial.

4 Another exception in some cases is for experts who  
08:36:04 5 parts of their testimony will be to summarize the evidence in  
6 the trial. And the government has a witness, Ms. Bradley,  
7 that they have categorized as that kind of an expert witness.

8 As you probably saw in the trial brief, they've  
9 provided some case law for the proposition that that kind of  
08:36:26 10 summary witness is allowed to sit through the trial. And so  
11 what Mr. Knapp was just saying was that they're going to  
12 invoke the rule of exclusion and the two people they wish to  
13 have remain in the courtroom are the case agent and their  
14 summary witness.

08:36:44 15 On your side, I assume you would be in the courtroom,  
16 obviously. I don't know if you have an expert comparable to a  
17 summary witness or not. But everybody else -- that is, all of  
18 the other witnesses -- would be excluded from the courtroom.

19 That is the rule. Do you have any comments or  
08:36:58 20 objections to what the government is proposing?

21 MS. TAYLOR: I object to that. I don't think they  
22 should be allowed to be in here the whole time.

23 THE COURT: Who are you referring to specifically?

24 MS. TAYLOR: Their witnesses. Either one of them.

08:37:12 25 THE COURT: The case agent?

08:37:14 1 MS. TAYLOR: They have two, right?

2 THE COURT: Well, one would be the case agent, the  
3 other would be an expert witness.

4 MS. TAYLOR: Is the case agent a principal?

08:37:23 5 THE COURT: Well, they're not typically referred to as  
6 a principal. They're typically allowed to remain in the  
7 courtroom as a representative of the prosecution and to assist  
8 the prosecutors. In fact, in every case I've ever tried the  
9 case agent has been in the courtroom.

08:37:38 10 MS. TAYLOR: Are they attorneys?

11 THE COURT: No.

12 MS. TAYLOR: Then I object to them being here.

13 THE COURT: Okay. Do you have a reason for your  
14 objection?

08:37:48 15 MS. TAYLOR: Yes, I do have a reason. I don't believe  
16 that they should be privy to everybody else's testimony.  
17 They're giving their own testimony and they shouldn't be privy  
18 to everybody else's testimony that is going on. It might weigh  
19 or sway some of their testimony in one way or the other. It  
08:38:16 20 might show some kind of prejudice one way or the other. I  
21 mean, the testimony should stand alone. I don't know if  
22 there's a rule for that or not.

23 THE COURT: There is. The rule is rule of evidence  
24 615 which governs the rule of exclusion, which I'm just  
08:38:43 25 reviewing now.



08:38:49 1 THE COURT: All right. Mr. Knapp, do you have any  
2 response to the objection from Ms. Taylor?

3 MR. KNAPP: May I have a moment, Your Honor, to review  
4 the pages? I'm sorry, hold on one moment.

08:39:31 5 Your Honor, I don't think I have anything else to  
6 add, unless the Court has questions, to what I have noted on  
7 page 5 of the trial brief.

8 THE COURT: All right. Well, I'm going to allow the  
9 case agent to remain in the courtroom during the trial. I have  
08:39:46 10 not looked at those cases on page 5. I will look at them  
11 between now and when the jury comes up and tell you when I come  
12 back in the courtroom if I'm going to allow that expert witness  
13 to remain in the room. But I will allow the case agent to  
14 remain in the courtroom.

08:40:00 15 Did you have anything else you wish to raise?

16 MR. KNAPP: I don't believe so, Your Honor.

17 THE COURT: Okay. Ms. Taylor, how about you? Do you  
18 have matters you want to raise before we get started this  
19 morning?

08:40:16 20 MS. TAYLOR: Yes, I do. I do, Your Honor. May I give  
21 this to you?

22 THE COURT: Yeah, you can come up.

23 MR. KNAPP: Your Honor, I'm not sure if we've seen  
24 that.

08:40:27 25 MS. TAYLOR: I'm going to give you one right now.

08:40:29 1 THE COURT: She's going to bring you a copy.  
2 Ms. Anderson, you have --  
3 MS. TAYLOR: Ms. Taylor.  
4 THE COURT: I apologize. I'll probably do that three  
08:40:49 5 or four times for some reason this morning. Just correct me  
6 every time I do.  
7 Ms. Taylor, you have handed me a document, Demand for  
8 Common Law Jury. It has today's date and it has an original  
9 signature on it.  
08:41:03 10 Did you file this with the clerk?  
11 MS. TAYLOR: Yes, I have, Your Honor.  
12 THE COURT: So this is another signed original?  
13 MS. TAYLOR: Yes.  
14 THE COURT: Okay. Tell me what it is you want me to  
08:41:15 15 do with this document.  
16 MS. TAYLOR: I think the document explains itself very  
17 clearly. I am -- is this an Article III court?  
18 THE COURT: Yes.  
19 MS. TAYLOR: As Article III court I'm demanding a jury  
08:41:32 20 of my peers.  
21 THE COURT: That's what we're going to pick for you  
22 this morning.  
23 MS. TAYLOR: Reviewing the Points of Authorities tells  
24 you what the jury of my peers consists of.  
08:41:45 25 THE COURT: Tell me what you think a jury of your

08:41:47 1

peers consists of.

2

MS. TAYLOR: Jury of my peers consists of people --

3

THE COURT: Excuse me, Ms. Taylor, I can't hear you very well. If you could pull that a little closer. Thank you.

08:41:59 5

MS. TAYLOR: A jury of my peers consists of people that are like me: people that don't work for the government, people that -- I think it tells you back here in the third page, fourth -- the second and third page. I object to the composition of a jury of people who are biased and not impartial.

08:42:26 10

11

The jury may not consist of any of the following: Anyone who is either a current or retired government official; or an attorney; anyone who receives social security or any type of federal or state pay or assistance; anyone who works, has worked, or has applied to work for any state or federal agency.

08:42:44 15

16

17

The alleged defendant demands the Court convene a jury of independent businessmen and independent workers to be a jury of her peers.

08:43:05 20

21

THE COURT: All right. Well, as I indicated to you when we were here a few days ago, Ms. Taylor, we're going to bring up a panel of jurors this morning and I'm going to ask them the voir dire questions that I previously gave you.

24

08:43:23 25

You'll have an opportunity to ask follow-up questions. It is a follow-up to the answers that they're

08:43:27 1 given. You can't go into a new subject matter not covered by  
2 the voir dire questions. But you can follow up on an answer a  
3 particular juror gave.

4 After we've been through the voir dire process, I'm  
08:43:40 5 going to give you an opportunity to challenge for cause any  
6 juror that you think is going to be unfair or biased. And  
7 I'll rule on your challenges for cause at that point.

8 I will tell you that I'm going to base those  
9 decisions on what I hear during voir dire and not upon  
08:43:58 10 predetermined categories. But I will rule on any challenges  
11 for cause you have where you think an individual cannot sit  
12 fairly on a jury.

13 And then after I've ruled on challenges for cause and  
14 I have excluded people for hardship, those who would have  
08:44:15 15 difficulty serving on the jury, you will have 11 peremptory  
16 strikes. When you exercise those 11 peremptory strikes, you  
17 can't do it for a discriminatory reason such as race-based  
18 determinations, but you can do it for any other reason you  
19 think is appropriate. So if you think a particular kind of  
08:44:35 20 juror is not one you want on the jury, you can exercise one of  
21 your 11 peremptory strikes as to those individuals.

22 But that is the way we're going to choose the jury.  
23 And in response to this document you've handed me this  
24 morning, I'm not going to change those jury selection  
08:44:52 25 procedures.

08:44:54 1 I do believe that will produce a fair jury in this  
2 case.

3 Is there anything else you wish to raise this  
4 morning?

08:45:02 5 MS. TAYLOR: Yes, Your Honor. Just a minute. If  
6 you'd give me a minute here.

7 You say you are an Article III judge?

8 THE COURT: Yes, ma'am.

9 MS. TAYLOR: I have a court case here where a judge is  
08:46:32 10 specifically saying that there are no more Article III judges  
11 and I'm just wondering if you are calling him a liar or why  
12 would this judge say this? I will read it to you just in a  
13 minute.

14 Do you file 1040s?

08:46:58 15 THE COURT: Ms. Taylor, we've already been over that  
16 ground. The purpose here is not to have you ask questions of  
17 me that are unrelated to this case.

18 I will tell you, Ms. Taylor, that the view in the  
19 United States among every lawyer, every law professor, every  
08:47:21 20 judge, every public official I have ever met, is that --  
21 including the Supreme Court of the United States -- is that  
22 the Supreme Court justices, the judges on the Court of  
23 Appeals, and district court judges are Article III judges. So  
24 I don't know what you have in your hand, but that's not a  
08:47:41 25 matter that is in any serious doubt in any corner of the legal

08:47:45 1 profession.

2 MS. TAYLOR: Well, what I have here is some  
3 transcripts from a *U.S. versus Ballard* in which Judge David  
4 Belew -- Belew is telling -- Mr. Ballard is asking him for an  
08:48:05 5 Article III judge and the reason I want an Article III judge,  
6 of course, is that is where my judicial remedies lay. And  
7 that's where I'm entitled a jury of my peers.

8 In this case, Mr. Ballard is asking the judge several  
9 things and he is asking for an Article III judge and the  
08:48:31 10 judge, who is David -- Judge David Belew, I believe that is  
11 the way you say his name, he says you're not going to find  
12 one. So are you calling that judge a liar?

13 THE COURT: Who is this judge, Ms. Taylor?

14 MS. TAYLOR: Judge David Belew in the *U.S. Ballard*  
08:48:57 15 case.

16 THE COURT: Where is --

17 MS. TAYLOR: Fort Worth, Texas.

18 THE COURT: Is he a magistrate judge?

19 MS. TAYLOR: It doesn't say he is a magistrate judge.

08:49:05 20 THE COURT: Well, I don't know the case; I don't know  
21 the judge. I will tell you that there are federal judges in  
22 the federal system called federal magistrate judges who are not  
23 Article III judges. They handle criminal procedure matters.  
24 They handle misdemeanor matters. We've got a number them in  
08:49:24 25 this courthouse. It may be that this dialogue happened with a

08:49:30 1 magistrate judge who is not an Article III judge and that is  
2 what he's referring to. Other than that, I don't know what  
3 he's referring to.

4 But I am an Article III judge and this is an  
08:49:42 5 Article III courtroom.

6 Are there any other matters you wish to raise,  
7 Ms. Taylor?

8 MS. TAYLOR: I want to make sure I get a fair and  
9 honest trial. And one of the -- and unbiased. One of the  
08:49:56 10 conditions of me getting a fair, unbiased trial is that I have  
11 a jury of my peers. Also, I have a judge of my peers. And  
12 it's quite obvious that if you do pay income tax, you're not  
13 going to be a fair, impartial judge. You're going to believe  
14 within your own heart that you have to pay it so everybody else  
08:50:22 15 has to pay it. So how am I going to get a fair and impartial  
16 judge with that kind of concept?

17 THE COURT: Well, Ms. Taylor, if you're asking me to  
18 recuse myself from this case because you do not think I'm a  
19 fair judge, I'm denying that request. I do not believe there  
08:50:40 20 is a basis for recusal. I'm going to do all I can to give you  
21 a fair trial in this courtroom.

22 Is there anything else besides these matters that  
23 we've already discussed that you want to raise this morning?

24 MS. TAYLOR: Yes. I'm not quite through. I have  
08:50:54 25 another citation here from a judge that is saying most of these

08:51:14 1 judges have come out and told him, ironically, what they're  
2 making and whether they're filing or not. It's funny.

3 In *Paulson versus U.S. Secretary of the Treasury*,  
4 California 482, 582 East 1983 Fort Worth, Texas also, Judge  
08:51:50 5 Ellton made the following comments: "The administrative  
6 agency has jurisdiction." He's talking about the IRS agency.

7 "The administration agency has jurisdiction over  
8 you," Paulson, "under the statutes of the United States.  
9 Under the law that has been promulgated by Congress of the  
08:52:09 10 United States, just like they have jurisdiction over me or  
11 anybody sitting in this courtroom. Every member of the United  
12 States Supreme Court pays taxes and every judge in the United  
13 States pays taxes. They withhold the tax from our pay."

14 So this is specifically saying IRS does have control  
08:52:36 15 over the judges. And it's on record. So how am I going to  
16 get a fair and impartial trial?

17 THE COURT: Are you done? Is that all you were going  
18 to say?

19 MS. TAYLOR: I'm asking a question. How am I going to  
08:52:58 20 get a fair and impartial trial?

21 THE COURT: You're going to get a fair and impartial  
22 trial by the procedures we've discussed at the last few  
23 hearings we've had here. We're going to pick a jury in the way  
24 I've indicated. I'm going to be the judge who presides over  
08:53:10 25 the trial. And I believe it will be a fair and impartial



08:53:12 1 trial.

2 Do you have anything else you want to raise,  
3 Ms. Taylor?

4 MS. TAYLOR: Do you think that -- do you think you can  
08:53:23 5 be a fair and unbiased judge with having to pay taxes and  
6 having to be under the IRS's thumb?

7 THE COURT: I know I can be a fair and impartial  
8 judge, Ms. Taylor. Do you have anything else you wish to  
9 raise?

08:53:44 10 MS. TAYLOR: Just the fact that I want a jury of my  
11 peers and I'm demanding a jury of my peers.

12 THE COURT: Okay. I think you've made that record  
13 clear. I've explained to you how we're going to choose the  
14 jury this morning. That's the way we will proceed. Do you  
08:53:59 15 have any questions about jury selection?

16 MS. TAYLOR: Me?

17 THE COURT: Yes.

18 MS. TAYLOR: Unless I'm guaranteed a jury of my  
19 peers -- can I ask the jury who they work for?

08:54:21 20 THE COURT: Well, what we will do, in the voir dire  
21 that I gave you, that you've had now for a couple of weeks, is  
22 have each juror describe generally where they live, the kind of  
23 work they do, the kind of work their spouse does. So you will  
24 have that information.

08:54:42 25 MS. TAYLOR: Okay.

08:54:44 1 THE COURT: Okay. When we bring up the jury, we're  
2 going to have them seated in a jury box and in the rows behind  
3 counsel table.

4 We'll probably need to take two or three of those  
08:54:55 5 rows behind counsel table, so the folks who are sitting just  
6 behind counsel table, if you could move farther back in the  
7 courtroom.

8 We're going to seat the jurors by juror number. As  
9 soon as they're ready, we'll have them brought up. It will  
08:55:08 10 probably be 10 or 15 minutes, Lisa tells me. But once they're  
11 seated in the courtroom, I will come in to get started with  
12 jury selection.

13 And at that point I will have looked at the case on  
14 the expert witness the government wishes to remain in the  
08:55:26 15 courtroom.

16 Okay, see you in a few minutes. Let me ask one other  
17 question, I'm sorry. Lisa handed me a witness list from the  
18 government. It looks shorter than the last one. I assume  
19 this is the witness list we should use during voir dire?

08:55:44 20 MR. KNAPP: Yes, Your Honor. That has the anticipated  
21 witnesses where we excluded custodians and things like that.  
22 Obviously, we've given a broader witness list to the defense  
23 and it may come to pass that we'll need to call an extra  
24 custodian. This is our expected witness list.

08:56:01 25 THE COURT: Well, for purposes of asking the jurors,

08:56:03 1       though, it seems to me we should ask them about all potential  
2       witnesses. So should I use the original list that was given to  
3       me?

4               MR. KNAPP: Yes, Your Honor, that's probably a good  
08:56:13 5       idea.

6               THE COURT: Okay. That's the one I'll use. All  
7       right, see you in a few minutes.

8               (Recess taken from 8:56 to 9:24. Proceedings resumed  
9       in open court with the jury panel present.)

09:26:10 10              THE COURTROOM DEPUTY: Criminal case 10-400, United  
11       States of America versus Janice Sue Taylor. This is the time  
12       set for jury trial.

13              MR. KNAPP: Good morning, Your Honor. Jim Knapp and  
14       Frank Galati for the United States. With us at counsel table  
09:26:24 15       is our case agent, Dave Votaw, and we're ready to proceed.

16              THE COURT: All right. Good morning.

17              MS. TAYLOR: Good morning, Your Honor. Janice Sue  
18       Taylor.

19              MS. ANDERSON: Good morning, Your Honor. Susan  
09:26:33 20       Anderson.

21              THE COURT: All right. Good morning. Give me just  
22       one moment to get organized here, folks.

23              All right. Good morning, ladies and gentlemen of the  
24       jury panel. Thank you very much for being with us this  
09:26:59 25       morning. As you already know, I believe, this is a United

09:27:05 1 States District Court. It's the United States District Court  
2 for the District of Arizona. Although we are a federal court,  
3 we handle matters that arise within the State of Arizona. And  
4 this morning we will be choosing a jury for a federal criminal  
09:27:19 5 trial.

6 We appreciate your being here. We recognize that  
7 jury service is probably an inconvenience for you, taking you  
8 away from your jobs and families and disrupting your daily  
9 routine. But one of the great protections afforded by the  
09:27:35 10 United States Constitution is the right to a trial by a jury.  
11 And one of the most important responsibilities we have as  
12 citizens is to serve on juries when called.

13 I will talk to you a little bit later this morning  
14 about the schedule of the trial and find out whether it would  
09:27:53 15 create a hardship for you or for your family, and I'll give  
16 you an opportunity at that time to explain what difficulties  
17 might arise if you were placed on this jury.

18 But before doing that, there are some other matters  
19 that we are going to cover.

09:28:08 20 As mentioned, this is -- this case is the United  
21 States vs. Janice Sue Taylor. And as you can imagine, in this  
22 case, as in any case that is tried in a federal court, or a  
23 state court for that matter, it is very important that we  
24 select jurors who can decide the case fairly and impartially.  
09:28:30 25 If you were a participant in this trial, on either side, you

09:28:35 1 would, of course, want a jury that could be completely fair  
2 and impartial.

3 For that reason, and in order to choose a fair and  
4 impartial jury, I'm going to ask you a number of questions  
09:28:45 5 this morning. The parties may then have some questions for  
6 you afterward. Please understand that these questions are not  
7 intended to pry unnecessarily into your personal affairs or to  
8 embarrass you. Each question is designed to assist the  
9 attorneys and the parties in selecting a fair jury in this  
09:29:05 10 case.

11 Before asking you these questions, I'm going to have  
12 all of you placed under oath to tell the truth. We do this to  
13 ensure that the information we have when selecting the jury is  
14 completely accurate. Obviously, it will be -- it will be  
09:29:19 15 important for you to answer the questions that are asked  
16 truthfully and completely.

17 Please do not withhold information in order to be  
18 seated on this jury. Please be straightforward in your  
19 answers rather than answering in the way you think I or the  
09:29:36 20 parties would want you to answer.

21 When I ask you a question this morning, if your  
22 answer to the question is yes, please raise your hand, and  
23 we're going to then bring you the microphone and have you  
24 identify yourself by that juror number that you have on your  
09:29:54 25 blouse or on your shirt. And I may ask you a few follow-up

09:29:58 1 questions.

2 We're going to ask you to refer to yourself by juror  
3 number, not because we intend to be impersonal and not because  
4 of anything related to this particular trial. The reason  
09:30:10 5 we're going to do that is that this record of this trial will  
6 some day be a public record. It's all being taken down by  
7 Tricia who sits in front of me. And during the course of jury  
8 selection, you may disclose some information, like the kind of  
9 work you do or where you live or other information about your  
09:30:28 10 family. And in this day of identity theft, we don't want that  
11 information in the public record with your name. And so we're  
12 going to simply refer to you by number, and that way there  
13 won't be any risk of that information being used to your  
14 disadvantage at a later point in time. And we're doing that  
09:30:44 15 in all of the cases that we try here in federal court in  
16 Arizona now.

17 If your answer to a question that I ask is no, then  
18 you don't have to do anything. I will assume your answer was  
19 no by virtue of the fact that you did not raise your hand.

09:30:59 20 Now, I recognize that it might be difficult for some  
21 of you to stand and speak in a public setting such as this.  
22 It is not always easy to speak in front of a group of people.  
23 But please recognize that all of the jurors are in the same  
24 situation, and it is important that you answer every question  
09:31:17 25 to which you have relevant information.

09:31:20 1 If you would feel more comfortable answering a  
2 question in a less public setting, then just tell me, and at  
3 the end of the morning, we'll give you a chance to respond to  
4 that question without the whole jury panel in the courtroom.  
09:31:32 5 But it will still be in front of the parties and in front of  
6 the court staff.

7 All right. I'm going to now ask that all members of  
8 the jury panel please stand to be sworn.

9 Please raise your right hands.

09:31:48 10 (The jury panel was sworn.)

11 THE COURT: Okay. I'm going to begin by first giving  
12 you a brief description of this case. This is a criminal tax  
13 evasion case. The indictment alleges that the defendant,  
14 Janice Sue Taylor, evaded taxes and failed to submit personal  
09:32:21 15 income tax returns from 2003 through 2006. For each tax year  
16 between 2003 and 2006, the indictment charges one count of tax  
17 evasion in violation of 26 United States Code Section 7201, and  
18 one count of failure to file a return in violation of 26 United  
19 States Code Section 7203.

09:32:48 20 The defendant, Ms. Taylor, has pleaded not guilty to  
21 all of the charges and is presumed to be innocent unless and  
22 until proven guilty beyond a reasonable doubt.

23 My first question to you is whether any of you have  
24 read or heard anything about this case from any source  
09:33:07 25 whatsoever? If so, please raise your hand.

09:33:11 1

I see no hands.

2

3

4

And you'll notice I'll mention that when nobody raises a hand, and that way we'll have a clear record that there was no response.

09:33:19 5

6

7

Given this brief description of the facts, is there anything about this case that you believe would cause you -- let me start that question over.

8

9

09:33:34 10

11

12

Given this brief description of the facts, is there anything about this case that would cause you to believe that you could not consider the evidence fairly and impartially according to the law? If so, please raise your hand.

13

14

I see no hands.

As mentioned, my name is Dave Campbell. I'm a United States District Court judge.

09:33:50 15

16

17

Tricia Lyons is the court reporter in front of me to my left who will be taking down everything said during the trial.

18

19

Lisa Richter is the deputy courtroom clerk. She will be keeping us organized during the course of the trial.

09:34:04 20

21

22

I have a judicial assistant named Nancy Johnson Outley. I have two law clerks named Jeff Kilmark and Florin Ivan, and another assistant named Avram Ivan.

23

24

Do any of you know me or any member of my staff on any basis, social, professional or otherwise?

09:34:27 25

I see no hands.



09:34:35 1 United States is represented in this case by Frank T.  
2 Galati and James R. Knapp. If you would please stand,  
3 gentlemen. They are assistant United States attorneys. The  
4 United States attorney for the District of Arizona is Dennis  
09:34:50 5 K. Burke. Do any of you know these attorneys or Mr. Burke or  
6 any member of his office on any basis?

7 If you could raise your hands again so we can see the  
8 hands that are up.

9 PROSPECTIVE JUROR: I'm Juror 26. I think I know  
09:35:16 10 Mr. Galati. I think you were a judge before, if I'm not  
11 mistaken. You did a civil matter for me, a spousal -- a  
12 divorce.

13 THE COURT: Okay. Were you a party or --

14 PROSPECTIVE JUROR: Yes.

09:35:29 15 THE COURT: -- or a juror?

16 Okay.

17 PROSPECTIVE JUROR: I wasn't a juror, but I was --

18 THE COURT: You were a party?

19 PROSPECTIVE JUROR: -- in the courtroom.

09:35:33 20 THE COURT: Okay. How long ago was that, sir?

21 PROSPECTIVE JUROR: Oh, 26 years ago.

22 THE COURT: All right. Is there anything about that  
23 experience or your involvement in that case that would affect  
24 your ability to be a fair and impartial juror in this case?

09:35:47 25 PROSPECTIVE JUROR: No, sir.

09:35:48 1 THE COURT: All right. Thank you.

2 PROSPECTIVE JUROR: Jury 35. I am a former --  
3 recently retired federal employee and dealt with some of the  
4 legal staff. I was not part of the agency or anything like  
09:36:14 5 that, but I did deal with the legal staff. We managed defense  
6 contracts. I don't know anybody at the table, however.

7 THE COURT: Okay. And what -- what division or agency  
8 were you employed with?

9 PROSPECTIVE JUROR: Defense Contract Management  
09:36:25 10 Agency, Your Honor.

11 THE COURT: Okay. And so you had dealings with  
12 attorneys for the government?

13 PROSPECTIVE JUROR: Yes.

14 THE COURT: But not these specific lawyers?

09:36:33 15 PROSPECTIVE JUROR: Yes.

16 THE COURT: Is there anything about that prior work on  
17 your behalf or your interaction with government lawyers that  
18 you think would affect your fairness in this case?

19 PROSPECTIVE JUROR: No.

09:36:42 20 THE COURT: All right. Thank you.

21 Any other responses to that question?

22 I see no hands.

23 Let me just make a note here.

24 All right. Mr. Knapp, would you introduce the  
09:37:04 25 gentleman with you at counsel table, please?

09:37:06 1 MR. GALATI: Yes, Your Honor. Sitting next to me, now  
2 standing, is our case agent, Dave Votaw, who works for the  
3 Internal Revenue Service.

4 THE COURT: All right. Do any of you know this  
09:37:15 5 individual on any basis?

6 I see no hands.

7 All right. Thank you, sir. You can sit down.

8 The defendant in this case is Janice Sue Taylor,  
9 representing herself. Ms. Taylor, would you please stand.

09:37:27 10 Do any of you know Ms. Taylor on any basis?

11 I see no hands.

12 Okay. Thanks, Ms. Taylor. You can have a seat.

13 Seated next to Ms. Taylor is Ms. Susan Anderson, who  
14 is a federal public defender in the State of Arizona, and is  
09:37:47 15 assisting Ms. Taylor in the case. The federal public defender  
16 for the State of Arizona is Jon Sands. Ms. Anderson is an  
17 attorney in that office.

18 Do any of you know Ms. Anderson or Mr. Sands or  
19 anybody in the Federal Public Defenders Office?

09:38:04 20 I see no hands.

21 Thank you.

22 There are a number of individuals who may be called  
23 to testify as witnesses in this case. Let me pause for a  
24 minute.

09:38:20 25 You had a paralegal with you, Ms. Anderson. Is she

09:38:23 1 going to be seated at the table from time to time?

2 MS. ANDERSON: She may, Your Honor, yes.

3 THE COURT: What is her name?

4 MS. ANDERSON: Her name is Jan Kullberg.

09:38:32 5 THE COURT: Kullberg? And is she with your office?

6 MS. ANDERSON: Yes.

7 THE COURT: Okay. Do any of you know Ms. Kullberg on  
8 any basis?

9 I see no hands. If you recognize her when she comes  
09:38:39 10 back into the courtroom later, just raise your hand. But  
11 thank you for clarifying that.

12 As I was saying, there are a number of witnesses who  
13 may be called to testify in this case, and I want to read you  
14 their names to see if you think you know any of these  
09:38:53 15 witnesses. They include the following individuals:

16 Amanda Barbour, spelled B-A-R-B-O-U-R.

17 Robbin Barbour.

18 Kim Bata, B-A-T-E -- B-A-T-A. Is that the correct  
19 pronunciation?

09:39:14 20 She is a certified court reporter.

21 Cheryl Bradley, who is a revenue agent with the  
22 Internal Revenue Service in the small business and  
23 self-employed person division.

24 Eric -- you're going to have to help me with this,  
09:39:30 25 counsel. Do you know how to pronounce his name?

09:39:38 1 MR. KNAPP: Your Honor, I believe it's Cacciacarro.  
2 THE COURT: All right. Well, I'm going to spell it.  
3 It is C-A-C-C-I-A-C-A-R-R-O. I would say Eric Cacciacarro, but  
4 I'm not sure that's right. But with that spelling, hopefully  
09:39:54 5 you will know if you know him. This is an individual who's an  
6 owner of Mailboxes Shipping and More.  
7 Stacey Collins, who is a custodian of records for  
8 JPMorgan Bank, which formerly was Bank One.  
9 The custodian of records or a custodian of records  
09:40:10 10 from the Maricopa County records and elections.  
11 A custodian of records from the United States Postal  
12 Service.  
13 Scott Hickey, H-I-C-K-E-Y.  
14 Avis Johnson.  
09:40:23 15 Ernest Johnson, which is the executive director of  
16 the Arizona Corporation Commission.  
17 Wayne Johnson, a revenue agent with the Internal  
18 Revenue Service.  
19 Gary Kehias, K-E-H-I-A-S, who is with Gila Partners.  
09:40:42 20 He's a broker.  
21 Robin King with the Arizona Department of Real Estate  
22 Investigation Division.  
23 Dolpha, which is D-O-L-P-H-A, Larsen.  
24 Azenith, A-Z-E-N-I-T-H, Larson.  
09:40:59 25 Paul Mooney, who is the CEO of Gila Partners.

09:41:03 1 Kristy Morgan, who is with the IRS.  
2 Abe Reyes, who is a revenue officer with the IRS.  
3 Gerry Ricke, R-I-C-K-E, who is owner of Circle G  
4 Development.  
09:41:18 5 Irene Sedillo, who is the operations manager of Great  
6 Western Bank, which formerly was Sunstate Bank.  
7 Marsha -- Marsha Tucci, T-U-C-C-I, who is deputy  
8 clerk with the Pima County Superior Court.  
9 David Votaw, who you've already met, who is a special  
09:41:38 10 agent with the IRS.  
11 Janice Weaver of Sunstate Bank. She's a vice  
12 president of audit and operations.  
13 Jerry Young, who is a revenue agent with the IRS.  
14 Elaine Schroeder.  
09:41:56 15 Jan Sredanovich, S-R-E-D-A-N-O-V-I-C-H.  
16 Michael Mendoza.  
17 Everett Lee.  
18 Larry Becraft, who is an attorney.  
19 Tommy Cryier, C-R-Y-I-E-R, who is an attorney.  
09:42:16 20 Dr. Eduardo Rivera.  
21 Joseph Bannister.  
22 Christopher Chapman.  
23 Marc Stevens.  
24 J. C. Chisum, C-I -- C-H-I-S-U-M.  
09:42:29 25 Jerry Carter Young.

09:42:31  
09:42:41  
09:42:50  
09:43:15  
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And Peggy Sanders, who is with the IRS.  
Do any of you think you know any of the individuals?  
MR. GALATI: Your Honor, we have two others.  
THE COURT: Okay. Who are those?  
MR. GALATI: Patrick Gleason, G-L-E-A-S-O-N.  
THE COURT: Okay.  
MR. GALATI: And Robert Martin, M-A-R-T-I-N, who is a  
CPA in Mesa.  
THE COURT: Okay. Thank you.  
Do any of you think you know any of these witnesses  
on any basis?  
I see no hands.  
Okay. Have you or any members of your family or  
close friends ever served in the capacity of a law enforcement  
officer? And by law enforcement officer, I mean more than a  
police officer. I mean an employee of a federal law  
enforcement agency, like the FBI or the ATF, the INS, border  
patrol. Any state or federal or other law enforcement agency.  
If you or a member of your family have been employed in that  
capacity, please raise your hand.  
PROSPECTIVE JUROR: Juror Number 1. My husband used  
to work for the Arizona Department of Corrections. I'm not  
sure if that counts. And my nephew is a City of Phoenix police  
officer.  
THE COURT: Okay. Would the work of either of those

09:44:02 1 individuals have any effect upon your ability to be a fair  
2 juror in this case?

3 PROSPECTIVE JUROR: No.

4 THE COURT: Thank you.

09:44:24 5 PROSPECTIVE JUROR: Juror Number 17. I formerly  
6 served as a federal flight deck officer from the years 2004  
7 through 2008 under the Department of Homeland Security as an  
8 armed airline pilot.

9 THE COURT: Okay. Is there anything about that work  
09:44:43 10 that would affect your ability to be fair to both sides in this  
11 case?

12 PROSPECTIVE JUROR: No, sir.

13 THE COURT: Thank you.

14 PROSPECTIVE JUROR: Juror 19. I'm not sure that it  
09:44:55 15 qualifies, but I was a military policeman some 25, 30 years  
16 ago.

17 THE COURT: Okay. Would that work have any effect  
18 upon your fairness in this case?

19 PROSPECTIVE JUROR: No, sir.

09:45:06 20 THE COURT: Thank you.

21 PROSPECTIVE JUROR: Juror Number 42. Approximately,  
22 about 20 years ago, my mother was an employee of the FBI. And  
23 she's no longer an employee. She's retired, so --

24 THE COURT: All right. What was the nature of her  
09:45:31 25 work?



09:45:34 1 PROSPECTIVE JUROR: She worked in the administrative  
2 staff at the Phoenix office here.

3 THE COURT: Okay. Is there anything about your  
4 mother's work that would affect your ability to be a fair juror  
09:45:41 5 in this case?

6 PROSPECTIVE JUROR: No, sir.

7 THE COURT: Thank you.

8 Any other responses to that question?

9 PROSPECTIVE JUROR: Juror 30. My father was a  
09:46:00 10 policemen, so I'm not sure if you were saying policemen and  
11 higher or -- so I just wanted --

12 THE COURT: Okay. He was a policeman where?

13 PROSPECTIVE JUROR: Chicago.

14 THE COURT: Is there anything about his work that  
09:46:12 15 would affect your fairness in this case?

16 PROSPECTIVE JUROR: No.

17 THE COURT: Thank you.

18 Any other responses?

19 I see no hands.

09:46:21 20 Have you or any member of your family ever been  
21 convicted of a felony? If so, please raise your hand.

22 PROSPECTIVE JUROR: Juror Number 18. At this time,  
23 I'd like to talk privately.

24 THE COURT: Okay, I'll make a note of that, and we'll  
09:46:49 25 take that up later.

09:46:52 1

Lisa.

2

PROSPECTIVE JUROR: Juror Number 4. My brother. I don't know exactly what the felony was.

3

THE COURT: Did you have any involvement in the case that led to that felony conviction?

09:47:09 5

6

PROSPECTIVE JUROR: No.

7

THE COURT: And you don't know the nature of it?

8

PROSPECTIVE JUROR: No.

9

THE COURT: Is there anything about that fact that -- about the fact of the felony that would affect your ability to be a fair juror in this case?

09:47:18 10

11

12

PROSPECTIVE JUROR: No.

13

THE COURT: Thank you.

14

MS. TAYLOR: Excuse me. I couldn't hear what she said, Number 4.

09:47:33 15

16

THE COURT: Okay. Thanks. I'll -- I'll just repeat it. She indicated, Ms. Taylor, that her brother was convicted of a felony. She does not know the nature of the felony. She didn't have any involvement in the case, and the fact of the felony conviction would not affect her fairness in the case.

09:47:49 20

21

MS. TAYLOR: Thank you.

22

THE COURT: Okay. Juror 6.

23

PROSPECTIVE JUROR: Juror 6. My nephew just spent time in the prison in Florence, and I'm not sure it's a felony, but it was for aggravated assault.

09:48:02 25

09:48:05 1 THE COURT: Okay. Did you have any involvement in  
2 that criminal case?

3 PROSPECTIVE JUROR: No.

4 THE COURT: Is there anything about your nephew's  
09:48:10 5 incarceration that would affect your fairness in this case?

6 PROSPECTIVE JUROR: No, sir.

7 THE COURT: Thank you.

8 PROSPECTIVE JUROR: Number 25. My husband was a DUI  
9 felon 25 years ago.

09:48:36 10 THE COURT: Okay. Is there anything about that  
11 conviction that would affect your fairness in this case?

12 PROSPECTIVE JUROR: No, Your Honor.

13 THE COURT: Thank you.

14 PROSPECTIVE JUROR: Juror 32. I've had one nephew  
09:48:51 15 convicted, felony manslaughter.

16 THE COURT: Okay. You say that's a nephew?

17 PROSPECTIVE JUROR: Yes.

18 THE COURT: Did you have any involvement in that case?  
19 Is there anything about the case that would affect your  
09:49:01 20 fairness in this case?

21 PROSPECTIVE JUROR: Yes, sir.

22 THE COURT: You think it would be difficult for you to  
23 be fair?

24 PROSPECTIVE JUROR: No, sir. Not fair. I would be  
09:49:08 25 fair.

09:49:09 1 THE COURT: Okay. Let me ask the question one more  
2 time so we have a clear record.

3 Is there anything about your nephew's conviction that  
4 would make it hard for you to be a fair juror in this case?

09:49:18 5 PROSPECTIVE JUROR: No, sir.

6 THE COURT: Okay. Thank you.

7 PROSPECTIVE JUROR: Juror Number 35. My wife was  
8 convicted of a felony DUI.

9 THE COURT: Okay. Did you have any involvement in  
09:49:40 10 that case yourself?

11 PROSPECTIVE JUROR: I did testify, but beyond that,  
12 no.

13 THE COURT: Okay. Is there anything about the  
14 conviction or about how the case or the court proceeding was  
09:49:49 15 handled that would affect your fairness in this case?

16 PROSPECTIVE JUROR: No, Your Honor.

17 THE COURT: Thank you.

18 PROSPECTIVE JUROR: Juror Number 39. My cousin was  
19 convicted of multiple rapes.

09:50:03 20 THE COURT: Okay. Did you have any involvement in  
21 those cases?

22 PROSPECTIVE JUROR: It was done in another state.

23 THE COURT: Okay. Is there anything about the  
24 convictions that would affect your fairness in this case?

09:50:13 25 PROSPECTIVE JUROR: No.

09:50:13 1 THE COURT: And you said that was a cousin; is that  
2 right?

3 PROSPECTIVE JUROR: Yes.

4 THE COURT: Okay. Thank you.

09:50:23 5 PROSPECTIVE JUROR: Juror 44. My younger brother was  
6 convicted.

7 THE COURT: Do you know the nature of the conviction?

8 PROSPECTIVE JUROR: No.

9 THE COURT: Okay. Did you have any involvement in  
09:50:32 10 that matter?

11 PROSPECTIVE JUROR: No.

12 THE COURT: Is there anything about his conviction  
13 that would affect your ability to be a fair juror in this case?

14 PROSPECTIVE JUROR: No.

09:50:42 15 THE COURT: Thank you.

16 PROSPECTIVE JUROR: Juror 49. My nephew was convicted  
17 of a sale of drugs.

18 THE COURT: Okay. Did you have any involvement in  
19 that matter?

09:51:00 20 PROSPECTIVE JUROR: No.

21 THE COURT: Is there anything about it that would  
22 affect your fairness in this case?

23 PROSPECTIVE JUROR: No.

24 THE COURT: Thank you.

09:51:09 25 Any other responses?

09:51:19 1 PROSPECTIVE JUROR: Number 3. My son --

2 THE COURT: Could you hold that mike right in front of

3 you, please.

4 PROSPECTIVE JUROR: My son was convicted of a felony,

09:51:27 5 I think, about ten years ago. Just happened to remember that.

6 Drugs.

7 THE COURT: Okay. And did you have any involvement in

8 that case?

9 PROSPECTIVE JUROR: No.

09:51:36 10 THE COURT: Is there anything about that conviction

11 that would affect your fairness in this case?

12 PROSPECTIVE JUROR: No.

13 THE COURT: Okay. Thank you.

14 Any other responses to that question?

09:51:48 15 I see no hands.

16 Have you or any members of your family ever been a

17 victim of criminal conduct? Any kind of a crime? If so,

18 please raise your hand.

19 PROSPECTIVE JUROR: Juror 30. Our house was robbed.

09:52:19 20 THE COURT: Okay. Did that result in any sort of law

21 enforcement prosecution?

22 PROSPECTIVE JUROR: No.

23 THE COURT: All right. Is there anything about that

24 crime that would affect your ability to be a fair juror in this

09:52:29 25 case?

09:52:29 1 PROSPECTIVE JUROR: No.

2 THE COURT: Thank you.

3 As you can see, we try to go in order. It helps us  
4 take notes. So that's why Lisa keeps coming back to the  
09:52:45 5 start.

6 PROSPECTIVE JUROR: Juror Number 1. My brother-in-law  
7 was murdered about seven years ago, and it's an unsolved case.

8 THE COURT: So there was no prosecution?

9 PROSPECTIVE JUROR: No.

09:52:57 10 THE COURT: Is there anything about that crime that  
11 would affect your fairness in this case?

12 PROSPECTIVE JUROR: No.

13 THE COURT: Thank you.

14 PROSPECTIVE JUROR: Juror Number 8. I had a car  
09:53:15 15 break-in and the person was convicted of theft.

16 THE COURT: Were you involved in that case?

17 PROSPECTIVE JUROR: No.

18 THE COURT: Okay. Is there anything about that crime  
19 that would affect your fairness in this trial?

09:53:28 20 PROSPECTIVE JUROR: No, sir.

21 THE COURT: Thank you.

22 PROSPECTIVE JUROR: Juror Number 12, and our house was  
23 burglarized also.

24 THE COURT: Did it result in any kind of prosecution?

09:53:45 25 PROSPECTIVE JUROR: It was a juvenile case.

09:53:46 1 THE COURT: Okay. Were you involved in the case?  
2 PROSPECTIVE JUROR: No.  
3 THE COURT: Is there anything about the crime or how  
4 it was handled that would affect your fairness in this trial?  
09:53:54 5 PROSPECTIVE JUROR: No.  
6 THE COURT: Thank you.  
7 PROSPECTIVE JUROR: My mom was robbed at gunpoint.  
8 THE COURT: Okay. And you're juror --  
9 PROSPECTIVE JUROR: I'm Juror Number 20.  
09:54:12 10 THE COURT: Juror Number 20. And that was your mother  
11 who was robbed?  
12 PROSPECTIVE JUROR: Yes.  
13 THE COURT: Okay. Did that result in any kind of  
14 prosecution?  
09:54:19 15 PROSPECTIVE JUROR: They never found him.  
16 THE COURT: Okay. Would that crime have any effect  
17 upon your ability to be a fair juror in this case?  
18 PROSPECTIVE JUROR: No.  
19 THE COURT: Thank you.  
09:54:29 20 PROSPECTIVE JUROR: Juror Number 22. My car was  
21 broken into about 15 years ago, radio cassette player stolen  
22 and some personal items and nobody was caught.  
23 THE COURT: All right. Would that have any effect  
24 upon your fairness in this case?  
09:54:46 25 PROSPECTIVE JUROR: No, it would not.



09:54:47 1

THE COURT: Thank you.

2

3

PROSPECTIVE JUROR: Juror Number 18. My car was broken into about 15, 20 years ago. Car stereo was taken.

4

09:55:01 5

THE COURT: Okay. Would that -- well, did that result in any prosecution?

6

PROSPECTIVE JUROR: None that I'm aware of.

7

8

THE COURT: Would that case have any effect upon your fairness as a juror here?

9

PROSPECTIVE JUROR: No, Your Honor.

09:55:12 10

THE COURT: Okay. Thank you.

11

12

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14

PROSPECTIVE JUROR: At eight -- Juror Number 27. At age 9, while I was being babysat, someone actually broke into our house and there was -- well, he had some sexual problems there.

09:55:45 15

16

THE COURT: All right. Did that result in any kind of prosecution?

17

PROSPECTIVE JUROR: No.

18

19

THE COURT: Would that event have any effect upon your fairness on this jury?

09:55:53 20

21

PROSPECTIVE JUROR: No.

22

23

24

PROSPECTIVE JUROR: Juror Number 45. I had identity theft in 2003, and he was charged, but I don't know. I wasn't involved.

09:56:15 25

THE COURT: Okay. Would that crime have any effect

09:56:17 1 upon your fairness in this case?

2 PROSPECTIVE JUROR: No.

3 THE COURT: Thank you.

4 PROSPECTIVE JUROR: Juror 49. My father was pistol  
09:56:33 5 whipped.

6 THE COURT: Okay. Was that a case that resulted in a  
7 prosecution?

8 PROSPECTIVE JUROR: No, sir.

9 THE COURT: Is there anything about that crime that  
09:56:43 10 would affect your fairness in this case?

11 PROSPECTIVE JUROR: No.

12 THE COURT: All right. Thank you.

13 Any other responses to that question?

14 I see no hands.

09:56:56 15 There will be witnesses called during this trial who  
16 are affiliated with the Internal Revenue Service and have been  
17 acting as agents in that case maybe for a number of years.

18 Would any of you give greater weight or less weight  
19 to their testimony solely because of their employment and the  
09:57:17 20 fact that they're involved in law enforcement? So if you  
21 think that fact alone would cause you to give more weight or  
22 less weight to their testimony, please raise your hand.

23 PROSPECTIVE JUROR: It wouldn't weigh, but my uncle  
24 does work for the IRS.

09:57:41 25 THE COURT: All right. You're Juror 44?

09:57:43 1 PROSPECTIVE JUROR: Correct.

2 THE COURT: Can you hold the mike just a little  
3 higher, sir.

4 You say your uncle is with the IRS?

09:57:49 5 PROSPECTIVE JUROR: Yes.

6 THE COURT: What does he do?

7 PROSPECTIVE JUROR: I'm not sure, but he's on the  
8 cover of the newspaper every year.

9 THE COURT: Okay. Where does he work for them?

09:57:58 10 PROSPECTIVE JUROR: You mean --

11 THE COURT: Where is he located?

12 PROSPECTIVE JUROR: Somewhere in Phoenix.

13 THE COURT: Okay. Have you ever talked to him about  
14 his work or the kinds of things he does in any detail?

09:58:10 15 PROSPECTIVE JUROR: No.

16 THE COURT: Is there anything about the fact that your  
17 uncle works for the IRS that would affect your ability to be  
18 fair in this case?

19 PROSPECTIVE JUROR: No.

09:58:17 20 THE COURT: Do you think you could be fair to the  
21 defense and to the government both?

22 PROSPECTIVE JUROR: Yes.

23 THE COURT: Okay. Thank you.

24 Any other responses?

09:58:25 25 I see no hands.

09:58:31 1 Have any -- well, have you or any members of your  
2 family ever been a party or a witness in any litigation? And  
3 by litigation, I mean a court case. But let's -- let's  
4 exclude three categories. We won't count traffic court; we  
09:58:48 5 won't count domestic relations cases, divorce or child custody  
6 cases; and we won't count probate, where an estate was  
7 probated, because there's lots of involvement in those.

8 So setting aside those three categories of cases,  
9 have you ever been a party in a court case of any kind, other  
09:59:06 10 than those, or a witness in a court case? If so, please raise  
11 your hand.

12 PROSPECTIVE JUROR: Juror Number 21. My son was  
13 involved in a hit-and-run accident about 20 years ago. He was  
14 innocent of any wrongdoing, but he was later sued by the young  
09:59:32 15 man that was in his car and was subsequently injured in that  
16 accident.

17 THE COURT: Okay. And did you have any involvement in  
18 that case yourself?

19 PROSPECTIVE JUROR: I was part of the -- since the  
09:59:43 20 insurance was under my name, I was part -- I was part of the  
21 lawsuit.

22 THE COURT: Okay. Did it actually go to trial?

23 PROSPECTIVE JUROR: It was settled out of court.

24 THE COURT: Okay. Is there anything about that case  
09:59:53 25 or your involvement in it that would affect your fairness as a

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10:00:39 15  
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10:00:52 20  
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10:01:00 25

juror in this case?

PROSPECTIVE JUROR: No, sir.

THE COURT: Thank you.

PROSPECTIVE JUROR: Juror 28. A couple of years ago my daughter was approached by a -- like a child predator, and we did go to court. She was a witness in that. But the person did not show up for court that day.

THE COURT: Okay. And so you, I take it, had some involvement in that case as the mother of --

PROSPECTIVE JUROR: Right.

THE COURT: -- your daughter as a witness?

PROSPECTIVE JUROR: Right.

THE COURT: Is there anything about that case or how it was handled that would affect your ability to be a fair juror in this case?

PROSPECTIVE JUROR: No.

THE COURT: Thank you.

PROSPECTIVE JUROR: Juror 29. In the early '70s, I was a defendant in a wrongful death civil court case.

THE COURT: Okay. And did that case go to trial?

PROSPECTIVE JUROR: Yes.

THE COURT: Did you appear and testify in the case?

PROSPECTIVE JUROR: Yes.

THE COURT: Is there anything about that case or how it was handled that would affect your ability to be a fair

10:01:03 1 juror in this trial?

2 PROSPECTIVE JUROR: No.

3 THE COURT: Thank you.

4 PROSPECTIVE JUROR: Juror 30. In 1977, my mother was  
10:01:18 5 part of a -- witnessed a murder. She was in the vehicle. It  
6 did go to court. I don't remember the outcome, but -- so  
7 that's something.

8 THE COURT: Okay. Is there anything about your  
9 mother's involvement in that case that would affect your  
10:01:42 10 ability to be a fair juror in this trial?

11 PROSPECTIVE JUROR: No.

12 THE COURT: Okay. Thank you.

13 PROSPECTIVE JUROR: Jury Number 36. In the '80s I  
14 worked for General Motors Acceptance Corporation, financing  
10:02:08 15 part of GM, and I was a witness or a representative in court  
16 for many of their deficiency judgments.

17 THE COURT: Okay. Is there anything about your  
18 involvement in those cases that would affect your ability to be  
19 a fair juror in this trial?

10:02:26 20 PROSPECTIVE JUROR: No, sir.

21 THE COURT: Thank you.

22 PROSPECTIVE JUROR: Juror Number 35. I've been  
23 involved in a number of EEO cases and as a witness. And that  
24 would be for the federal government.

10:02:41 25 THE COURT: Okay. And is that in connection with the

10:02:44 1 federal employment that you had --

2 PROSPECTIVE JUROR: Yes, it is.

3 THE COURT: -- that you referred to?

4 PROSPECTIVE JUROR: I was deputy director of the  
10:02:50 5 Defense Contract Management Agency.

6 THE COURT: Okay.

7 PROSPECTIVE JUROR: So there were a number of  
8 personnel issues.

9 I also mentioned prior that I was a witness in my  
10:02:56 10 wife's case that resulted in a felony DUI.

11 THE COURT: Right. Would your involvement in those  
12 cases have any effect upon your fairness in this case?

13 PROSPECTIVE JUROR: No, Your Honor.

14 THE COURT: Thank you.

10:03:16 15 PROSPECTIVE JUROR: Juror Number 43. In 2002, I was  
16 the defendant in a theft by unlawful taking or vandalism case.

17 THE COURT: Okay. And did that case actually go to  
18 trial?

19 PROSPECTIVE JUROR: No. We settled when I gave them  
10:03:38 20 the lawn furniture back.

21 THE COURT: Okay. Is there anything about your  
22 involvement in that case that would affect your fairness here?

23 PROSPECTIVE JUROR: No, sir, Your Honor.

24 THE COURT: Thank you.

10:03:48 25 PROSPECTIVE JUROR: Juror 44. In high school, I was

10:03:50 1 subpoenaed to a murder trial, flown to a different state.  
2 Never had to -- it never went forward.

3 THE COURT: All right. Is there any -- anything about  
4 your involvement in that case that would affect your ability to  
10:04:04 5 be a fair juror here?

6 PROSPECTIVE JUROR: No.

7 THE COURT: Thank you.

8 PROSPECTIVE JUROR: Juror Number 4.

9 THE COURT: Could you hold that mike a little closer,  
10:04:28 10 ma'am.

11 PROSPECTIVE JUROR: Juror Number 4. '73 or '74, I  
12 witnessed police brutality.

13 THE COURT: And did that end up in court in some --

14 PROSPECTIVE JUROR: Yes.

10:04:41 15 THE COURT: Did you testify as a witness?

16 PROSPECTIVE JUROR: Yes.

17 THE COURT: Okay. Is there anything about that case  
18 or your involvement in court that would affect your fairness on  
19 this jury?

10:04:48 20 PROSPECTIVE JUROR: No.

21 THE COURT: Thank you.

22 Any other responses?

23 I see no hands.

24 Do you or any members of your family have any legal  
10:05:15 25 training? If so, please raise your hand.



10:05:35 1 PROSPECTIVE JUROR: Juror Number 35 again. My son is  
2 a lawyer. Graduated ASU. Certified on the bar.

3 THE COURT: Is he practicing law?

4 PROSPECTIVE JUROR: Yes.

10:05:47 5 THE COURT: Do you know the nature of his practice?

6 PROSPECTIVE JUROR: Not really, no.

7 THE COURT: Is he in private practice himself?

8 PROSPECTIVE JUROR: He's with -- with a firm in  
9 Scottsdale, and it is, I believe, criminal, but I'm not sure  
10:05:59 10 about that.

11 THE COURT: Okay. Is there anything about his  
12 training or work that would affect your fairness in this case?

13 PROSPECTIVE JUROR: No, Your Honor.

14 THE COURT: Thank you.

10:06:12 15 PROSPECTIVE JUROR: Juror 36. I have a degree in  
16 criminal justice, but it was from '78.

17 THE COURT: I'm sorry, ma'am. I couldn't quite hear  
18 that.

19 PROSPECTIVE JUROR: I have a degree in criminal  
10:06:22 20 justice.

21 THE COURT: Okay. And I think I heard '78?

22 PROSPECTIVE JUROR: Right.

23 THE COURT: Okay. Is there anything about that  
24 training that would affect your fairness in this case?

10:06:31 25 PROSPECTIVE JUROR: No.

10:06:32 1 THE COURT: Thank you.

2 PROSPECTIVE JUROR: Juror 37. I'm a lawyer, my  
3 husband is a lawyer, my brother is a lawyer.

4 THE COURT: Okay. Can you tell us the nature of your  
10:06:45 5 practice?

6 PROSPECTIVE JUROR: I'm a partner with Saunders and  
7 Parks here in Phoenix. My husband is a partner with Saunders  
8 and Parks.

9 THE COURT: Okay. And that's a firm that does civil  
10:06:55 10 litigation; is that correct?

11 PROSPECTIVE JUROR: And med mal.

12 THE COURT: Okay. And there's the third person you  
13 mentioned.

14 PROSPECTIVE JUROR: My brother is a lawyer.

10:07:04 15 THE COURT: And what --

16 PROSPECTIVE JUROR: He resides out of state.

17 THE COURT: What's the nature of his work?

18 PROSPECTIVE JUROR: He owns a tax accounting business.

19 THE COURT: Okay. Let me ask you first about your  
10:07:14 20 husband and you. Is there anything about your legal training  
21 or the work that you do that would affect your fairness in this  
22 case?

23 PROSPECTIVE JUROR: No.

24 THE COURT: You say your brother owns a tax accounting  
10:07:27 25 business?

10:07:28 1 PROSPECTIVE JUROR: Yes.

2 THE COURT: Meaning they do tax returns for people?

3 PROSPECTIVE JUROR: Correct.

4 THE COURT: Okay. Is there anything about the fact

10:07:35 5 that he's legally trained or about his work in the tax area

6 that would affect your ability to be a fair juror in this case?

7 PROSPECTIVE JUROR: No.

8 THE COURT: Okay. Thank you.

9 PROSPECTIVE JUROR: Juror Number 18. In '97, I

10:08:04 10 graduated with an MBA from the University of Phoenix. We were

11 required to take tax law classes.

12 THE COURT: As part of the MBA training?

13 PROSPECTIVE JUROR: Correct.

14 THE COURT: Okay. Is there anything about that

10:08:15 15 training that would affect your ability to be a fair juror in

16 this case?

17 PROSPECTIVE JUROR: Possibly.

18 THE COURT: Okay. Can you give me a sense for the

19 nature of your concern?

10:08:25 20 PROSPECTIVE JUROR: It might benefit -- benefit the

21 U.S. government.

22 THE COURT: Okay. All right. Thank you.

23 PROSPECTIVE JUROR: Juror Number 24. My husband's

24 niece is a lawyer in Texas.

10:08:42 25 THE COURT: Do you know the nature of her work?

10:08:45 1

PROSPECTIVE JUROR: No.

2

THE COURT: Is there anything about her legal training or her work that would affect your fairness in this case?

4

PROSPECTIVE JUROR: No.

10:08:52 5

THE COURT: Thank you.

6

PROSPECTIVE JUROR: Any other responses?

7

I see no hands.

8

Do you, a member of your family, or close personal friends have any disagreement with the proposition that every person in this country is required to comply with the federal income tax laws, as well as other laws, whether or not they personally agree with those laws?

10:09:18 10

11

12

13

I see no hands.

14

Do you, a member of your family, or a close personal friend belong to any organization or group that believes or claims that the federal income tax system is voluntary or need not be complied with for any reason whatsoever?

10:09:38 15

16

17

18

I see no hands.

19

This is related to a question that I asked a moment ago, but I want to ask it in a slightly different way.

10:10:03 20

21

As I've already indicated, some of the witnesses who may testify in this case are associated with the Internal Revenue Service. Have you had any contact or experience with the IRS, or any other governmental agency for that matter, which would make it difficult for you to render a fair and

10:10:21 25

10:10:24 1 impartial verdict in this case?

2 PROSPECTIVE JUROR: Juror Number 3. And we were  
3 audited three times.

4 THE COURT: Okay. Would that fact make it difficult  
10:10:44 5 for you to be a fair juror in this case?

6 PROSPECTIVE JUROR: No. I don't think so.

7 THE COURT: Okay. Thank you.

8 PROSPECTIVE JUROR: Juror 24. I was -- we were  
9 audited, too, a couple years ago.

10 THE COURT: Okay. Is there anything about that fact  
11 that would affect your fairness in this case?

12 PROSPECTIVE JUROR: No.

13 THE COURT: Thank you.

14 PROSPECTIVE JUROR: Juror 28. Is this just for my  
10:11:22 15 family or would it be any relatives?

16 THE COURT: Well, I guess the question, ma'am, is  
17 whether anything that's happened to your family or any  
18 relatives would affect your fairness in this case.

19 PROSPECTIVE JUROR: Okay. Juror 28. Several years  
10:11:37 20 ago -- well, back in 2005, my dad passed away. After he passed  
21 away, my mom found out a lot of things that he had done without  
22 her knowledge. He signed her name on a loan. He was in  
23 trouble with the IRS. My mom tried to get it straightened out  
24 with them, and she was pretty much told "too bad," even though  
10:11:58 25 she had no knowledge of what my dad had done. She was -- I

10:12:04 1 don't know. She just wasn't treated very well.

2 THE COURT: And do you think that would affect your  
3 fairness in this case?

4 PROSPECTIVE JUROR: It might.

10:12:12 5 THE COURT: Okay.

6 PROSPECTIVE JUROR: I'm sorry to say.

7 THE COURT: Thank you.

8 PROSPECTIVE JUROR: Juror 49. My husband and I were  
9 audited twice.

10:12:33 10 THE COURT: Okay. Would that fact have any ability --  
11 or have any affect on your ability to be a fair juror in this  
12 case?

13 PROSPECTIVE JUROR: It's possible, Your Honor.

14 THE COURT: You think it could influence you?

10:12:43 15 PROSPECTIVE JUROR: I think it might.

16 THE COURT: Okay. Thank you.

17 PROSPECTIVE JUROR: I'm Juror 50, and my husband and I  
18 were audited in '75, and the government said we hadn't paid our  
19 taxes that were due, and we had. And we kept mailing back to  
20 them our canceled check showing we had paid them, and they  
21 still kept sending us notices saying we owed them. We finally  
22 had to hire a lawyer, and he sent a legal letter, and we  
23 finally got it resolved after we paid the lawyer's fees. So I  
24 think I would be a little bit partial.

10:13:27 25 THE COURT: Okay. Thank you.

10:13:29 1 PROSPECTIVE JUROR: Thank you.

2 PROSPECTIVE JUROR: Juror Number 4. I was audited in  
3 about '74, '75.

4 THE COURT: Would the audit have any effect upon your  
10:13:51 5 fairness in this case?

6 PROSPECTIVE JUROR: No.

7 THE COURT: Thank you.

8 Any other responses?

9 I see no hands.

10:14:11 10 This question really touches upon what some of you  
11 just said, so I'm going to ask it by saying, if you've already  
12 answered this question for us, you don't have to answer it  
13 again. But let me ask it to see if there's anybody else  
14 that's covered by it.

10:14:27 15 Have you, a member of your family or a close personal  
16 friend ever been audited or investigated or been the subject  
17 of collection efforts or had other extensive contact with the  
18 IRS or a state Department of Revenue or other taxing  
19 authority?

10:14:43 20 So if that's happened and you haven't already told us  
21 about it, please raise your hand.

22 PROSPECTIVE JUROR: Juror Number 4. My aunt is going  
23 through something with taxes. I have no clue. I just know  
24 that she's going through it. Never inquired.

10:15:08 25 THE COURT: Okay. Would your aunt's experience have

10:15:10 1 any effect upon your fairness in this case?

2 PROSPECTIVE JUROR: No.

3 THE COURT: Thank you.

4 PROSPECTIVE JUROR: Juror Number 5. I've been audited  
10:15:19 5 by the IRS and I got into kind of a letter exchange over a  
6 disputed tax bill.

7 THE COURT: Okay. Would that have any effect upon  
8 your fairness in this case?

9 PROSPECTIVE JUROR: I would try not to let it. You  
10:15:33 10 know, I can't guarantee it, but I'll try not to let it.

11 THE COURT: Okay. I will tell you -- and this is  
12 probably relevant to what others have said, that one of the  
13 instructions I'll give the jury is that you should decide this  
14 case solely on the basis of the facts presented in the  
10:15:48 15 courtroom and the law as I give it to you in instructions, and  
16 you should not be influenced by any personal dislikes or  
17 passions or prejudice or sympathy. You should really decide  
18 the case on the basis of the facts presented during the trial.

19 Do you think that you could do that, sir?

10:16:05 20 PROSPECTIVE JUROR: Yeah, I think I can do that.

21 THE COURT: Okay. Thank you.

22 PROSPECTIVE JUROR: Juror Number 6. We were audited  
23 once about 30 years ago, and that would not have any bearing on  
24 my ability to make a fair assessment of this case.

10:16:20 25 THE COURT: Thank you.



10:16:21 1 PROSPECTIVE JUROR: You're welcome.

2 PROSPECTIVE JUROR: Juror Number 7. I currently got  
3 audited in '01 and -- through the state, and I'm still having  
4 to have it resolved. It shouldn't make any --

10:16:38 5 THE COURT: Do you think you could be fair to both --  
6 PROSPECTIVE JUROR: Yeah, I could be fair.  
7 THE COURT: -- sides in this case?  
8 PROSPECTIVE JUROR: Yeah.  
9 THE COURT: Okay. Thank you.

10:16:45 10 PROSPECTIVE JUROR: Juror Number 8. My company has  
11 been routinely audited by the IRS and no problems and nothing  
12 that would affect my decisions.  
13 THE COURT: All right. Thank you.

14 PROSPECTIVE JUROR: Juror Number 11. My husband and I  
15 have a notification from the State of Arizona for tax year  
16 2007, and I have no problems.  
17 THE COURT: So you think you could be fair to both  
18 sides in this case?  
19 PROSPECTIVE JUROR: Yes.  
10:17:25 20 THE COURT: Okay. Thank you.  
21 PROSPECTIVE JUROR: Juror Number 13. My husband's  
22 business has an ongoing audit. It has not been resolved yet.  
23 THE COURT: All right. Would that fact have any  
24 effect on your fairness if you were placed on this jury?  
10:17:44 25 PROSPECTIVE JUROR: No, it would not.

10:17:46 1 THE COURT: Thank you.

2 PROSPECTIVE JUROR: Jury Number 19. I have an audit  
3 pending, and I don't know the result yet.

4 THE COURT: All right. Would that audit or the fact  
10:18:07 5 that it's pending have any effect upon your fairness in this  
6 case?

7 PROSPECTIVE JUROR: It's hard to say. I mean, you're  
8 asking -- if the opinion comes one way or the other.

9 THE COURT: Well, you mean depending on how the audit  
10:18:26 10 comes out, it will affect you?

11 PROSPECTIVE JUROR: I would try not to be impartial --  
12 or partial.

13 THE COURT: Okay. Well, let me ask you, if I can,  
14 because this is an important question, the same question that I  
10:18:36 15 asked Juror 5 a moment ago.

16 We're going to instruct the jurors to set aside  
17 personal feelings and to decide this case strictly on the  
18 basis of the evidence they hear during the trial.

19 Do you think you could do that?

10:18:48 20 PROSPECTIVE JUROR: With that kind of a question, yes.

21 THE COURT: Okay. Thank you.

22 PROSPECTIVE JUROR: Juror Number 25. My husband's  
23 paycheck was garnished in 1990 for taxes.

24 THE COURT: Okay. You're Juror 25; is that right?

10:19:12 25 PROSPECTIVE JUROR: Yes.

10:19:12 1 THE COURT: Okay. Is there anything about that  
2 experience that would affect your fairness in this case?

3 PROSPECTIVE JUROR: No, Your Honor.

4 THE COURT: Thank you.

10:19:20 5 PROSPECTIVE JUROR: Juror 26. My youngest son, whose  
6 name is very similar to mine, part of his wages two years ago  
7 was attached to me. A couple letters, we got it straightened  
8 out real quick. There's no problem.

9 THE COURT: Would that affect your fairness in this  
10:19:36 10 case?

11 PROSPECTIVE JUROR: No, sir.

12 THE COURT: Okay. Thank you.

13 PROSPECTIVE JUROR: Juror Number 27. About 14 years  
14 ago, we were audited, and it was cleared up through just a  
10:19:44 15 couple letter exchanges.

16 THE COURT: Would it have any effect upon your  
17 fairness in this case?

18 PROSPECTIVE JUROR: No.

19 THE COURT: Thank you.

10:19:52 20 Any other responses?

21 PROSPECTIVE JUROR: Juror Number 35. I was audited --  
22 audited by the State of Arizona. It was successfully resolved.

23 THE COURT: Would it affect your fairness in this  
24 case?

10:20:18 25 PROSPECTIVE JUROR: No, Your Honor.

10:20:19 1 PROSPECTIVE JUROR: Juror Number 39. Just trying to  
2 set up payment plans with the IRS took several letters and  
3 frustration.

4 THE COURT: All right. Would that experience affect  
10:20:28 5 your ability to be fair in this case?

6 PROSPECTIVE JUROR: I don't think so.

7 THE COURT: Okay. Thank you.

8 Any other responses?

9 I see no hands.

10:20:46 10 Again, for this next question, if you've already  
11 answered it for us you don't have to answer it again. It's a  
12 bit more general in nature.

13 Have you or your family members or close friends ever  
14 had a negative experience with the United States government or  
10:21:00 15 any agency or subdivision of the government which would cause  
16 you to be unable to be a fair and impartial juror in this  
17 case?

18 I see no hands.

19 As already indicated, this is a criminal case brought  
10:21:24 20 by the United States against defendant Janice Sue Taylor. The  
21 charges are income tax evasion and willful failure to file a  
22 tax return.

23 Do you hold any beliefs, feelings, biases or  
24 prejudices against these types of prosecutions such that you  
10:21:43 25 doubt your ability to sit as a fair and impartial juror in

10:21:49 1 this case?

2 I see no hands.

3 Let me ask the question the other way.

4 Do you hold any beliefs, feelings, biases or  
10:21:56 5 prejudices against individuals who are prosecuted for this  
6 kind of a crime that you think would affect your ability to be  
7 a fair and impartial juror in this case?

8 PROSPECTIVE JUROR: Juror Number 18. Again with my  
9 MBA -- MBA background, I feel I would be a huge detriment to --  
10:22:23 10 to the plaintiff's case.

11 THE COURT: To the defendant?

12 PROSPECTIVE JUROR: To the defendant, yes.

13 THE COURT: Okay. Thank you.

14 Any other responses?

10:22:34 15 PROSPECTIVE JUROR: I see no hands.

16 In this case, the defendant, Ms. Taylor, has chosen  
17 to represent herself. She will have the aid of an attorney,  
18 Ms. Anderson, but Ms. Taylor will be the one who is  
19 representing herself during the trial, and she has a  
10:22:50 20 constitutional right, as does any criminal defendant, to  
21 represent herself.

22 Ms. Taylor has been advised that she would be at a  
23 great disadvantage by representing herself because she is not  
24 a trained attorney. The law does not allow me to assist her  
10:23:07 25 or to relax the rules that govern the trial in this case

10:23:11 1 because she is representing herself.

2 Likewise, the attorneys for the United States must  
3 treat the defendant as if she were a trained attorney in terms  
4 of the way they present evidence and handle matters in the  
10:23:23 5 courtroom.

6 Further, the fact that a defendant has chosen to  
7 represent herself must not enter into the jury's  
8 deliberations.

9 Will the fact that the defendant has chosen to  
10:23:34 10 represent herself in this case cause you to be less than a  
11 fully impartial and fair juror? If so, please raise your  
12 hand.

13 I see no hands.

14 In some way, each of you are either investors in the  
10:23:59 15 United States through the Social Security system or recipients  
16 of some benefit that is derived from tax revenues paid into  
17 the United States.

18 Would the fact that you are receiving or are to  
19 receive any benefit now or in the future from the United  
10:24:12 20 States government in any way persuade you to favor the  
21 government's case during this trial?

22 I see no hands.

23 Would the fact that you have filed tax returns while  
24 Ms. Taylor is accused of not having filed tax returns make it  
10:24:34 25 difficult for you to serve as a fair and impartial juror in

10:24:37 1

this case?

2

I see no hands.

3

Will you, if selected as a juror, hold prejudice against Ms. Taylor in this case because she chose to dispute the government's accusations?

10:24:58 5

6

No hands.

7

Do any of you have difficulty remaining alert if you're sitting during a long period of time?

8

9

PROSPECTIVE JUROR: I'm Juror 47. I seem to have trouble following things quite clearly.

10:25:31 10

11

THE COURT: Okay. Do you think that would make -- is it a matter of hearing them or is it a matter of being able to just pay attention?

12

13

14

PROSPECTIVE JUROR: Hearing.

10:25:42 15

16

THE COURT: Do you think that would affect your ability to follow what we're doing --

17

PROSPECTIVE JUROR: I believe it may.

18

THE COURT: Okay. Thank you.

19

Any other responses?

10:25:56 20

21

PROSPECTIVE JUROR: Juror Number 25. Your Honor, I work at night and I'm used to sleeping during the day.

22

THE COURT: Okay. You think that would make you drowsy during the day?

23

24

PROSPECTIVE JUROR: Yes.

10:26:06 25

THE COURT: Is it possible for you to miss work during

10:26:08 1 the course of the trial?

2 PROSPECTIVE JUROR: It is.

3 THE COURT: Okay.

4 PROSPECTIVE JUROR: It is possible for me to miss  
10:26:13 5 work, yes.

6 THE COURT: So could you sleep during the night so  
7 that you would be able to be attentive during the day if you  
8 were placed on the jury?

9 PROSPECTIVE JUROR: I couldn't -- working during the  
10:26:23 10 night for the past 15 years, I don't --

11 THE COURT: You're not sure you can reverse those  
12 sleep habits. Okay, so do you think it would be hard for you  
13 to remain alert during the trial?

14 PROSPECTIVE JUROR: I do, Your Honor.

10:26:38 15 THE COURT: Okay. Thank you.

16 PROSPECTIVE JUROR: Jury Number 2. English is my  
17 second language, and I'm having understanding the conversation,  
18 sir. I'm sorry.

19 THE COURT: Okay. It's difficult for you to follow  
10:26:59 20 the conversation?

21 PROSPECTIVE JUROR: Yes.

22 THE COURT: Thank you.

23 PROSPECTIVE JUROR: Sorry about that.

24 THE COURT: That's all right.

10:27:05 25 Any other responses?



10:27:21 1 Let me ask another question related to the fact that  
2 this is a tax case. Because this case concerns tax matters,  
3 do any of you think that if you were to sit on this jury and  
4 return a not guilty verdict, you would fear that the  
10:27:38 5 government might focus on you as a taxpayer in auditing you or  
6 taking other IRS action? If any of you have that fear, please  
7 raise your hand.

8 I see no hands.

9 Have any of you received benefits such as  
10:27:56 10 unemployment insurance, food stamps, welfare, student loans,  
11 or any other assistance from the federal government? If so,  
12 please raise your hand.

13 PROSPECTIVE JUROR: Number 4. Food stamps,  
14 unemployment --

10:28:16 15 THE COURT: I'm sorry, ma'am.

16 PROSPECTIVE JUROR: Number 4. I've received food  
17 stamps, unemployment, welfare. I can't remember the other one.

18 THE COURT: Okay. Would the fact that you've received  
19 those benefits from the federal government affect your ability  
10:28:29 20 to be a fair juror in this case?

21 PROSPECTIVE JUROR: No.

22 THE COURT: Thank you.

23 PROSPECTIVE JUROR: Juror Number 6. We received food  
24 stamps when we were in college.

10:28:42 25 THE COURT: All right. Would that fact affect your

10:28:44 1 ability to be a fair juror in this case?

2 PROSPECTIVE JUROR: No.

3 THE COURT: Thank you.

4 PROSPECTIVE JUROR: Juror Number 7. I collected  
10:28:53 5 unemployment when I was working probably about 13 years ago.

6 THE COURT: Would that fact have any effect upon your  
7 fairness in this case?

8 PROSPECTIVE JUROR: No, sir.

9 THE COURT: Thank you.

10:29:04 10 PROSPECTIVE JUROR: Juror Number 8. I had  
11 unemployment in my -- I guess it was early '80s, but would not  
12 affect this case.

13 THE COURT: All right. Thank you.

14 PROSPECTIVE JUROR: Juror Number 16. I received  
10:29:20 15 student loans when I was in college.

16 THE COURT: Okay.

17 PROSPECTIVE JUROR: They've been satisfied.

18 THE COURT: I'm sorry, what was that?

19 PROSPECTIVE JUROR: They've been satisfied.

10:29:27 20 THE COURT: All right. Would that fact affect your  
21 fairness in this case?

22 PROSPECTIVE JUROR: No.

23 THE COURT: Thank you.

24 PROSPECTIVE JUROR: Juror Number 18. Currently  
10:29:43 25 unemployed, so I am accepting food stamps, unemployment. I

10:29:48 1 have student loans through the federal government as well.

2 THE COURT: Okay. Would that fact affect your ability  
3 to be a fair juror in this case?

4 PROSPECTIVE JUROR: No.

10:29:57 5 THE COURT: Thank you.

6 PROSPECTIVE JUROR: Juror Number 22. I received  
7 student loans and grants, and I think once I got food stamps as  
8 a college student.

9 THE COURT: Okay. Would those benefits have any  
10:30:10 10 effect upon your fairness in this case?

11 PROSPECTIVE JUROR: They would not, Your Honor.

12 THE COURT: Thank you.

13 PROSPECTIVE JUROR: Juror Number 24. I have received  
14 student loans and grants in college, but it wouldn't affect me.

10:30:26 15 THE COURT: Okay. Thank you.

16 PROSPECTIVE JUROR: Juror Number 27. I also have  
17 received student loans and grants in college, and it would not  
18 affect my fairness.

19 THE COURT: Thank you.

10:30:43 20 PROSPECTIVE JUROR: Juror 29. 69 years ago,  
21 unemployment insurance.

22 THE COURT: And would that fact affect your fairness  
23 in this case?

24 PROSPECTIVE JUROR: No, sir.

10:30:52 25 THE COURT: Thank you.

10:30:56 1 PROSPECTIVE JUROR: Juror 30. Last year I received  
2 unemployment, and that would hold no bearing here.

3 THE COURT: Okay. Thank you.

4 PROSPECTIVE JUROR: Juror Number 39. My husband  
10:31:15 5 received unemployment.

6 THE COURT: Would that affect your fairness in this  
7 case?

8 PROSPECTIVE JUROR: No.

9 THE COURT: Thank you.

10:31:23 10 PROSPECTIVE JUROR: Juror Number 40. I received  
11 student loans and I received unemployment in the early '90s.

12 THE COURT: Okay. Would that have any effect upon  
13 your fairness here?

14 PROSPECTIVE JUROR: No.

10:31:35 15 THE COURT: Thank you.

16 PROSPECTIVE JUROR: Juror Number 43. I am currently  
17 attending ASU courtesy of federal Pell Grants and student loans  
18 from the Department of Education.

19 THE COURT: Would that affect your fairness in this  
10:31:51 20 case?

21 PROSPECTIVE JUROR: I do not believe so, Your Honor.

22 THE COURT: All right. Thank you.

23 PROSPECTIVE JUROR: Juror Number 44. Student loans in  
24 '83, '95 JTPA and unemployment. Would not have any bearing.

10:32:07 25 THE COURT: Thank you.

10:32:09 1 PROSPECTIVE JUROR: Juror 45. I collected  
2 unemployment.

3 THE COURT: Would that affect your fairness in this  
4 case?

10:32:15 5 PROSPECTIVE JUROR: No.

6 THE COURT: Thank you.

7 PROSPECTIVE JUROR: Juror Number 48. Student loans.  
8 It would have no impact on any decision.

9 THE COURT: Thank you.

10:32:31 10 Any other responses to that question?

11 I see no hands.

12 I will instruct you on the law at the conclusion of  
13 this case. If you are selected as a juror, you will take an  
14 oath to follow the law.

10:32:46 15 Does anyone think that you would have trouble  
16 following that instruction and following the law if you find  
17 that you disagree with the law?

18 I see no hands.

19 Here are some fundamental principles of law. The  
10:33:02 20 fact that an indictment has been filed against the defendant  
21 raises no presumption whatsoever concerning the guilt of the  
22 defendant. The United States government must satisfy you  
23 beyond a reasonable doubt that the defendant is guilty. The  
24 defendant does not have any obligation to testify or to  
10:33:22 25 produce any evidence, and you may not draw an adverse

10:33:26 1 inference if the defendant chooses not to testify.

2 The defendant is presumed to be innocent until her  
3 guilt is established beyond a reasonable doubt. You must wait  
4 until all of the evidence has been presented before making up  
10:33:42 5 your minds as to the guilt of the defendant.

6 Do any of you believe that you would have difficulty  
7 following any of these principles of law?

8 I see no hands.

9 All right. Ladies and gentlemen, we recognize, as I  
10 indicated earlier, that jury service is probably inconvenient  
11 for you, taking away -- taking you away from your jobs and  
12 families and disrupting your daily routines. But as I also  
13 indicated, jury service is one of the most important duties  
14 that citizens in this country can perform. For this reason,  
10:34:16 15 from time to time, we ask citizens to make sacrifices and  
16 serve on juries even when inconvenient. Prospective jurors  
17 can be excused from jury service if the length of the trial or  
18 the daily schedule of the trial would impose undue hardship.  
19 By undue hardship, I mean more than inconvenience. I mean  
10:34:38 20 genuine hardship that would be expected by you or your family.

21 This case will go today and through the end of this  
22 week, through Friday, and quite possibly next week as well.  
23 We wouldn't be in trial on Monday. We would start again on  
24 Tuesday and go as long as necessary in the week. It could --  
10:34:59 25 it could end this week. It could end on Tuesday. But

10:35:03 1 potentially, depending on the evidence, it could go through  
2 next week. We -- we're confident it won't go any longer than  
3 that. So what we're anticipating is that we need to have time  
4 set aside Tuesday through Friday of this week, and Tuesday  
10:35:16 5 through Friday of next week.

6 The daily schedule for the trial is to start at  
7 9 a.m. and go until noon. We take a break about every hour  
8 and a half so folks can take a break from the trial. And it  
9 would then start up after noon, at 1 o'clock, and go until  
10:35:37 10 4:30, usually, in the afternoon.

11 Would this schedule of the trial or the daily  
12 schedule create an undue hardship for any of you? If so,  
13 please raise your hand.

14 PROSPECTIVE JUROR: I'm an educator. I currently am  
10:35:56 15 also directing and producing a musical that is supposed to  
16 happen next week. We're in rehearsals, dress rehearsals,  
17 throughout the day and we have several shows that are happening  
18 next week, Tuesday, Wednesday, Thursday during the day. I run  
19 all the music and direct all the music for that. I don't have  
10:36:13 20 a replacement.

21 THE COURT: Okay. Where is it you teach?

22 PROSPECTIVE JUROR: At Arizona Lutheran Academy.

23 THE COURT: And you are Juror Number 12.

24 PROSPECTIVE JUROR: Correct. I'm sorry.

10:36:27 25 THE COURT: Okay. Thank you.

10:36:28 1

Lisa.

2

PROSPECTIVE JUROR: Jury Number 2. I have to put 32 hours at work in order to keep my health insurance.

3

THE COURT: And if you missed work, you'd lose your health insurance?

10:36:47 5

6

PROSPECTIVE JUROR: If I lose 30 -- I have to put 32 hours there in one week.

7

THE COURT: Okay.

8

PROSPECTIVE JUROR: It is a requirement.

10:36:53 10

11

THE COURT: And if you don't, then you don't have health insurance?

12

PROSPECTIVE JUROR: My understanding. I don't know if I'm gonna lose it or not. I have to put 32 hours.

13

14

THE COURT: Do you know if your employer excuses you for jury service?

10:37:04 15

16

PROSPECTIVE JUROR: Yes.

17

THE COURT: Okay. Thank you.

18

PROSPECTIVE JUROR: Juror 13. My youngest daughter is having her first child on Saturday, and I am needed to help her.

10:37:30 20

21

THE COURT: And would that affect -- is she out of state?

22

23

PROSPECTIVE JUROR: No.

24

THE COURT: Would that affect you other than on the weekend?

10:37:38 25



10:37:39 1 PROSPECTIVE JUROR: Just she's coming to my home after  
2 the baby is born to have her mom help her.

3 THE COURT: That's -- that would be next week?

4 PROSPECTIVE JUROR: Yes.

10:37:49 5 THE COURT: And that's a scheduled delivery?

6 PROSPECTIVE JUROR: Yes.

7 THE COURT: Okay. Thank you.

8 PROSPECTIVE JUROR: Juror Number 18. As I said, I am  
9 unemployed. I'm not sure how this will affect my unemployment.

10:38:10 10 Kind of should be out looking for work.

11 THE COURT: All right. Thank you.

12 PROSPECTIVE JUROR: Juror 30. This Friday is Good  
13 Friday, one of the holiest days. I don't think -- you know, I  
14 don't think -- I have already attended -- or intend to attend

10:38:40 15 with my family church.

16 THE COURT: Okay.

17 PROSPECTIVE JUROR: Would prefer.

18 THE COURT: All right. Thank you.

19 PROSPECTIVE JUROR: I'm a teacher's assistant in a

10:38:56 20 special needs kindergarten class, and I'm the only aide in

21 there. And currently, my teacher had an appendectomy on

22 Saturday, so she will be gone all week, and it's really tough

23 on the special needs kids to have no one they know in the

24 classroom.

10:39:11 25 THE COURT: Okay. You're Juror 27?

10:39:13 1

PROSPECTIVE JUROR: Yes.

2

3

4

THE COURT: So if I understand you correctly, there will be substitutes, but it's the fact that they're special needs and they wouldn't know them that creates the problem.

10:39:23 5

6

7

8

9

PROSPECTIVE JUROR: Right. They're going to have to have a substitute that they don't know. And usually it works somewhat okay if I'm there, you know, someone they know is there. But with me gone, there will be -- they're not going to get a substitute for me and there will be a substitute teacher alone in that classroom.

10:39:37 10

11

12

13

14

THE COURT: Okay. Thank you.

PROSPECTIVE JUROR: Juror 33. Friday's a school holiday, and I was already taking the day off to watch them. I have two elementary year old kids, ten and eight.

10:39:57 15

16

17

18

19

THE COURT: Okay. Is that -- could you make other arrangements for the kids on that day?

PROSPECTIVE JUROR: At -- at this point, I don't know that I could. It's because they don't have after care and things like that going on.

10:40:09 20

21

22

23

24

THE COURT: Okay. Thank you.

PROSPECTIVE JUROR: Juror 37. I'm the sole caregiver for my young children. They're five and seven. My husband works full time and cannot care for them this week due to court commitments. It's also Holy week, and I have plans for service attendance with my family Maundy Thursday and Good Friday.

10:40:31 25

10:40:35 1 THE COURT: So it's more than Friday?  
2 PROSPECTIVE JUROR: Yes.  
3 THE COURT: Okay. All right. Thank you.  
4 PROSPECTIVE JUROR: Juror Number 43, Your Honor.  
10:40:50 5 Finals at ASU are in three weeks. I need to attend these next  
6 two weeks in order to do well to retain my scholarship for next  
7 year, which is what permits me to attend.  
8 THE COURT: All right. Thank you.  
9 Any other responses?  
10:41:08 10 All right.  
11 All right. We -- we've got a few more subjects to  
12 cover, but I think we're going to take a break for a few  
13 minutes.  
14 Ladies and gentlemen, let me ask you to do a couple  
10:41:18 15 of things on the break. One is, please don't talk to each  
16 other or anybody else about this case. That's an instruction  
17 that I'll be giving the jury throughout the trial, because it  
18 is very important that any information people receive about  
19 the trial is what happens here in the courtroom during the  
10:41:33 20 trial. So during the break, please don't talk about this case  
21 with anybody or allow anybody to discuss it with you.  
22 Secondly, if you would, just put that sheet with your  
23 number on it on your seat so that when you come back in, you  
24 sit in the same place.  
10:41:49 25 There are rest rooms in both directions on this

10:41:52 1 floor. We're going to take a 15-minute break, so we'll resume  
2 at about five minutes to the hour. We'll excuse the jury at  
3 this point.

4 And Juror 43, could you stick around for just a  
10:42:03 5 minute.

6 (Excused jury panel members exit the courtroom.)

7 THE COURT: Juror 43, are you missing class this  
8 morning?

9 PROSPECTIVE JUROR: Yes, sir, I have class right now  
10:43:11 10 actually.

11 THE COURT: Would it help if we excused you now? It's  
12 a quarter to 11:00.

13 PROSPECTIVE JUROR: Today's class has already been  
14 missed.

10:43:20 15 THE COURT: Okay. All right. I just thought if we  
16 could save a class for you today, we would. Okay. Thanks.

17 All right. We'll be back in 15 minutes.

18 (Recess taken from 10:43 to 11:00. Proceedings  
19 resumed in open court with the jury present.)

11:00:33 20 PROSPECTIVE JUROR: All rise. Court is now in  
21 session.

22 THE COURT: Thank you. Please be seated.

23 All right. Just a couple of other questions, members  
24 of the jury panel.

11:00:46 25 Do any of you have any other reason that you haven't

11:00:49 1 mentioned, such as a physical difficulty, a health problem or  
2 a home problem that might interfere with your serving as a  
3 fair and impartial juror in this case?

4 I see no hands.

11:01:14 5 PROSPECTIVE JUROR: Juror Number 2. I have -- I just  
6 drive short distance, and I'm having problem get here. I just  
7 have to ask for ride someone.

8 THE COURT: Transportation issues?

9 PROSPECTIVE JUROR: Yes, sir. And I have bad  
11:01:28 10 directions. By bus.

11 THE COURT: Okay. Thank you.

12 All right. Members of the jury, that sheet that you  
13 have, on the back of it, on the other side from the number,  
14 has ten subjects. What we would like to do is start with  
11:01:43 15 Juror Number 1, have you stand up and state your juror number,  
16 and then just give us briefly the information called for in  
17 those ten subjects.

18 Near the end, there's a question about prior jury  
19 service. If you've served in the past on a criminal jury,  
11:01:58 20 please tell us the nature of the crime that was charged and  
21 the outcome of the case, whether it was guilty or not guilty  
22 or no verdict.

23 If you served on a civil jury, such as a lawsuit over  
24 a traffic accident or to recover money or something of that  
11:02:13 25 sort, then you can just tell us it was a jury in a civil case,

11:02:15 1 you don't need to describe it.

2 All right. We'll start with Juror 1.

3 PROSPECTIVE JUROR: Juror Number 1. I live in the  
4 West Valley. I've lived there over ten years. I have a  
11:02:27 5 bachelor's degree in business administration. I am married. I  
6 have three children, two of which are under 18, 17 and 12. I  
7 work for a bank. I've been there over 20 years. I work in the  
8 ATM and debit card fraud as a financial crimes manager. I --  
9 besides working there 20 years, I used to work in retail.

11:02:54 10 My spouse currently works for a liquor distributor  
11 company. Prior to that, he did work in Department of  
12 Corrections for Arizona, and he was also in the military.

13 I don't belong to any organizations. For hobbies, I  
14 either bake or take pictures of my family. And I -- this is  
11:03:14 15 my first jury service.

16 THE COURT: All right. Thank you.

17 PROSPECTIVE JUROR: Juror Number 2.

18 THE COURT: Ma'am, could you speak up just a little  
19 bit. It's a little hard to hear you.

11:03:24 20 PROSPECTIVE JUROR: Juror Number 2. I live on the  
21 west side of the Valley. Lived there for about 20 years. I  
22 finished high school in the Philippines. And I'm divorced. I  
23 have two children, one is 17 and one is 24. I work at Great  
24 Clips for hair. And I go to church and watch Filipino channel,  
11:03:57 25 my hobbies. And number 10, I don't think this applies to me.

11:04:02 1 THE COURT: Have you ever been on a jury?  
2 PROSPECTIVE JUROR: No, sir.  
3 THE COURT: Okay. Thank you.  
4 PROSPECTIVE JUROR: You're welcome.  
11:04:12 5 PROSPECTIVE JUROR: Juror Number 3. I live in  
6 Scottsdale, Arizona. Have been there about five years. I  
7 graduated high school. I'm married. Four children. And my  
8 hobbies are hiking and swimming. And I have had prior jury  
9 service in Colorado. One criminal case that was to do with  
11:04:33 10 drugs, and it was three different cases tried in one with three  
11 different lawyers. And there was two convictions, a guilty and  
12 one not guilty.  
13 THE COURT: Okay. And do you have any information  
14 that responds to Number 8?  
11:04:49 15 PROSPECTIVE JUROR: No.  
16 THE COURT: Okay. And have you had any employment of  
17 any kind?  
18 PROSPECTIVE JUROR: Yes. We owned our own businesses  
19 for most of our life. And then 1990, I went to work for the  
11:05:02 20 federal government as a forest service employee.  
21 THE COURT: Okay. Thank you.  
22 PROSPECTIVE JUROR: Juror Number 4. I live in the  
23 West Valley. Lived there about five months. I have a degree  
24 in elementary education. My marital status is single. Two  
11:05:23 25 children above 18. Right now, I'm disabled. I've worked

11:05:30 1 customer service rep as well, billing --

2 THE COURT: I'm sorry, ma'am, I couldn't hear that.

3 PROSPECTIVE JUROR: Billing requirement for GTE,

4 airport, wheelchairs. Right now, I'm disabled. Currently no  
11:05:51 5 spouse.

6 I have been on the board when my son was in day care.

7 Hobbies is reading. No prior jury service.

8 THE COURT: Thank you.

9 PROSPECTIVE JUROR: I'm Juror Number 5. I've been in

11:06:09 10 the East -- East Valley for just about four years now.

11 Education, I have an associate's degree in computer technology.

12 I'm married. No children. I'm now retired. I worked for 30  
13 years as a technician and as an instructor for Bell Tel.

14 My spouse is currently a school teacher here in the  
11:06:33 15 East Valley.

16 Number 8 doesn't apply. Number 9, play golf, that  
17 type of thing. And I've had jury service before three times,  
18 all civil.

19 THE COURT: Thank you.

11:06:51 20 PROSPECTIVE JUROR: I'm Juror Number 6. I've lived 23

21 years in Apache Junction. I have a master's degree. My major

22 was German. I am married. I have one child over 18. I taught

23 for 30 years. I'm currently retired. And I've also been a

24 waitress. And my husband and I had a business of our own, silk

11:07:11 25 screening.



11:07:12 1 My husband is also retired. And he's had all kinds  
2 of jobs, bus driver, radio announcer, teacher, doing the silk  
3 screening.

4 I've been in the National Education Association and  
11:07:28 5 the American Association of Teachers of German, of which I was  
6 president for two years. I enjoy hiking, reading, physical  
7 activity, travelling. And I served on a criminal jury. It  
8 was for burglary, and the defendant was found guilty. That  
9 was in Pinal County.

11:07:54 10 THE COURT: All right. Thank you.

11 PROSPECTIVE JUROR: I'm Juror Number 7. I reside in  
12 Peoria, been there eight years. I graduated from high school.  
13 I'm currently married. I have three children. I currently  
14 have two jobs. I work at Dollar Rent-a-Car and I do security  
11:08:13 15 for the Phoenix Coyotes.

16 And my wife doesn't work.

17 I collect memorabilia for -- as my hobby. And this  
18 is my first time as a juror.

19 THE COURT: Thank you.

11:08:31 20 PROSPECTIVE JUROR: Juror Number 8. I live in  
21 Chandler, Arizona, been there for eight years. I have a  
22 bachelor's degree in business administration. I'm married.  
23 Have two children over 18. I own and operate McDonald's  
24 franchises here in the Valley. Have done that since I was 16.  
11:08:48 25 And typed a little bit, and title insurance in college.

11:08:54 1 My spouse has taught in secondary education. Also,  
2 we own a convenience gas station up in Washington state that  
3 he operates.

4 I've been involved in Rotary in the past, but not  
11:09:08 5 currently. Hobbies are sports and recreation, and I have  
6 never been on a jury before.

7 THE COURT: Thank you.

8 PROSPECTIVE JUROR: I'm Juror Number 9. I've lived in  
9 the Maryvale area for -- since 1974. I do have a high school  
11:09:34 10 education. I am married with two children and one  
11 granddaughter, who is graduating high school next month.

12 I'm presently retired. The last four years I've  
13 worked for the Sun City West fire district as a mechanic. And  
14 prior to that, I've been a mechanic all my life.

11:09:53 15 My wife is currently working for Michael's.

16 I am -- well, at one time, I was a member of the IAM  
17 union. I'm presently a member of the American Model -- well,  
18 Academy of Model Aeronautics. And my hobbies is  
19 radio-controlled flying.

11:10:14 20 And I've been summoned for jury service in the past,  
21 but for one reason or another, I've been excused.

22 THE COURT: All right. Thank you.

23 PROSPECTIVE JUROR: Juror Number 10. I currently  
24 reside in Scottsdale. I've lived there for 15 years. I have a  
11:10:31 25 bachelor's degree in child development and family studies. I'm

11:10:35 1 currently married. Two children, 9 and 12. I am a behavioral  
2 therapist. I've worked with children, birth to three, and  
3 adolescent parents. My spouse is an architect. I'm a current  
4 board member of our local little league. I love gardening,  
11:10:52 5 hiking, sewing. And I've had no prior jury service.

6 THE COURT: Thank you.

7 PROSPECTIVE JUROR: Juror Number 11. I live in East  
8 Mesa for 15 years, and I don't like speaking in public, sorry.

9 I have an AAS in manufacturing technology. I'm  
11:11:12 10 married. I have two children. I am currently employed at  
11 General Dynamics as a manufacturing engineer, where I've been  
12 for 26 years.

13 My husband works in construction the last 20 years,  
14 and he worked in the mines before that.

11:11:26 15 I belong to the American Legion Auxiliary, the NRA,  
16 and -- excuse me -- the Arizona Elk Society. My hobbies are  
17 gardening, camping, and hunting. And I was on one previous  
18 criminal trial, and he was found guilty of attempted  
19 possession of a narcotic substance.

11:11:49 20 THE COURT: Thank you.

21 PROSPECTIVE JUROR: I'm Juror Number 12. I live in  
22 the Laveen area for the last seven years. I have an elementary  
23 education degree and several certifications in high school,  
24 teaching in several states. And I'm currently in a master's  
11:12:07 25 program for music ed.

11:12:10 1 I'm married. I have three kids. Three boys, 13, 12,  
2 and 3. I've been employed for 20 years at -- as a music  
3 educator in three different high schools.

4 My wife is also in the education field. She's  
11:12:27 5 currently the learning coordinator/tutor at our school.

6 I'm in several Arizona and national-based music  
7 organizations. Music Educators National Conference and  
8 American Choral Directors, and the American Band Directors  
9 Association. Anything sports or music, I'm involved with.

11:12:52 10 And have never been in jury service.

11 THE COURT: Thank you.

12 PROSPECTIVE JUROR: Juror Number 13. I have lived in  
13 East Mesa for 20 years. I have a high school education. I'm  
14 married. Have four children. I work in the winter from first  
11:13:17 15 day of December until about the first of April running a fruit  
16 stand in Mesa. My husband owns a pest control business.

17 I've been involved in booster clubs and that at the  
18 school level and also my church. I enjoy most outdoor  
19 activities, a lot of sports. I've been on prior jury service.

11:13:44 20 It's been quite a while, but there was a criminal case that  
21 was land fraud, and I believe there was six defendants. One  
22 was not guilty and the others were guilty.

23 THE COURT: Thank you.

24 PROSPECTIVE JUROR: I'm Juror 14. I've lived in  
11:14:01 25 Scottsdale for about ten years. Went to college for two years

11:14:05 1 but moved overseas so I didn't finish. I'm married. I've got  
2 two children, 13 and 19. I'm currently unemployed. My husband  
3 has a software business. My hobbies are tennis and biking, and  
4 no prior jury service.

11:14:24 5 THE COURT: Thank you.

6 PROSPECTIVE JUROR: I'm Juror Number 15. I live in  
7 Superior Arizona for 16 years. I got a certification in  
8 physical therapy technician from Apollo College. I'm single.  
9 Got no kids. I work for a Florence processing center in  
11:14:52 10 Florence, Arizona. I'm a detention officer. Number 8 doesn't  
11 apply. My hobbies are sports and spending time with my family  
12 and friends, and this would be my first jury.

13 THE COURT: Is there anything about your work as a  
14 detention officer that would affect your ability to be a fair  
11:15:09 15 juror in this case?

16 PROSPECTIVE JUROR: No, sir.

17 THE COURT: All right. Thank you.

18 PROSPECTIVE JUROR: Juror Number 16. I live in  
19 Gilbert, so I've been there for about seven years now. I have  
11:15:21 20 a Bachelor's of Science in pharmacy. I'm divorced. No kids.  
21 I work in a retail pharmacy as a pharmacist. I'm a member of  
22 the Arizona Pharmacy Alliance. I like anything  
23 physical-fitness related, playing sports, that sort of thing.  
24 And the only jury service that I have wasn't civil or criminal,  
11:15:43 25 I served on a grand jury for the Arizona Superior Court.

11:15:47 1 THE COURT: All right. How long ago were you on the  
2 grand jury?

3 PROSPECTIVE JUROR: That was 2003.

4 THE COURT: Is there anything about your service on  
11:15:53 5 the grand jury that would affect your ability to be a fair  
6 juror in this case?

7 PROSPECTIVE JUROR: No.

8 THE COURT: Thank you.

9 PROSPECTIVE JUROR: Juror Number 17. I live in South  
11:16:05 10 Tempe. Been in the same house for 20 years. Graduate of the  
11 United States Air Force Academy, and I have a master's degree  
12 from Arizona State. I'm currently divorced. I have two  
13 children over 18. Currently employed as an airline pilot. I'm  
14 a captain for Delta Airlines based in New York City. And in  
11:16:29 15 that capacity, also an instructor and a check airman.

16 My former spouse of 18 years was a small business  
17 owner as an interior designer.

18 I'm a member of the Airline Pilot's Association.  
19 Recreationally, travel to the corners of the world. And never  
11:16:50 20 been on a jury.

21 THE COURT: Thank you.

22 PROSPECTIVE JUROR: Juror Number 18. Live in Mesa.  
23 Been there for about a year. Have a bachelor's in business and  
24 marketing and a master's in business administration. Marital  
11:17:10 25 status, I'm married. I have two stepchildren over 18.

11:17:15 1 Currently unemployed. Have been employed in the retail  
2 industry and just currently as a business development for a  
3 construction company. Spouse works as a merchandiser for a  
4 retail environment.

11:17:34 5 Alumni member at University of Phoenix. My hobbies  
6 consist of painting, sculpting, drawing, photography. And  
7 never been on a jury before.

8 THE COURT: Thank you.

9 PROSPECTIVE JUROR: Juror Number 19. I live in the  
11:17:54 10 Chandler area and have for the last seven years. I have a  
11 Bachelor of Arts degree in business and economics. Married.  
12 Four grown children. I'm retired from the Bell System, and  
13 worked for 34 years in the Seattle and New York and Portland,  
14 Oregon area. My wife is a home manager.

11:18:24 15 And the various organizations I've been associated  
16 with were generally of a professional nature related to  
17 business, and I served in most of the offices of those  
18 organizations.

19 I enjoy golf, bike riding. And I've never been  
11:18:43 20 called for jury duty before.

21 THE COURT: Thank you.

22 PROSPECTIVE JUROR: Juror Number 20. I live in  
23 Gilbert. Lived at my current residence for eight years. Have  
24 an associate's in business management. I am not married. I  
11:18:55 25 have no children. I currently work in real estate and coach

11:18:59 1 competitive cheerleading. Nothing for Number 8. I enjoy  
2 vacationing and outdoor activities, and I have not served on a  
3 jury.

4 THE COURT: Thank you.

11:19:08 5 PROSPECTIVE JUROR: I'm Juror Number 21. I live in  
6 Surprise. I've been in that current residence for seven years.  
7 I have a bachelor's degree with a double major in mathematics  
8 and education. I also have an MBA in business. I'm married.  
9 I have two grown children. I spent most of my working career  
11:19:27 10 in information technology. My wife was mostly a homemaker.

11 I have served in a multitude of civic and other  
12 organizations, most recently as a treasurer of my HOA. I'm  
13 also a member of the West Valley Genealogical Society. My  
14 hobbies include geocaching and genealogical research. I have  
11:19:50 15 never served on a jury.

16 THE COURT: Thank you.

17 PROSPECTIVE JUROR: I'm Juror Number 22. I've lived  
18 in Northwest Phoenix at my current residence for 28 years. I  
19 have a bachelor's degree in English and German literature, and  
11:20:06 20 I have a master's degree in English literature. I'm single. I  
21 have no children. I'm currently employed with a social service  
22 agency with the city on a temporary contract. Before that I  
23 was retired. I was retired for three-and-a-half years, and I  
24 previously worked for 23 years with a government social service  
11:20:27 25 agency. And before that, I was in academics for six or eight



11:20:31 1 years as a graduate teaching assistant.

2 I don't belong to any civil organizations at the  
3 current time. I have lots of hobbies. I like music and  
4 literature. I like to travel. I like movies. I swim every  
11:20:45 5 day. And I've never had prior jury service, although I was  
6 once called and rejected for the jury.

7 THE COURT: What was the government social service  
8 agency you worked for?

9 PROSPECTIVE JUROR: I worked for Maricopa County Human  
11:21:00 10 Services Department for 23 years.

11 THE COURT: All right. Thank you.

12 PROSPECTIVE JUROR: Juror Number 23. I live in Mesa,  
13 Arizona, for five years. I have a high school diploma.  
14 Married with four children. I'm currently a developer for a  
11:21:16 15 charter school company in the southwest. My wife is a finance  
16 manager for the same charter school company. I do boating and  
17 motorcycle riding. And no prior jury service.

18 THE COURT: Thank you.

19 PROSPECTIVE JUROR: Juror Number 24. Live in Chandler  
11:21:36 20 for 16 years. Have a Bachelor's of Science in electrical  
21 engineering and married with two kids, 10 and 11. Currently  
22 working in Intel as an IT engineer. And my husband works at  
23 Motorola as a systems engineer.

24 I belong to the Society of Women Engineer. Hobbies,  
11:22:06 25 just hang out with kids and friends. Was a potential juror

11:22:12 1 for a civil case that settled out of court.

2 THE COURT: Thank you.

3 PROSPECTIVE JUROR: Juror Number 25. I've lived in  
4 Goodyear, Arizona for ten years. I have a phlebotomy  
11:22:30 5 certificate program. I'm married. I have two children over  
6 the age of 18. I'm employed by Sonora Quest. My spouse is  
7 employed by United States Post Office. My hobbies are  
8 shopping, and I have served on no jury.

9 THE COURT: Thank you.

11:22:53 10 PROSPECTIVE JUROR: Juror 26. Live in the West  
11 Valley. Current residence, I've been there about four months,  
12 but I've been in the West Valley for over 20 years. Education  
13 is high school. Marital status, married. Four children, one  
14 under the age of 18. Employment, I work part time for a  
11:23:16 15 company that my wife and I started 20 years ago that we sold in  
16 2005, and we both work there part time right now.

17 I was a member of the IBEW, and I served on the  
18 Peoria, Arizona planning and zoning commission for a year.  
19 Hobbies are fishing and playing my guitar. And I've never  
11:23:40 20 served on a jury.

21 THE COURT: What's the nature of the business that you  
22 work in?

23 PROSPECTIVE JUROR: Electrical contractor.

24 THE COURT: All right. Thank you.

11:23:48 25 PROSPECTIVE JUROR: I'm Juror Number 27. I currently

11:23:50 1 live in Gilbert and have lived there for 15 years. I have a  
2 Bachelor of Science in nursing. I am currently married. I  
3 have four children and the ages of the ones under 18 are 17 and  
4 14 -- and 13.

11:24:06 5 I am currently employed as a paraprofessional for  
6 Gilbert Public Schools. I've worked also as a nurse and also  
7 in child care. My spouse currently is the director of  
8 transportation for Casa Grande elementary schools, and he's  
9 also drove bus.

11:24:27 10 The personal organization I belong to currently is  
11 Boy Scouts of America. I currently am a committee member at  
12 the unit level. I've also held -- been a -- helped with cub  
13 scout day camp at the council level as a program director. I  
14 like to camp and hike, and I have no prior jury service.

11:24:55 15 THE COURT: Thank you.

16 PROSPECTIVE JUROR: Juror 28. I've lived in Mesa for  
17 44 years. Current residence, 12 years. I have no higher  
18 education. I'm married. Two kids over age 20. I'm a database  
19 coordinator at a hospital in North Phoenix. My husband is a  
11:25:16 20 small business owner and previous member of NRA and United  
21 States Practical Shooting Association.

22 I like to camp, fly fish, hunt. I'm a master  
23 marksman. And I like to enter cooking contests, even though I  
24 never get picked. And I did have -- I was on a criminal jury  
11:25:36 25 back I think around 2000, 2001. It was a DUI, and the person

11:25:41 1 was convicted.

2 THE COURT: Thank you.

3 PROSPECTIVE JUROR: 29. I've lived in north central  
4 Phoenix for the last 13 years. I have a bachelor's degree in  
11:25:51 5 business. I'm married. Two grown children. I work for Dell  
6 Computer and I've been involved in IT industry for a long time.

7 No civil organizations. Cooking, reading, collecting  
8 firearms. No prior jury service.

9 THE COURT: Thank you.

11:26:10 10 PROSPECTIVE JUROR: Juror Number 30. I live in the  
11 West Valley for six years. I have had some higher education.  
12 Marital -- marital status, married of 24 years. Four children,  
13 two in college and one 17 and 13.

14 Employment, I'm self-employed. I have an interior  
11:26:31 15 design business. My husband has worked for FedEx as a  
16 operations manager. And we are very active in our church as  
17 we've both taught multiple levels of grade levels. We're also  
18 very active in MS bike races and homeless shelters. And my  
19 hobbies are reading, swimming, hiking. And I have never  
11:27:02 20 served on a jury service.

21 THE COURT: Thank you.

22 PROSPECTIVE JUROR: Jury Number 31. I've been in the  
23 East Valley for over 30 years and at my current residence for  
24 about five. I've got an accounting degree from the University  
11:27:18 25 of Minnesota. I've been married -- I'm still currently

11:27:22 1 married. I have three children over the age of 30. I retired  
2 five years ago from 32 years in the grocery business. I now  
3 work for the Phoenix Suns and the Arizona Diamondbacks.

4 My spouse just retired this last year from 35 years  
11:27:35 5 in the -- teaching in the Chandler school district. No to  
6 Number 8. We love to play golf and travel. And I was a jury  
7 foreman in a civil case back in '93.

8 THE COURT: Thank you.

9 PROSPECTIVE JUROR: I'm Juror Number 32. I've lived  
11:27:53 10 in Peoria, Arizona for 61 years, 21 at my residence. I've got  
11 my GED. I also hold 14 -- 15 certifications from the State of  
12 Arizona, ADEQ. I'm married 38 years. I have four kids all  
13 over 20. I've been mostly -- I've worked all my life in  
14 construction. I've been with the city 26 -- almost 27 years as  
11:28:17 15 a utility locator. My wife is a homemaker.

16 I'm a member of the union AFSME, Local 3282. I'm  
17 past president, on the board currently and also steward. And  
18 my hobbies are hunting, fishing, camping, gold panning, and  
19 I'm also a musician. Have been since I was 12. And I haven't  
11:28:39 20 had any jury service.

21 THE COURT: Thank you.

22 PROSPECTIVE JUROR: Juror Number 33. I live in the  
23 Ahwatukee area and have lived there for 15 years. I have a  
24 master's degree in mechanical engineering. I'm currently  
11:29:03 25 married. Have two children, ages 10 and 8. I've been employed

11:29:07 1 as an electrical engineer for the last 20 years. My spouse is  
2 also in the technology semiconductor area, but she's in  
3 finance.

4 Civil, social, those type of organizations, I'm in  
11:29:23 5 some professional organizations surrounding electrical  
6 engineering. Also been involved in First Robotics and some  
7 other organizations with my children. Hobbies are reading and  
8 hiking. Prior jury service, I've been drawn but never chosen.

9 THE COURT: Thank you.

11:29:42 10 PROSPECTIVE JUROR: I'm Juror 34. I've lived in  
11 Scottsdale for the last 20 years, North Scottsdale. Education,  
12 I've got a master's degree in psychiatric social work and a  
13 Ph.D in sociology.

14 I'm divorced. Two children under 18, two over.

11:30:04 15 Employment: Taught at ASU. Been a director of a number of  
16 social service agencies providing services to people with  
17 disabilities. Been a member of various professional  
18 organizations. Was the chairman of the human services  
19 commission for the City of Scottsdale. Hobbies, play the  
11:30:32 20 guitar, ride a motorcycle, general things like that. And I've  
21 never had jury experience.

22 THE COURT: Thank you.

23 PROSPECTIVE JUROR: Juror Number 35. We reside in the  
24 Northwest Valley, Peoria area for two years. Education,  
11:30:55 25 bachelor's degree, math, economics, graduate work, contract

11:31:00 1 management. I'm currently married, two children. I'm retired  
2 from the federal government defense contract management agency,  
3 various management positions.

4 My spouse is -- my wife is a homemaker, but a former  
11:31:20 5 contracting officer for the military.

6 I'm a member of the National Association of Retired  
7 Federal Employees, Naval Reserve Association, American Legion.  
8 Hobbies, golf, travel, reading. And prior jury service, I  
9 have never been selected as a juror.

11:31:45 10 THE COURT: Thank you.

11 PROSPECTIVE JUROR: Hi, Juror Number 36. I live in  
12 the far East Valley. 14 years. Bachelor in Criminal Justice.  
13 Single. No children. I retired two years ago from General  
14 Motors. I worked for GMAC, their financing and admin  
11:32:02 15 department.

16 Don't belong to any organizations. Hobbies, horses.  
17 I've never been picked for jury duty.

18 THE COURT: Thank you.

19 PROSPECTIVE JUROR: Juror 37. I've lived in north  
11:32:15 20 central Phoenix for ten years. I have a bachelor's degree in  
21 business and a law degree. I'm married. I have four children,  
22 ages 21, 14, 8, and 5. I've been a lawyer my entire  
23 professional career. I'm currently a partner with a local  
24 civil litigation firm, but I've been on leave since 2005 to  
11:32:41 25 raise my family.

11:32:43 1 My spouse is also a partner with the same civil  
2 litigation firm and has held that position his entire  
3 professional career.

4 I hold various positions on committees with my church  
11:33:00 5 and in my children's school. I also do volunteer fundraising  
6 for Susan G. Komen and Phoenix Children's Hospital.

7 My hobbies are photography, cooking, travel, and  
8 spending time with my family. And I have served on a criminal  
9 jury in a DUI case.

11:33:22 10 THE COURT: And the result?

11 PROSPECTIVE JUROR: She was found guilty.

12 THE COURT: All right. Thank you.

13 PROSPECTIVE JUROR: I'm Juror 38. I've lived in  
14 Scottsdale for the past ten years. My business major in  
11:33:45 15 college was -- my major in college was business. Married for  
16 45 years. I have two children over 18. I was in the health  
17 field. Also in banking. My husband is currently employed at  
18 Southwest Microwave. He's an engineer.

19 And very active in our church in fundraising. My  
11:34:21 20 husband and I both served on the board of directors for the  
21 New Horizons Youth Ministries for ten years.

22 My hobbies are preschool children. I'm currently  
23 working there three days a week in the morning with three,  
24 four year olds as a volunteer. And I like to bowl. And I've  
11:34:46 25 never been chosen to serve on a jury.



11:34:50 1 THE COURT: Thank you.

2 PROSPECTIVE JUROR: Juror Number 39. I reside in the  
3 East Valley 15 years. I have a bachelor's in health care  
4 management and IT minor. I'm married. Two children over the  
11:35:04 5 age of 18. I work as charge entry for a medical billing  
6 office.

7 My husband works in the insurance field.

8 I'm an organizer with some professional  
9 organizations. I like reading, outside activities, biking,  
11:35:23 10 swimming. I've been on a criminal case. He was found guilty,  
11 fleeing and drunk driving.

12 THE COURT: Thank you.

13 PROSPECTIVE JUROR: Juror Number 40. I've lived in  
14 North Scottsdale for 12 years now. I have a bachelor's degree  
11:35:40 15 in architecture. I'm divorced. No children. My ex-husband  
16 and I still have a now very small architecture firm. No  
17 organizations -- professional organizations right now. I enjoy  
18 cooking, golf, and hiking. And I have no prior jury service.

19 THE COURT: Thank you.

11:36:03 20 PROSPECTIVE JUROR: Juror 41. I live in Surprise for  
21 the past ten years. I have an associate's degree in design.  
22 I'm currently married. Have three kids ages 2, 5, and 10. I  
23 work for a mechanical engineering company.

24 My wife is a homemaker. Involved in organizations  
11:36:21 25 geared around mechanical engineering. Currently hobbies are

11:36:26 1 coach a club -- girls' club softball team. And no prior jury  
2 service.

3 THE COURT: Thank you.

4 PROSPECTIVE JUROR: Juror 42. I live in the North  
11:36:37 5 Valley. I've lived there for about the last eight years. I  
6 have a degree in information technology. I'm married. I have  
7 two children, four and eight. I'm currently employed with a  
8 local health care company as a information technology security  
9 specialist.

11:36:57 10 My wife is a school teacher at an elementary school  
11 in the North Valley. I have no -- nothing for Number 8.  
12 Hobbies are pretty much whatever I want to do that day. And I  
13 have no prior jury service.

14 THE COURT: Thank you.

11:37:17 15 PROSPECTIVE JUROR: I'm jury -- Juror 43. I live in  
16 Central Phoenix. I've been at that residence for about two  
17 months, been in the Valley four years. I have a high school  
18 diploma and I'm a junior at ASU with a major in finance and  
19 commuter -- computer information systems.

11:37:33 20 I'm married. We have two girls, four and  
21 one-and-a-half, and I will have a baby boy any day now.

22 I'm employed at a mid-size cable company as a billing  
23 software development and support analyst. My wife is employed  
24 as a nurse's aide at Hospice of the Valley, and is also a  
11:37:54 25 full-time student.

11:37:55 1 I am a student member of the Society of American  
2 Military Engineers, and I am also a deputy board member for  
3 the Arizona chapter of the Amateur Softball Association.  
4 Through that, I also umpire men's and girl's fast pitch, as  
11:38:13 5 well as Division III NCAA and others. With my schedule, I  
6 guess that would pass as a hobby. And I have no prior jury  
7 service.

8 THE COURT: Thank you.

9 PROSPECTIVE JUROR: Juror 44. I was born here in  
11:38:31 10 Phoenix. Currently reside in North Phoenix. Education, I've  
11 got a degree, worked for licensed mechanic in the airline  
12 industry for 25 years, with a background in engineering,  
13 architectural and mechanical.

14 I'm married. We have three daughters, one grandson,  
11:38:51 15 three. My wife is in the medical field. Currently a CCRC  
16 working oncology.

17 I've been president of the homeowners' association,  
18 shop steward IM Teamsters, member of the NRA. And no prior  
19 jury service.

11:39:07 20 THE COURT: Thank you.

21 PROSPECTIVE JUROR: Juror Number 45. I'm from San  
22 Manuel. Have lived there my whole life. High school  
23 education. Single. No kids. Work at ASARCO mine. Belong to  
24 the United Steel Workers Union, Local 886. No hobbies. First  
11:39:28 25 time.

11:39:33 1 THE COURT: Thank you.

2 PROSPECTIVE JUROR: I'm Jury 46. I've lived in  
3 Central Phoenix for 20 years. I have a high school education.  
4 I'm married with three children. I'm retired from the City of  
11:39:49 5 Phoenix. My wife works for the food service industry. I like  
6 to play golf. And jury service was civil.

7 THE COURT: Thank you.

8 PROSPECTIVE JUROR: I'm Juror 47. I live in far East  
9 Mesa for like 11 years. I've lived in the Phoenix area for the  
11:40:16 10 last -- since 1963. High school education. Divorced. Three  
11 kids. I'm currently retired. Used to drive a semi back and  
12 forth to California for twenty-some years.

13 I belong to Teamsters. Hobbies, I like to bowl and  
14 whatever else I can get into. Prior jury service, I've been  
11:40:47 15 called numerous times but never served.

16 THE COURT: Thank you.

17 PROSPECTIVE JUROR: Juror Number 48. Currently live  
18 in north central Phoenix, Squaw Peak area, for the past nine  
19 years. I have a BA in communications, public relations, and  
11:41:07 20 another BA in education from the University of Northern Iowa.  
21 Go Panthers. Single. No kids. I currently teach eighth grade  
22 social studies. Civics is part of our curriculum, so it's kind  
23 of cool being here.

24 I also coach basketball, football, track. I'm also  
11:41:27 25 the athletic director. And sometimes I moonlight as a

11:41:30 1 freelance bartender.

2 As far as professional organizations, I guess I'm a  
3 member of the Arizona Education Association. And I serve on  
4 several committees at school.

11:41:48 5 Hobbies, any type of recreational activity I can get  
6 into. Never been selected for a jury, although I did serve on  
7 a mock practice trial once, if that counts.

8 THE COURT: All right. Thank you.

9 PROSPECTIVE JUROR: I'm Juror 49. I live in Mesa, and  
11:42:13 10 I've lived there 16 years. After high school, I went to  
11 secretarial school, got a degree from that. I am married. I  
12 have two adult children. I'm currently retired. My prior job  
13 was as a records tech for the Mesa Police Department. I worked  
14 there more than ten years. Prior to that I was a graduation  
11:42:37 15 analyst for a college.

16 My husband is also retired. He was a terminal  
17 manager for a large trucking company. Prior to that, he had  
18 his own truck. He was an owner-operator.

19 Number 8, no civil, fraternal, union or professional  
11:42:59 20 organization. I enjoy gardening, biking, reading. I've been  
21 on three juries, all of them civil trials.

22 THE COURT: Thank you.

23 PROSPECTIVE JUROR: I'm Juror 50. My general location  
24 is Surprise. For ten years we've lived there. My education is  
11:43:17 25 high school. I'm married. I have three adult daughters. I'm

11:43:22 1 retired. I did floral designing. My husband worked for Kmart  
2 for over 30 years as manager, district manager. Eight, I have  
3 nothing. I like outdoor sports. And I have never served on a  
4 jury duty.

11:43:44 5 THE COURT: All right. Thank you.

6 Members of the jury panel, did any of you on the  
7 panel know any other member of the panel before this morning?

8 I see no hands.

9 All right. Mr. Galati or Mr. Knapp, do you have any  
10 follow-up questions?

11 MR. GALATI: Briefly, Your Honor.

12 THE COURT: Yeah, why don't you come to the lecturn,  
13 please, for those.

14 MR. GALATI: Thank you.

11:44:08 15 Your Honor, if I might, I would like to ask  
16 Juror Number 35 a follow-up question.

17 Sir, you told us about the situation with your wife  
18 and the criminal case that she was involved in. You  
19 testified, I believe you said.

11:44:23 20 PROSPECTIVE JUROR: Yes. I was a witness.

21 MR. GALATI: Do you believe your wife was treated  
22 fairly or unfairly by the process?

23 PROSPECTIVE JUROR: That's an interesting question.  
24 I'm going to say unfairly.

11:44:37 25 MR. GALATI: Can you tell me who or what it was that

11:44:40 1 you believe treated your wife unfairly?

2 PROSPECTIVE JUROR: It was a DUI case, and I thought  
3 the arresting officers did not do their job properly.

4 MR. GALATI: Was there anyone else in the process that  
11:44:51 5 you think was unfair?

6 PROSPECTIVE JUROR: No.

7 MR. GALATI: Is there anything about the fact that you  
8 felt -- you feel that those police officers treated your wife  
9 unfairly, I believe you said it was in the '70s; is that right?

11:45:05 10 PROSPECTIVE JUROR: I'm sorry, say again.

11 MR. GALATI: Was it in the '70s? I apologize.

12 PROSPECTIVE JUROR: No, this was 2003.

13 MR. GALATI: I'm sorry. 2003. Is there anything  
14 about the fact that you believe that those police officers  
11:45:17 15 treated your wife unfairly that would affect your ability to be  
16 fair and impartial in this case, assessing the evidence in this  
17 case?

18 PROSPECTIVE JUROR: Right --

19 MR. GALATI: Did you say no?

11:45:25 20 PROSPECTIVE JUROR: -- I would say no.

21 MR. GALATI: Thank you, sir.

22 Your Honor, the other questions I would have, if  
23 you'll permit, several of the jurors indicated they had been  
24 part of an audit. I wanted to ask them each individually, if  
11:45:36 25 you'll permit, if they believe they were treated fairly or

11:45:39 1       unfairly during the audit process.

2               THE COURT: Well, I think each of them either  
3 indicated that it would or would not affect their fairness in  
4 this case. I think that probably covers it.

11:45:48 5               MR. GALATI: All right, Your Honor. Thank you.

6               THE COURT: Okay. Thanks.

7               Ms. Taylor, do you have any follow-up questions?

8               MS. TAYLOR: Hello. Yes, I'd like to ask this -- I'd  
9 like to ask if any of the jurors here have any -- can you just  
11:46:34 10 raise your hands if you have any discrepancy about people that  
11 don't file their tax returns. If you have any ill-feelings  
12 about people, whether you think that they should be  
13 automatically punished or whether you think that maybe there  
14 are taxpayers and there are nontaxpayers.

11:46:58 15               THE COURT: So what you're after is people who would  
16 have any ill-feelings toward people who don't pay taxes?

17               MS. TAYLOR: Right.

18               THE COURT: Okay. If anybody fits into that category,  
19 please raise your hand.

11:47:10 20               Juror 18.

21               MS. TAYLOR: Let me write those down, please. 9, 11,  
22 12, 16. She's turned away. Hold them up. I've already got  
23 yours, 16.

24               All right. My next question would be --

11:48:07 25               THE COURT: Before you leave that, I want to ask a



11:48:08 1 follow-up question of those individuals.

2 Of those of you who just raised your hands, as I  
3 indicated earlier, we will be instructing you that you should  
4 decide the case on the basis of the facts presented during the  
11:48:23 5 trial and the law and not on the basis of personal prejudices  
6 or sympathy.

7 Do any of you who just raised your hand think that  
8 because of those feelings you have, you would have difficulty  
9 being a fair and impartial juror in this case? If so, please  
11:48:37 10 raise your hand again.

11 Okay. Juror 18, you've already indicated that and  
12 you've raised your hand. Thank you.

13 Anybody else?

14 No hands.

11:48:48 15 Okay. Go ahead, Ms. Taylor.

16 MS. TAYLOR: Okay. I guess, I am here, as you well  
17 know, on a tax issue. I have my preferences and my reasons for  
18 being here and for my beliefs. I don't believe that I have  
19 been allowed a jury of my peers today, and I have asked this  
11:49:22 20 Court to get me a jury of my peers, and by that I mean people  
21 that are like me and like you, that some do pay their taxes for  
22 reasons that they believe, some don't pay their taxes for  
23 reasons that they have a belief in.

24 For this reason, I have asked for a jury of my peers  
11:49:50 25 which were guaranteed by the constitution of the United

11:49:52 1 States --

2 THE COURT: Excuse me, Ms. Taylor, I'm going to  
3 interrupt you for a minute. We're now focused on questions of  
4 the jurors.

11:49:58 5 Do you have a question that you would like to ask  
6 rather than making a statement that you're making.

7 MS. TAYLOR: Okay. Yes. If -- do you believe that  
8 you are able -- okay, first of all, has anybody here been  
9 versed in the law?

11:50:23 10 THE COURT: Well, we --

11 MS. TAYLOR: Anybody studied the law or been versed in  
12 the law?

13 THE COURT: Excuse me, Ms. Taylor, two comments. One  
14 is we've already asked about people having legal training, and  
11:50:32 15 we've got that information. And as I indicated earlier, this  
16 is the opportunity for you to ask follow-up questions of  
17 individual jurors based on their answers earlier, rather than  
18 to go into whole new areas, which we had identified before.

19 So if you would, why don't you focus on whether you  
11:50:46 20 have follow-up questions on any of the answers the jurors  
21 gave.

22 MS. TAYLOR: All right. Let's see.

23 How many people here are federal employees or have  
24 been federal employees?

11:51:07 25 THE COURT: I do think we got that information

11:51:08 1 earlier, Ms. Taylor. Do you have a question for those who are  
2 federal employees?

3 MS. TAYLOR: Yes. Well, yes. You have been? And how  
4 many years did you work?

11:51:20 5 PROSPECTIVE JUROR: (Number 3) Ten years for U.S.  
6 Forest Service.

7 MS. TAYLOR: Ten years. And that was a government  
8 position?

9 PROSPECTIVE JUROR: Yes.

11:51:33 10 THE COURT: This is Juror --

11 MS. TAYLOR: And you no longer -- you no longer work  
12 there?

13 PROSPECTIVE JUROR: No, I'm retired.

14 MS. TAYLOR: You get a retirement pay from them?

11:51:44 15 PROSPECTIVE JUROR: Yes.

16 THE COURT: This is Juror 3. Okay. Thanks Juror 3.

17 So you want to ask follow-up questions to others who  
18 are federal employees or former federal employees.

19 Okay. Let's have those folks raise their hands  
11:51:56 20 again, please.

21 PROSPECTIVE JUROR: (Number 35) Your question is how  
22 long was I a federal employee?

23 MS. TAYLOR: How long were you a federal employee?

24 PROSPECTIVE JUROR: Five years as a naval officer, 33  
11:52:17 25 years as a federal employee.

11:52:21 1 MS. TAYLOR: And do you draw unemployment currently  
2 from the Feds? Do you get pension or whatever from the Feds?

3 PROSPECTIVE JUROR: I'm retired, yes.

4 MS. TAYLOR: Yes. Okay.

11:52:32 5 Okay. That's all.

6 THE COURT: Let me -- before you hand away the mike.  
7 Juror 35, would the fact that you were a federal employee or  
8 that you now get a retirement from the federal government  
9 affect your ability to be a fair juror in this case?

11:52:45 10 PROSPECTIVE JUROR: No, it wouldn't, Your Honor.

11 THE COURT: How about Juror 3?

12 PROSPECTIVE JUROR: No, I don't think it would.

13 THE COURT: Could you hear that, Ms. Taylor, that  
14 answer?

11:52:53 15 MS. TAYLOR: Yes, I did.

16 THE COURT: Okay.

17 PROSPECTIVE JUROR: I'm Juror 22. I didn't mention  
18 that I worked for a summer in 1969 for the Veterans

19 Administration as a student worker, and also in 1970 for the

11:53:07 20 post office for the summer for six or eight weeks. That's the  
21 sole extent of my federal experience. I wasn't in the military  
22 either.

23 MS. TAYLOR: How long would that be, all total?

24 PROSPECTIVE JUROR: I would estimate roughly 16 weeks,  
11:53:26 25 eight weeks one summer, and eight weeks in another summer.

11:53:30 1 MS. TAYLOR: So you don't draw any unemployment --

2 PROSPECTIVE JUROR: No. That was just a very

3 low-paying student internship job.

4 MS. TAYLOR: Temporary. Okay.

11:53:39 5 THE COURT: Any other federal employees here?

6 PROSPECTIVE JUROR: Juror Number 23. I'm retired --

7 THE COURT: Sir, could you stand just so we can all

8 hear you clearly.

9 PROSPECTIVE JUROR: Yes. Juror 23. I'm retired Air

11:53:51 10 Force, 20 years, and I do receive a pension.

11 MS. TAYLOR: Okay. Thank you.

12 THE COURT: Before you hand away the mike, Juror 23,

13 would the fact that you receive a pension or that you were with

14 the Air Force for a number of years affect your fairness if you

11:54:07 15 were placed on this jury?

16 PROSPECTIVE JUROR: No, it won't.

17 THE COURT: All right. Thank you.

18 MS. TAYLOR: Can I only ask questions that were just

19 asked in this last round or --

11:54:27 20 THE COURT: I'm not sure I understand your question.

21 MS. TAYLOR: The questions that you asked --

22 THE COURT: Yeah. You can ask follow-ups to the

23 answers that were given in response to the questions I asked.

24 MS. TAYLOR: The ones that you asked previously?

11:54:38 25 THE COURT: Right. So the idea is to -- if there's

11:54:39 1 answers you want to follow up on or information on those  
2 subjects that you don't think was elicited, you can ask about  
3 that.

4 MS. TAYLOR: All right.

11:54:52 5 There's quite a few people here that answered that  
6 they had audits going on. The people that had the audits  
7 going on, can you raise your hand and tell me how you feel  
8 about those audits, are you in the middle of them, are they  
9 ending, are you -- I know you said -- some of you people, you  
11:55:17 10 said that they were -- where they were at, but your feeling  
11 towards them. Are you happy -- were you -- are you happy that  
12 the government's auditing you or are you mad that the  
13 government's auditing you, some kind of feeling that way.

14 THE COURT: Ms. Taylor, you're talking about people  
11:55:36 15 who are currently in an audit?

16 MS. TAYLOR: Yeah, that have had audits. Some of them  
17 here said that they were in an audit or they had an audit --

18 THE COURT: In the past.

19 MS. TAYLOR: -- quite a few of them did.

11:55:46 20 THE COURT: All right. Mr. Galati asked a similar  
21 question. He wanted to ask if people felt they had been  
22 treated unfairly in the audit, and I indicated in response to  
23 his question that I think every person who had been audited, I  
24 asked if it would affect their fairness. Some said yes, some  
11:56:01 25 said no, so I think that's been covered.

11:56:03 1 MS. TAYLOR: Okay.

2 All right.

3 Is there anybody here that's having tax problems  
4 currently?

11:56:14 5 THE COURT: What do you mean by tax problems,  
6 Ms. Taylor?

7 MS. TAYLOR: Tax problems.

8 THE COURT: You mean an audit, like an enforcement  
9 action or --

11:56:21 10 MS. TAYLOR: Any kind of tax problems --

11 THE COURT: Well --

12 MS. TAYLOR: -- with the IRS. Any IRS -- are they  
13 currently -- currently having --

14 THE COURT: So you're asking if people have current  
11:56:30 15 tax issues with the IRS?

16 MS. TAYLOR: Right. Uh-huh.

17 THE COURT: All right. Folks who have current tax  
18 issues with the IRS, could you raise your hand?

19 Juror 13.

11:56:47 20 PROSPECTIVE JUROR: Juror 13. We have -- it's an  
21 ongoing for years past. It is just kind of in limbo right now.  
22 It hasn't been solved. It hasn't been --

23 THE COURT: And is this the one related to your  
24 husband's business?

11:57:04 25 PROSPECTIVE JUROR: My husband's business, right.

11:57:06 1 THE COURT: All right.

2 MS. TAYLOR: And are you separated right now, are you  
3 together and going through it or --

4 PROSPECTIVE JUROR: We're not separated. We're still  
11:57:12 5 married.

6 MS. TAYLOR: So kind of going through it together?

7 PROSPECTIVE JUROR: Yes.

8 MS. TAYLOR: Okay. How long has it been going on?

9 PROSPECTIVE JUROR: Oh, six years maybe.

11:57:32 10 MS. TAYLOR: Do you anticipate having to pay a lot of  
11 money out on that, or is it just something that's trivial?

12 PROSPECTIVE JUROR: I guess it's relevant to -- there  
13 is quite a large sum of money that is owed.

14 MS. TAYLOR: Um-hmm. And do you think they've been  
11:58:01 15 fair with you?

16 PROSPECTIVE JUROR: Yes.

17 MS. TAYLOR: Okay. Have you looked -- have you worked  
18 with them extensively to try and work out your problems with  
19 them?

11:58:15 20 PROSPECTIVE JUROR: We have an attorney that is doing  
21 that.

22 MS. TAYLOR: Oh, you have an attorney that's doing it.  
23 Okay. All right. That's all. Thank you.

24 Anybody else?

11:58:26 25 THE COURT: Is there anybody else who has a current



11:58:28 1 IRS issue under way?

2 Juror 7 behind you, Lisa.

3 PROSPECTIVE JUROR: I currently have one with the  
4 State of Arizona. I've been dealing with that for about four  
11:58:42 5 years now, maybe five. It will not go away. It keeps coming  
6 back. And every time I do my state taxes, they still keep  
7 taking out, and it seems like it's not getting resolved. So  
8 I'm having to deal with that now. It has not gone away yet.

9 MS. TAYLOR: So if you had your way, you would rather  
11:59:07 10 it be not there than there?

11 PROSPECTIVE JUROR: Right.

12 MS. TAYLOR: Okay.

13 PROSPECTIVE JUROR: Well, I keep paying and then they  
14 keep saying I still owe back, and it goes back. And it seems  
11:59:17 15 to keep getting to be the same amount.

16 MS. TAYLOR: Um-hmm. Do you feel like income tax is  
17 voluntary or mandatory?

18 PROSPECTIVE JUROR: Are you asking me how I feel about  
19 it or --

11:59:30 20 MS. TAYLOR: Yes.

21 PROSPECTIVE JUROR: It's something we've grown to  
22 always have to do. It's -- personal feelings were never  
23 really -- it's something that everybody, every American has to  
24 do, and that's the way I feel about that.

11:59:48 25 MS. TAYLOR: Is that something that you're positive,

11:59:50 1 that you know that?

2 PROSPECTIVE JUROR: Yeah. Positive, yeah.

3 MS. TAYLOR: That's a fact.

4 PROSPECTIVE JUROR: It's something I have to do. If

11:59:56 5 there's a mistake that they've done, then I feel they should,

6 you know, resolve it, but I've done what -- everything I've had

7 to do --

8 MS. TAYLOR: So you feel like --

9 PROSPECTIVE JUROR: -- to get it resolved.

12:00:06 10 MS. TAYLOR: You feel like this is your problem that

11 you've created?

12 PROSPECTIVE JUROR: No. I feel it's their problem at

13 this point.

14 MS. TAYLOR: Oh, okay. All right. Very good.

12:00:15 15 THE COURT: Sir, would those Arizona tax issues affect

16 your ability to be a fair juror in this case?

17 PROSPECTIVE JUROR: No, sir.

18 THE COURT: Thank you.

19 MS. TAYLOR: I think that's all the questions I have

12:01:02 20 at this time, Your Honor.

21 THE COURT: Okay. Thanks, Ms. Taylor.

22 All right. Members of the jury, let me tell you what

23 I'd like to do and see if it's all right with you. We don't

24 want to keep you who are not going to be on the jury here any

12:01:18 25 longer than necessary today. We're at the noon hour and we

12:01:21 1 could take a lunch break for an hour. But I think what I  
2 would prefer to do is excuse you from the courtroom for about  
3 a half hour while we pick the jury. Then have you all come  
4 back in, tell you whose been put on the jury, and then  
12:01:33 5 everybody else will be excused. And then for those who are  
6 put on the jury, we will take a lunch break after that. That  
7 way we don't keep everybody waiting through the lunch hour.

8 Is there anybody who has a concern about that?

9 Okay. It take -- it will take us about a half hour  
12:01:49 10 to get the jury picked. So we'll go ahead and excuse you.  
11 Let me remind you again, please, don't talk about the case  
12 with anybody. As you leave, you can give those sheets to Lisa  
13 on the way out. And when you come back, we can just have you  
14 sit in the back. If you could be ready to come back at 12:30,  
12:02:06 15 please plan to do that.

16 And finally, Juror 18, would you remain for just a  
17 moment, please.

18 And we'll see the rest of you at 12:30. Thanks.

19 (The prospective jury panel exited the courtroom.)

12:02:24 20 THE COURT: All right. Please be seated.

21 All right. Juror Number 18, you had indicated that  
22 you would prefer to talk in a more private setting about the  
23 question regarding conviction of a felony.

24 PROSPECTIVE JUROR: Yes. My wife was convicted in  
12:04:17 25 2005 for failure to protect her two minor children at the time.

12:04:23 1 She was married to another person, not me, and he abused --  
2 sexually abused her older daughter while she was over-the-road  
3 as a truck driver.

4 THE COURT: Okay.

12:04:39 5 PROSPECTIVE JUROR: And because she was over-the-road  
6 and not home, she was the sole provider of the income, they got  
7 her on two counts of failure to protect.

8 THE COURT: Okay. Do you feel that that conviction  
9 would affect your ability to be a fair juror in this case?

12:04:54 10 PROSPECTIVE JUROR: Not at all.

11 THE COURT: Okay. Any follow-up questions from the  
12 government?

13 MR. GALATI: No, Your Honor.

14 THE COURT: Ms. Taylor, any follow-up questions for  
15 Juror 18?

16 MS. TAYLOR: No.

17 THE COURT: Okay. Thank you, sir, for remaining  
18 behind.

19 (Prospective Juror 18 exited the courtroom.)

12:05:21 20 THE COURT: All right. What I want to do now is give  
21 you the names of the individuals that I'm going to excuse for  
22 hardship or related reasons, and they're the following jurors:  
23 I'm going to excuse Juror 2. She's the individual who  
24 indicated that English is a second language and that she was  
12:05:40 25 having difficulty understanding what we were saying.

12:05:45 1 I'm going to excuse Juror 12. He's the one who has  
2 the high school musical under production in the next two  
3 weeks.

12:05:58 4 I'm going to excuse Juror 13. She's the one whose  
5 daughter will have a baby on Saturday and is coming to her  
6 home next week.

7 I'm going to excuse Juror 25. She's the one who  
8 sleeps nights and thinks it would be difficult for her to pay  
9 attention -- oh, thanks. Who doesn't sleep nights. Who  
10 sleeps days.

11 I'm going to excuse Juror 27. She's the aide in the  
12 kindergarten class that is missing its teacher for special  
13 needs kids and feels she needs to be there.

14 At this point, I'm not going to excuse Jurors 30 and  
12:06:44 15 33. I want to see how we do with our number of jurors. They  
16 both have a problem this Friday. And if we were to run short  
17 of jurors and we didn't have a challenge for cause to those  
18 two, we could get around the problem by not being in trial on  
19 Friday. We're planning to now, but if we need them, I'm going  
12:07:02 20 to hold them for a minute. I may end up excusing them if we  
21 don't need them, and that way we can go into trial on Friday.

22 I'm going to excuse Juror 37. She's the one caring  
23 for her kids and has a number of family events planned this  
24 week related to Easter.

12:07:20 25 I'm going to excuse Juror 43. He's the student with

12:07:27 1 final -- finals coming up at ASU who needs to be in class.

2 And I'm going to excuse Juror 47. He's the gentleman  
3 who said he has difficulty focusing and following what's going  
4 on.

12:07:42 5 Mr. Galati or Mr. Knapp, do you have challenges for  
6 cause, and if so, why don't you just identify the juror by  
7 number and I'll see if Ms. Taylor agrees or disagrees with it  
8 before we talk about reasons.

9 No, you're fine right there. In fact, you can remain  
12:08:02 10 seated, Mr. Galati.

11 MR. GALATI: Thank you, Your Honor.

12 Your Honor, I have Juror 18 who said he would favor  
13 the United States based upon his tax training, I believe, or  
14 business training.

12:08:28 15 THE COURT: All right. Ms. Taylor, the government is  
16 challenging Juror 18 for cause. Do you have any objection to  
17 that challenge for cause?

18 MS. TAYLOR: Didn't we wipe him out?

19 THE COURT: No. We didn't. We kept him behind to ask  
12:08:42 20 him about the private matter, the conviction of his wife. But  
21 the government is now challenging him as unfair because he's  
22 the one who said he would favor the government. Do you have an  
23 objection to his being challenged for cause?

24 MS. TAYLOR: No. I don't have any.

12:08:59 25 THE COURT: I'll grant the challenge for cause to

12:09:00 1  
2  
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12:09:15 5  
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12:10:47 15  
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12:12:00 25

Juror 18.

MR. GALATI: Your Honor, we have Juror Number -- Juror Number 5 who was equivocal about whether or not the letter exchange with the IRS would affect his ability to be fair and impartial, I believe.

THE COURT: Your thoughts, Ms. Taylor, on Juror 5.

MS. TAYLOR: Well, Number 5 said that he would try to be impartial.

THE COURT: I agree with that. He did say he would, and he said that he thought he could be. So I'm going to deny that challenge for cause.

MR. GALATI: Your Honor, Juror 28 who indicated that her mother had problems with I believe it was the IRS, had trouble straightening it out, was not treated very well.

THE COURT: Ms. Taylor, your thoughts on Juror 28?

MR. GALATI: And, Your Honor, said it might affect her fairness, is what she said. I apologize.

MS. TAYLOR: That's fine.

THE COURT: I'm going to grant the challenge for cause to Juror 28. She did say that those problems could affect her fairness in the case.

MR. GALATI: Your Honor, Juror 49, who also said she had been audited twice. It was possible that her experience might influence her ability to be fair and impartial.

THE COURT: Ms. Taylor, Juror 49.

12:12:14 1 MS. TAYLOR: 49's okay.

2 THE COURT: So you are not objecting to the challenge  
3 for cause? I will grant the challenge for cause to Juror 49.  
4 She did say that that experience could affect her fairness.

12:12:29 5 MR. GALATI: And Juror Number 50, Your Honor, who  
6 likewise said that -- with regard to an audit in 1975, notices  
7 kept coming, they had to get a lawyer involved to resolve it,  
8 and that all that might cause the juror to doubt her ability to  
9 be fair and impartial.

12:12:49 10 THE COURT: Ms. Taylor, your thoughts on Juror 50.

11 MS. TAYLOR: Um, I liked 50.

12 THE COURT: Okay. I am going to grant the challenge  
13 for cause to Juror 50. She did indicate that she did not  
14 believe she could be fair in light of that experience in 1975.

12:13:10 15 Any other challenges for cause, Mr. Galati?

16 MR. GALATI: That's all we have, Your Honor.

17 THE COURT: All right. Ms. Taylor, do you have  
18 challenges for cause?

19 MS. TAYLOR: One moment, please.

12:13:23 20 THE COURT: Yeah, you can go ahead and confer with  
21 Ms. Anderson. That's fine.

22 MR. KNAPP: Your Honor, while she's doing that, may I  
23 just put something on the record. As the jurors --

24 THE COURT: Why don't you wait just a minute. I want  
12:13:33 25 her to hear what you're putting on the record, so let's wait



12:13:36 1 until she's through talking with Ms. Anderson.

2 MS. TAYLOR: I want to strike --

3 THE COURT: Ms. Taylor, would you pull that mike right  
4 in front of you, please.

12:17:35 5 MS. TAYLOR: Sure.

6 Your Honor, I'd like to strike all of the people that  
7 said that they had ill-will about the questions that I asked  
8 them about the taxes.

9 THE COURT: All right. Your response, Mr. Galati.

12:17:54 10 MR. GALATI: Your Honor, I think that each of the  
11 jurors that remains said that he or she, despite any personal  
12 feelings, can fairly and impartially listen to the evidence and  
13 make a decision in this case. Therefore, I don't think their  
14 personal feelings have anything to do with it, and that's not a  
15 grounds for a strike for cause.

16 THE COURT: I did ask -- go ahead, Ms. Taylor.

17 MS. TAYLOR: But, Your Honor, I specifically asked  
18 them if they had any ill-feelings toward a person that didn't  
19 pay their taxes, and they all said yes.

12:18:27 20 THE COURT: And I then asked them a follow-up question  
21 as to whether or not those who had raised their hands would be  
22 influenced during the trial such that they could not be fair  
23 and impartial, and the only juror of those who had raised their  
24 hand who raised his hand again was Juror 18, who has already  
12:18:44 25 been challenged for cause.

12:18:46 1 So I'm going to deny the challenge for cause as to  
2 the rest of them because they did indicate that they could be  
3 fair and impartial.

4 MS. TAYLOR: Okay. On Juror Number 44, he works for  
12:19:03 5 the IRS -- or his uncle worked for the IRS. And there's a good  
6 chance that he could be in contact with other people that we  
7 wouldn't know about.

8 THE COURT: All right. Mr. Galati.

9 MR. GALATI: Your Honor, I wrote down here "fair to  
12:19:20 10 both," so to me my note means he said he could be fair to both  
11 sides despite his uncle's association with the IRS. So I -- I  
12 object to that motion.

13 THE COURT: Well, I did ask him what his uncle did  
14 with the IRS. He said he didn't know. I think he made the  
12:19:34 15 comment that he appears -- his picture's in the paper from time  
16 to time. I asked him if his uncle's work for the IRS would  
17 have any effect upon his ability to be fair and impartial in  
18 this case, and he said it would not. And so I'm going to deny  
19 that challenge for cause.

12:20:56 20 MS. TAYLOR: Your Honor --

21 THE COURT: Yes, ma'am.

22 MS. TAYLOR: -- I'd like to strike Number 4.

23 THE COURT: And the basis?

24 MS. TAYLOR: It appears that she's receiving quite a  
12:21:10 25 few federal benefits and doesn't -- and doesn't seem to --

12:21:23 1 she's having quite a bit of problems, it sounded like, and I  
2 think their mind would be more scattered somewhere else than it  
3 would be directed right here. She seemed to have a lot of  
4 problems going on in her life.

12:21:39 5 THE COURT: My notes reflect that she's the one --  
6 well, actually, my notes don't reflect this. My memory is that  
7 she's the one who worked for the forest service and draws  
8 retirement from the forest service. Is that her? No?

9 MS. TAYLOR: No.

12:21:54 10 MR. GALATI: No, Your Honor.

11 MS. TAYLOR: No, that's not -- no.

12 THE COURT: Okay. What federal benefits are you  
13 referring to -- oh, I know what you mean. I'm sorry, I'm  
14 thinking of another one. Yeah. She's the one who said she's  
15 drawing food stamps and unemployment and similar benefits.  
16 What were the problems that you're referring to that you think  
17 could cause difficulty?

18 MS. TAYLOR: Well, it seemed like she had a lot of  
19 family problems that she was more devoted to that was dragging  
12:22:19 20 her down and that she was, you know -- just didn't act like she  
21 wanted to even be here.

22 THE COURT: Mr. Galati.

23 MR. GALATI: I don't think the juror said or did  
24 anything that would indicate a challenge for cause is  
12:22:35 25 appropriate.

12:22:39 1 THE COURT: Well, I am going to grant the challenge  
2 for cause on Juror 4. She did seem to me, by her demeanor, to  
3 be fairly unhappy to be here, and I am not certain that she  
4 would be attentive to all that we did at trial, so I'll grant  
12:22:53 5 that challenge for cause.

6 MS. TAYLOR: Number 17 said that they worked for the  
7 government and the military, I believe that is -- that's not a  
8 jury of my peers.

9 THE COURT: Yeah, Juror 17 I think is the airline  
12:23:36 10 pilot. He said he'd been --

11 MS. TAYLOR: Worked for the government.

12 THE COURT: He said he had been a federal flight deck  
13 officer, I think.

14 MS. TAYLOR: I believe so. Uh-huh.

12:23:45 15 THE COURT: Is that the basis upon which you're  
16 challenging him for cause?

17 MS. TAYLOR: Yes. For -- yes.

18 THE COURT: Mr. Galati.

19 MR. GALATI: That's not a basis, Your Honor. We  
12:23:54 20 object.

21 THE COURT: I did ask him if his work for the federal  
22 government would affect his fairness in this case, and he said  
23 no. So I will deny that challenge for cause.

24 MS. TAYLOR: I think Number 36 said that they was a  
12:24:48 25 witness -- they had been quite a few witnesses in a criminal

12:24:54 1 case and in criminal justice. No, I guess that wouldn't --

2 THE COURT: Actually, I think she said she had a  
3 degree in criminal justice.

4 MS. TAYLOR: Yeah.

12:25:05 5 THE COURT: The cases in which she'd been a witness  
6 was for GMAC, which is a lender. So I think those would have  
7 been collection-type cases. I don't think they would have been  
8 criminal cases.

9 PROSPECTIVE JUROR: She said she was a witness for her  
12:25:33 10 company for -- on several criminal justice cases.

11 MR. GALATI: Judge, she said -- she specifically said  
12 deficiency -- deficiency judgments were what she appeared on.

13 THE COURT: Yeah, I think that was for GMAC, the  
14 lender, that she probably appeared in court for deficiency  
12:25:50 15 judgments, meaning where they were trying to collect money,  
16 rather than criminal cases. But do you have a basis for  
17 thinking she can't be fair?

18 MS. TAYLOR: Well, sure, because they're collecting  
19 money from me, and that's what her business is, is collecting  
12:26:01 20 money. So naturally her mentality is to -- anybody that owes  
21 money should be having to pay.

22 THE COURT: Mr. Galati.

23 MR. GALATI: I think there's no basis to excuse the  
24 juror, Your Honor.

12:26:13 25 THE COURT: I specifically asked her if her work as a

12:26:18 1 witness in those cases would affect her fairness, and she said  
2 no. So I will deny that challenge for cause.

3 MS. TAYLOR: So I'm not quite understanding this.  
4 We've got -- one, two, three, four, five, six, seven -- eight  
12:26:45 5 people out of 50. How are we going to get any others out of  
6 here if I'm supposed to get 11? Are you going to have all 50  
7 people -- are you going to have all these people in here? Is  
8 there --

9 THE COURT: No. What will happen, Ms. Taylor, is when  
12:27:03 10 we're finished with the challenges for cause, there will be a  
11 certain number that I've either excluded for hardship at the  
12 start or that I have granted a challenge for cause on. Those  
13 will be off the list. That will leave us with some number that  
14 looks like it will probably be in the thirties.

12:27:20 15 What we're going to do is take the 32 lowest numbered  
16 remaining jurors, and against those 32 the government can  
17 exercise seven peremptory strikes. They can knock seven off.  
18 You can exercise 11 peremptory strikes. You can knock 11 off.

19 Once we've done that, that means 18 people will have  
12:27:40 20 been knocked off of the list of 32, and we'll have 14 left,  
21 and those will be the jurors. Remember, we're putting 14  
22 because we want two alternates in case we lose somebody during  
23 the trial.

24 So that's how we'll get to the 14 jurors.

12:27:56 25 MS. TAYLOR: So what I'm -- so this doesn't really

12:27:59 1 matter here, then. We could just use all of these and then go  
2 with our 11 and 7.

3 THE COURT: You're still going to get your 11. But  
4 the purpose of what we're doing now is if you think that an  
12:28:09 5 answer shows that a person can't be fair, or other information  
6 about them, you can challenge them for cause, and if I agree  
7 that it looked like they can't be fair, then I knock them off  
8 for cause. But you're still going to get your 11 peremptory  
9 strikes that you can exercise against anybody that you don't  
10 think should be on the jury.

11 MS. TAYLOR: And you don't knock them off?

12 THE COURT: No. You get to exercise them. As I  
13 indicated, the only qualification is you can't use it for a  
14 racially discriminatory purpose, you know, for example -- and  
15 that won't come up in this case. But there may be a case  
16 where -- I'm making this up, but where there is a Hispanic  
17 defendant, and so the government peremptorily strikes every  
18 Hispanic person off of the jury. That's not permitted because  
19 that's based on race. That's not going to come up in this  
12:28:55 20 case.

21 So the 11 strikes you exercise are yours. I don't  
22 second-guess you on those.

23 MS. TAYLOR: All right.

24 All right. So let's see --

12:29:07 25 THE COURT: We are about at a half hour, so we've got

12:29:09 1 the jurors collecting outside, and we still need to do our  
2 peremptory strikes. So let's try to wrap up the challenges for  
3 cause.

4 Do you have any other challenges for cause,  
12:29:17 5 Ms. Taylor?

6 MS. TAYLOR: Number 30, I thought she was very  
7 emotional, and I thought that she was --

8 THE COURT: You're right. She got emotional when she  
9 started talking about the fact that her mother had been a  
10 witness to a murder.

11 MS. TAYLOR: Right.

12 THE COURT: I remember that she did.

13 MS. TAYLOR: I thought she was very emotional and she  
14 was crying. I didn't know -- I don't think that she probably  
15 would like to be here either.

16 THE COURT: Mr. Galati.

17 MR. GALATI: Your Honor, I thought about asking a  
18 follow-up -- requesting the ability to ask a follow-up on that,  
19 but it just seemed to me that that's so natural, when you're  
12:30:31 20 talking about murder and your mother, and really it has nothing  
21 to do with this case, and so I didn't. I don't -- I don't  
22 think that was a basis for cause. She certainly didn't  
23 indicate that she -- or demonstrate that she is overly  
24 emotional about other things, and so I don't see a reason to  
12:30:44 25 strike her.



12:30:46 1 MS. TAYLOR: She always -- she also said she had some  
2 church -- Good Friday and Passover and stuff.

3 THE COURT: Right. And as I indicated, in a moment,  
4 if we've got the ability, I'm going to excuse her and Juror 33,  
12:30:57 5 because they both have Friday commitments. If we need them,  
6 I'm going to keep them on for that reason, and we just won't be  
7 in trial on Friday. But I'd rather go to trial on Friday. So  
8 if we have enough jurors, I'm going to excuse them for that  
9 reason.

12:31:14 10 As to the challenge for cause, she did get emotional  
11 on that question about her mother, but she then said that it  
12 wouldn't affect her fairness in this case when I asked her,  
13 that is her mother's involvement in that case, and I did not  
14 see another basis for concluding that she could not be fair  
12:31:33 15 and impartial. So I'm going to deny the challenge for cause  
16 to Juror 30.

17 MS. TAYLOR: Number 33 said he needed to be taking  
18 care of his children, babysitting.

19 THE COURT: On Friday. Right. So if we've got enough  
12:31:51 20 jurors, I'm going to excuse him and Juror 30, and we'll be in  
21 trial on Friday.

22 MS. TAYLOR: That's all.

23 THE COURT: Okay. Thank you. So those are all of  
24 your challenges for cause, correct?

12:32:56 25 MS. TAYLOR: I guess.

12:32:57 1 THE COURT: And those are all of yours, Mr. Galati?

2 MR. GALATI: Yes, Your Honor.

3 THE COURT: Okay. Let me count -- are you saying  
4 something, Ms. Taylor?

12:33:08 5 MS. TAYLOR: No. Excuse me.

6 THE COURT: I'm going to count the number that we have  
7 excused or challenged for cause.

8 PROSPECTIVE JUROR: I show that we've, so far, either  
9 excused or challenged for cause 13 jurors. That means, if we  
10 excuse Jurors 30 and 33 because they can't be here Friday, we  
11 will still have 35 jurors remaining. That's enough to do our  
12 jury selection. So I'm going to excuse Jurors 30 and 33, and  
13 that way we'll be able to be in trial on Friday.

14 MS. TAYLOR: So I'm going to get a total of 15.

12:33:54 15 THE COURT: 15 total. And what that means is, you  
16 recall we need 32 for you to exercise your peremptory strikes.  
17 We've already knocked out 15. That leaves 35. So let's look  
18 at the last three jurors who haven't been challenged for cause  
19 or excluded, and those are also going to be off the list,  
20 because we only need 32. So those are jurors 48, 46, 45.

21 So the 32 jurors against whom you can exercise your  
22 peremptory strikes are all of those up through Juror Number 44  
23 who have not been knocked out as a challenge for cause or for  
24 hardship. So now the process is to pick the -- or to exercise  
12:34:41 25 your peremptory strikes.

12:34:42 1 I think you indicated, Ms. Taylor, when we were here  
2 for the final pretrial conference that your preference is to  
3 do them one at a time rather than to do them all at once; is  
4 that correct?

12:34:52 5 MS. TAYLOR: That's correct.

6 THE COURT: All right. We've got a timing issue here.  
7 We've been at this for 35 minutes, which means we have the  
8 jurors outside in the hallway.

9 Yes, Mr. Galati.

12:35:01 10 MR. GALATI: Your Honor, we have no problem doing all  
11 ours all at once and letting Ms. Taylor then have at the list  
12 if that will save some time.

13 THE COURT: Well, actually, that would save some time.  
14 What that means, Ms. Taylor, is you will know the seven the  
15 government's knocked off before you exercise any of yours.  
16 That's the same as if we go back and forth one at a time.

17 In fact, it's better for you, because that means that  
18 you're not going to use any one of your peremptory strikes on  
19 somebody they would have knocked off anyway. So if you don't  
12:35:37 20 object, we'll get their seven, you can then look at it, talk  
21 to Ms. Anderson, and decide what additional 11 you wish to  
22 strike. Is that all right?

23 MS. TAYLOR: Okay.

24 THE COURT: Okay. Mr. Galati, do you have your seven?  
12:36:06 25 Do you need a minute?

12:36:07 1 MR. GALATI: It will take us -- yeah, it will take us  
2 about two minutes.

3 THE COURT: Okay. I think what I'm going to do is ask  
4 Lisa to step outside in the hallway and face our jurors and  
12:36:15 5 tell them we're taking a little longer than we expected, and  
6 that we're going to ask them to come back at 1:00. That way  
7 we'll know we can get it done. I hate to do that to them, but  
8 we need the time.

9 MR. KNAPP: Your Honor, before I forget, can I put the  
12:36:32 10 issue on the record that I wanted to --

11 THE COURT: Oh, yeah. Ms. Taylor, Mr. Knapp had  
12 mentioned while you were talking to Ms. Anderson, he wanted to  
13 state something on the record and I asked him to wait until you  
14 were listening.

12:36:41 15 Go ahead, Mr. Knapp.

16 MR. KNAPP: As the jurors were filing out, there was  
17 kind of a line, and I think it was Juror Number 13, and she  
18 turned -- she was right next to me and Agent Votaw. She turned  
19 to us and made a comment, something about how they're doing  
12:36:52 20 jury selection today in some murder case. I didn't quite catch  
21 it. We didn't respond. We just sort of smiled. I didn't know  
22 if -- if Ms. Taylor had overheard that, so I wanted to let the  
23 Court and the defendant know that.

24 And also just -- I'm sure this is part of your  
12:37:06 25 standard practice, but just ask if you could remind them, when

12:37:12 1 they come back in, that we're not being rude when we ignore  
2 them, that we're just not allowed to talk to them.

3 THE COURT: Sure, I'll tell them that.

4 MR. KNAPP: Thank you.

12:37:17 5 THE COURT: Okay. Thanks, Mr. Knapp.

6 All right. Lisa, would you go out and tell them  
7 we're going to take another 25 minutes. And counsel for the  
8 government, if you could identify your seven, we would  
9 appreciate that.

12:37:28 10 MR. GALATI: We will do that right away, Your Honor.

11 MS. TAYLOR: Your Honor, I have some points to make.  
12 Or we could kind of wait a while.

13 THE COURT: The mike's off.

14 PROSPECTIVE JUROR: We've done it, Your Honor.

12:40:28 15 THE COURT: Okay. The mike's are off, so let's just  
16 have you state loudly so I can hear you which ones are your  
17 peremptory strikes.

18 MR. GALATI: Yes, Your Honor. 5 --

19 THE COURT: Ms. Taylor, now Mr. Galati is going to  
12:41:01 20 read those the government is striking, so take note of these  
21 because they're off the jury list and you don't have to do it.

22 Go ahead, sir.

23 MR. GALATI: Your Honor, Jurors number 5, 6, 22 --

24 THE COURT: Hold on just one minute. 22. Go ahead.

12:41:23 25 MR. GALATI: 26, 34, 35, and 39.

12:41:34 1

THE COURT: Okay.

2

So Ms. Taylor, do understand the group against which you are now going to exercise your 11 strikes?

3

MS. TAYLOR: Yes.

12:41:54 5

6

THE COURT: Okay. If you could do that in the next 15 minutes, make that decision in consultation with Ms. Anderson if you need to, that would be appreciated. That way, by the time the jurors are collecting outside again, we'll be pretty close to done with this process.

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12:42:08 10

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MS. TAYLOR: Well, Your Honor, I first have a couple of statements to make.

12

THE COURT: What do they concern?

13

MS. TAYLOR: This Court.

14

12:42:18 15

THE COURT: Well, but do they pertain -- do they pertain to what we're doing right now?

16

MS. TAYLOR: Yes, they do.

17

THE COURT: Okay. Go ahead.

18

12:42:32 20

19

MS. TAYLOR: I want the whole panel -- I think the whole panel should be struck because in one of the -- I believe it was this guy that was right back here mentioned that he knew Galati when he was an attorney. The whole jury heard that a judge -- sorry. When he was a judge. And the whole jury did hear that. So I think that I could be prejudiced in that effect, because they're going to throw more weight to him being a judge and his side of the issue that he presents, so I think

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22

23

24

12:42:56 25

12:43:02 1 the whole panel should be struck.

2 In addition to that, this is not a jury of my peers,  
3 so I want the record to reflect that, you know, you've denied  
4 me a jury of my peers. And by moving forward, you're limiting  
12:43:18 5 my defense with this.

6 THE COURT: Okay. I'm not going to strike the entire  
7 panel on either of those grounds.

8 MS. TAYLOR: I object.

9 THE COURT: Okay. That's fine.

12:43:30 10 So if you would now exercise your 11 peremptory  
11 strikes, and then let us know which 11 you are striking from  
12 the jury. You don't have to do it out loud. You can talk  
13 through, with Ms. Anderson, the list until you have finished  
14 with your 11 and then let us know who they are.

12:43:55 15 (Pause in proceedings.)

16 THE COURT: Ms. Taylor, we're at about five minutes to  
17 the hour. Can you tell me how you're doing on your peremptory  
18 strikes?

19 MS. TAYLOR: Just about. Five more minutes.

12:56:07 20 THE COURT: Okay.

21 (Pause in proceedings.)

22 THE COURT: All right. Ms. Taylor, we're at  
23 1 o'clock. Have you completed your peremptories?

24 MS. TAYLOR: All right. Okay. I -- one.

13:01:27 25 THE COURT: You're naming juror numbers now? When you

13:01:29 1 say "one," you mean Juror Number 1?

2 MS. TAYLOR: Juror Number 1.

3 THE COURT: You're striking?

4 MS. TAYLOR: Striking Juror Number 1.

13:01:36 5 THE COURT: Okay.

6 MS. TAYLOR: Number 3, Number 9, Number 15 -- let's

7 see, 19, 29, 31, and 40.

8 THE COURT: Hold on just one minute. 29, 31, and 40.

9 Okay.

13:02:59 10 MS. TAYLOR: How many's that so far?

11 THE COURT: I think that's eight.

12 MS. TAYLOR: 17.

13 THE COURT: 17, did you say?

14 MS. TAYLOR: Right.

13:04:15 15 THE COURT: Okay.

16 MS. TAYLOR: 20, 31 -- oh, I already did 31. Excuse

17 me. 24.

18 THE COURT: Okay. Those are your 11 then. Let me

19 just look over the list for a moment.

13:05:43 20 All right. So the individuals who have been chosen

21 to serve on this jury are jurors 7, 8, 10, 11, 14, 16, 21, 23,

22 32, 36, 38, 41, 42, and 44. Does everybody agree?

23 MR. GALATI: Yes, sir.

24 THE COURT: Do you agree, Ms. Taylor?

13:06:51 25 MS. TAYLOR: That's 14?



13:06:53 1 THE COURT: Yes. Yes, that's the 14 that remain.

2 MS. TAYLOR: Right.

3 THE COURT: Okay. All right. I'm going to ask Lisa  
4 to bring in the jury panel. Well, before we do that, are there  
13:07:14 5 any Batson challenges?

6 MR. GALATI: Not from the government, Your Honor.

7 THE COURT: A Batson challenge, Ms. Taylor, is the  
8 challenge for a racially or otherwise improperly discriminatory  
9 strike by the other side.

13:07:29 10 Do you have any such challenges?

11 MS. TAYLOR: Would you explain that to me again,  
12 please?

13 THE COURT: Yeah. If you think the government has  
14 exercised its seven peremptory strikes in a racially  
13:07:40 15 discriminatory manner or some other discriminatory manner, you  
16 can object.

17 MS. TAYLOR: Oh, no.

18 THE COURT: We'll bring in the jury.

19 (The jury panel entered the courtroom.)

13:10:00 20 THE COURT: All right. Please be seated.

21 Ladies and gentlemen, thanks for your patience. That  
22 took us longer than we thought, and I apologize for keeping  
23 you waiting for so long. We've now chosen the individuals to  
24 serve on the jury, and Lisa is going to call forward those who  
13:10:14 25 have been chosen.

13:10:18 1 THE COURTROOM DEPUTY: Juror Number 7.

2 Juror Number 8.

3 Juror Number 10.

4 Juror Number 11.

13:10:56 5 Juror Number 14.

6 Juror Number 16.

7 Juror Number 21.

8 Juror Number 23.

9 Juror Number 32.

13:11:51 10 Juror Number 36.

11 Juror Number 38.

12 Juror Number 41.

13 Juror Number 42.

14 Juror Number 44.

13:12:42 15 THE COURT: All right. For those of you who have been  
16 chosen to sit on the jury, have any of you thought of anything  
17 you did not mention during the questioning earlier this morning  
18 that could affect your fairness on this jury?

19 I see no hands.

13:12:54 20 All right. As to the rest of you, thank you very  
21 much for being with us and for your patience. Please stop by  
22 the jury office downstairs on your way out of the courtroom.  
23 We really appreciate your coming down here so that we could  
24 get this jury chosen. And we will excuse you at this time.

13:13:10 25 (The excused jury panel exited the courtroom.)

13:13:48 1

THE COURT: Please be seated.

2

All right. Would those of you who are seated in the jury box please stand to be sworn as jurors in this case.

3

4

THE COURTROOM DEPUTY: Please raise your right hands.

13:14:01 5

(The jury was sworn.)

6

THE COURT: All right. Members of the jury, again, I apologize for the time it took us to do that, but we obviously want to be careful in jury selection. So even though you've been out in the hallway for an hour, we've been working, and so we need to take a lunch break, which you all can do at the same time.

13:14:25 10

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And let me tell you something else we're going to do.

13

Before you come back, we want to deal with some evidentiary issues that we think will move the case along more quickly,

14

13:14:39 15

16

and that's going to take us about a half hour after we finish lunch for those who have been working. But our thought is, by doing it in a concentrated half hour before you come back, it will save -- it will shorten the trial. Otherwise, those evidentiary issues have to be taken up one at a time during the case. And we don't want the trial to go longer than necessary.

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13:14:57 20

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So although our normal lunch break will be for an

23

hour, we're going to actually take an hour and a half so we

24

can get those evidentiary matters done. That means we'll ask you to be back here at 2:45. What we will then do is go

13:15:12 25

13:15:17 1 into -- I'll give you some brief instructions. We'll have  
2 opening statements. We'll get into the evidence. We'll be  
3 done today by 4:30.

4 And then, starting tomorrow, we won't have times when  
13:15:30 5 you're waiting in the hall. We're going to move the case  
6 along with the exception of the breaks and the lunch hour that  
7 we take.

8 Please remember not to talk to folks about the case.  
9 I think you will find in the book that's on your chair a juror  
13:15:43 10 badge. We're going to ask you to put that on so that folks in  
11 and around the courthouse know that you're now seated on a  
12 jury, and that way they'll kind of steer clear of you just  
13 because they know you're filling an important function.

14 And incidentally, you'll find during the course of  
13:15:59 15 the trial that the lawyers and the court staff, if they see  
16 you in the hall or in the elevator, will ignore you. That's  
17 not because they're trying to be rude, but simply because  
18 participants in the trial really shouldn't be communicating  
19 with jurors outside of the courtroom.

13:16:14 20 Counsel for the government, anything else we need to  
21 address before we excuse the jury for lunch?

22 MR. GALATI: We don't believe so, Your Honor.

23 THE COURT: Ms. Taylor, do you have anything before we  
24 excuse the jury for lunch?

13:16:28 25 MS. TAYLOR: No, Your Honor.

13:16:29 1 THE COURT: Okay. We're going to have you folks go  
2 out this door. Lisa will take you out to a jury room. We're  
3 going to ask you to come back to that room, if you would, at  
4 2:45, and then we'll bring you into the courtroom to get  
13:16:41 5 started with the trial.

6 We'll excuse you at this time.

7 (The jury exited the courtroom at 1:16 .)

8 THE COURT: Please be seated.

9 Okay. Two quick matters. This morning, after we had  
13:17:29 10 talked initially, I went back and I looked at the case law  
11 that the government has cited concerning its summary expert  
12 witness in this case. My ruling on that issue is that because  
13 that individual is also a fact witness in the case, she should  
14 remain out of the courtroom until she testifies as a fact  
13:17:47 15 witness. Once she has testified as a fact witness, I will  
16 allow her to remain in the courtroom for purposes of the  
17 summary expert witness she will give later in the case.

18 Now, what we're going to do is take a one-hour break  
19 for lunch. So let's be back here at 2:15. And at that point,  
13:18:08 20 we're going to talk about those evidentiary issues that the  
21 government wants to get done before we actually start the  
22 trial. So if you could be back here at 2:15, we'll get  
23 started at that point.

24 All right. Thanks very much.

13:18:22 25 (Recess taken from 1:18 to 2:16. Proceedings resumed

14:16:32 1 in open court outside the presence of the jury.)

2 THE COURT: Please be seated.

3 All right. Mr. Knapp, the purpose for this half hour  
4 was so that you could seek admission of the documents that you  
14:17:29 5 previously had addressed in your filings at Docket 220 and --  
6 I'm sorry, 239.

7 MR. KNAPP: Yes, Your Honor. May I approach?

8 THE COURT: Yeah. Tell me how you'd like to proceed.

9 MR. KNAPP: Your Honor, I have -- I don't know if this  
14:17:45 10 is a -- if the Court has a different idea, but I have -- I  
11 filed a supplemental notice just recently that attached a  
12 handful of certifications, but not all of them. The other ones  
13 had already been previously filed. What I did is, I have a  
14 copy of supplemental notice that notes the exhibit and ties it  
14:18:03 15 to the related certifications. It's going to have all those  
16 copies in order. I have a copy of that. I put a copy on  
17 defense table.

18 I can approach the Court.

19 I think the certifications cover all the -- all the  
14:18:14 20 bases.

21 THE COURT: So are we -- excuse me. Are we focusing  
22 only on the supplemental filing?

23 MR. KNAPP: Correct, Your Honor, because that has an  
24 updated chart, if you will.

14:18:29 25 THE COURT: Okay. So we can deny as moot the original

14:18:33 1 motion that was at Docket 220. Is that right?

2 MR. KNAPP: I suppose so, Your Honor. I mean, that's  
3 where I have my argument, but the chart I'm going to be relying  
4 on is in the supplement --

14:18:47 5 THE COURT: Actually, we shouldn't deny as moot  
6 because Docket 239 is a supplement to that motion, right?

7 MR. KNAPP: That's correct, Your Honor.

8 THE COURT: Okay. But what you're saying is the only  
9 certificates I need to focus on are the ones in Docket 239?

14:19:01 10 MR. KNAPP: No, Your Honor. I was -- I'm not being  
11 very clear. What I did is I filed the initial motion and  
12 attached the certificates that are referenced in that initial  
13 motion. There are a couple that the Court picked out that it  
14 had some concerns with, so we got updates on those. In  
14:19:18 15 addition, there are a couple of last minute changes to  
16 exhibits.

17 So what I did is I filed an updated supplement, which  
18 has a new listing of which exhibits are tied to which  
19 certificates and then attaches the updated certificates. So  
14:19:31 20 it didn't have a complete copy. It just had the updates and  
21 then referenced the certificates attached to the original  
22 motion.

23 What I have copies of today, just for ease of  
24 reference, is the same things that were filed on the original  
14:19:42 25 motion and the supplements, but I just put them in order and

14:19:45 1 attached them to the supplement because that has the most  
2 accurate chart of which exhibit goes to which certificate.

3 THE COURT: Okay.

4 MR. KNAPP: Am I making myself clear? I'm not sure.

14:19:55 5 THE COURT: Yeah. So what you're going to hand me has  
6 all of the certificates that I need to consider?

7 MR. KNAPP: That's correct, Your Honor.

8 THE COURT: Okay. That's fine. And you've given a  
9 copy to Ms. Taylor?

14:20:04 10 MR. KNAPP: I put a copy on her desk this afternoon,  
11 yes.

12 THE COURT: Okay. You can bring it.

13 MR. KNAPP: May I approach?

14 THE COURT: Please.

14:20:25 15 Okay. So tell me, with this in my hand now, how you  
16 would like to proceed.

17 MR. KNAPP: Well, Your Honor, we -- I guess just  
18 taking it step by step, we would move to admit Exhibits 150 and  
19 151, which -- which the foundation is laid for those exhibits  
14:20:42 20 by the first attached certificate signed by Eric Stellhorn,  
21 April 19, 2010.

22 THE COURT: Okay. Let me just look at that  
23 certificate.

24 All right. It looks to me as though the affidavit  
14:21:42 25 from Mr. Stellhorn sets forth each of the requirements of rule



14:21:47 1 of evidence 902(11). And therefore are sufficient -- is  
2 sufficient to establish Exhibits 150 and 151 as business  
3 records under Rule 803(6).

4 Ms. Taylor, do you have an objection to the admission  
14:22:07 5 of Exhibits 150 and 151 on the basis of this affidavit?

6 MS. TAYLOR: That's the page that says Affidavit of  
7 Custodian of Records, the first one?

8 THE COURT: Right.

9 MS. TAYLOR: Yes, I object, Your Honor.

14:22:26 10 THE COURT: And what's the basis for your objection?

11 MS. TAYLOR: It's irrelevant.

12 THE COURT: I'm sorry?

13 MS. TAYLOR: Irrelevant.

14 THE COURT: Relevancy. All right. What's the  
14:22:34 15 relevancy, Mr. Knapp?

16 MR. KNAPP: Your Honor, these two exhibits are bank  
17 records and Exhibit 150 are bank records for the National Land  
18 Bank account. That's the brokerage that Ms. Taylor used and  
19 she received a number of her commission payments into that  
14:22:58 20 brokerage account. Exhibit 151 is a bank account for Peace  
21 Pipe, LLC. That's what we've alleged is one of the sham  
22 entities used to hide the income and assets.

23 MS. TAYLOR: I object.

24 THE COURT: All right. No, you're all right,  
14:23:15 25 Ms. Taylor. You've made a relevancy objection. Do you have

14:23:18 1 anything more you want to say on that or any other objection as  
2 to Exhibits 150 and 151?

3 MS. TAYLOR: It looked, Your Honor, like some of these  
4 are from '02. They're not in the dates in question. And I  
14:24:43 5 object on -- on relevancy. There's nobody here. Although this  
6 is signed by this gentleman under an affidavit, is he here  
7 to -- that has first-hand knowledge? Is there anybody here  
8 that has first-hand knowledge that prepared these or that --

9 THE COURT: Well, what is happening here, Ms. Taylor,  
14:25:07 10 is really a two-step process. Documents or records are  
11 typically not admissible at trial unless they come within one  
12 of the exceptions to the hearsay rule, because they were  
13 created outside of court therefore they're considered an  
14 out-of-court declaration.

14:25:27 15 One of the object -- or one of the exceptions to the  
16 hearsay rule is Rule 803(6), which is for business records.  
17 The government is seeking to have these admitted as business  
18 records. Rule 803(6) says that one of the ways you can  
19 establish a document as a business record is by complying with  
14:25:45 20 Rule 902(11). 902(11) says that a certification or an  
21 affidavit by a custodian of record that sets out specific  
22 requirements can be used to satisfy the requirements of  
23 Rule 803(6).

24 And so the rule specifically says you don't need a  
14:26:07 25 person in the court if you have that kind of a certification.

14:26:10 1 And that's what the government is seeking to do, and that's  
2 why they don't have Mr. Stelhorn here. They're relying on  
3 his certification.

4 And that's going to be true of everything we're going  
14:26:21 5 to talk about. I wanted you to have that explanation so you  
6 knew what is happening with each of the exhibits we're about  
7 to address.

8 So in light of that, do you have an objection?

9 MS. TAYLOR: Well, the government just moved for  
14:26:34 10 admission, right?

11 THE COURT: Yes. Of 150 and 151 on the basis of this  
12 certification.

13 MS. TAYLOR: Is that admission versus admissibility?

14 THE COURT: Admission. They're moving to admit the  
14:26:51 15 documents.

16 MS. TAYLOR: Then my objection is relevant.

17 THE COURT: Okay. Mr. Knapp, Ms. Taylor has noted  
18 that some of the documents in 150 and 151 appear to be from  
19 2002. What is the relevancy?

14:27:05 20 MR. KNAPP: Your Honor, I still submit that they're  
21 relevant, both to show control and ownership and use of the  
22 bank accounts, even outside of the charged years, which is  
23 relevant for, you know, the use of those accounts during the  
24 charged years.

14:27:18 25 It also goes to show the willfulness. The

14:27:22 1 willfulness and affirmative acts of evasion.

2 THE COURT REPORTER: Excuse me. That was too fast.

3 "The willfulness and" --

4 MR. KNAPP: Willfulness -- sorry. Willfulness and  
14:27:30 5 affirmative acts of evasion, the evidence for those two things  
6 are somewhat similar. Obviously, the affirmative acts have to  
7 be related to the charged tax years, but the evidence of  
8 willfulness, we submit, and we've stated in a 404(b) notice  
9 before, that we intend to introduce evidence of, you know,  
14:27:47 10 tax-related conduct for -- out -- outside the charged years,  
11 and using these -- created using these accounts outside the  
12 charged years we submit is the relevance to willfulness.

13 THE COURT: Okay.

14 All right. My -- I'm going to admit Exhibits 150 and  
14:28:02 15 151. I believe they are relevant to the charges in this case.  
16 And the certificate of Mr. Stellhorn satisfies Rule 902(11)  
17 And therefore satisfies the requirements of Rule 803(6).

18 (Exhibits 150 and 151 admitted.)

19 THE COURT: All right. Your next motion, Mr. Knapp?

14:28:21 20 MS. TAYLOR: Your Honor, for the --

21 THE COURT: Yes, ma'am.

22 MS. TAYLOR: -- for the record, would you just note it  
23 that I object to that.

24 THE COURT: Yeah. Now, let me remind you again, every  
14:28:27 25 time you make a point and I don't agree with you and I rule

14:28:31 1 against you, your objection is preserved. You don't have to  
2 object every time on the record.

3 MS. TAYLOR: I have a running objection.

4 THE COURT: Well, yeah, you can say you'll have a  
14:28:41 5 running objection every time I rule against you, and that means  
6 that you'll be able to raise all of those issues on appeal.  
7 But it's not necessary every time I rule against you to then  
8 say, "I object, please note my objection" because I ruled  
9 against you, and therefore you'll be able to appeal at the end  
14:28:59 10 of the case if you think I ruled improperly.

11 Now, you can -- you can still say the objection if  
12 you want. I'm just saying you don't have to do that. The  
13 record is preserved by virtue of the fact that you objected to  
14 the admission and then I admitted them.

14:29:12 15 Okay. Your next motion, Mr. Knapp?

16 MR. KNAPP: Your Honor, we move to admit Exhibits 152  
17 to 153, and the certificate from Ms. Fleming is attached right  
18 after the Stellhorn affidavit.

19 THE COURT: All right. Your response to Exhibits 152  
14:29:39 20 and 153, Ms. Taylor.

21 MS. TAYLOR: Sorry, I grabbed the wrong box.

22 THE COURT: That's all right.

23 MS. TAYLOR: Well, Your Honor, these are from '01 and  
24 '02, so they're just going back. So I object to these also as  
14:30:52 25 irrelevant under the 404.

14:31:05 1 THE COURT: All right. Your response, Mr. Knapp?

2 MR. KNAPP: Your Honor, I believe those records extend

3 into the charged years, but we're going to -- we're checking

4 that right now.

14:31:15 5 Your Honor, those exhibits extend into 2006.

6 THE COURT: And do they begin in '01 and '02?

7 MR. KNAPP: Yes, Your Honor.

8 THE COURT: What is the relevance -- what is the

9 subject matter of the records and their relevancy?

14:31:38 10 MR. KNAPP: Your Honor, the records are a bank account

11 under Ms. Taylor's personal name.

12 THE COURT: So these are her personal bank accounts?

13 MR. KNAPP: Yes, Your Honor.

14 THE COURT: And the relevancy of '01 and '02 is what?

14:31:55 15 MR. KNAPP: If I can have just a moment, Your Honor.

16 Your Honor, I still submit that it's -- it's relevant

17 because I'm not seeing in my notes any particular transactions

18 I was going to highlight out of that account, but I guess it's

19 relevant to show that she's using these other nominee entity

14:32:56 20 accounts while she has her own personal account.

21 MS. TAYLOR: I object, there's been no evidence to --

22 THE COURT: Hold on, just a minute, Ms. Taylor.

23 I'm not understanding why that makes '01 and '02

24 relevant. You certainly can establish that through the years

14:33:13 25 in question.

14:33:14 1 MR. KNAPP: I see your point, Your Honor. I see your  
2 point, Your Honor. Then I guess -- at this point, I guess, can  
3 we move in just the tax -- the bank records for 152, just for  
4 the years in question starting in 2003?

14:33:29 5 THE COURT: So you're proposing to introduce only  
6 those portions of 152 that cover '03 through '06?

7 MR. KNAPP: Yes. We can go back to the exhibits and  
8 pull out the first couple years. Unless -- unless we intend to  
9 move -- and then maybe down the road, if there's a reason to  
10 introduce them, we can mark them separately.

11 THE COURT: All right.

12 Ms. Taylor.

13 MS. TAYLOR: I have an objection also about the person  
14 that has sent this affidavit in here. This is not -- it's not  
15 verified under penalty of perjury anywhere, and he's not here  
16 to testify. So how are we to know or how is anybody to know  
17 that these records are accurate and correct without him being  
18 here to testify to them?

19 THE COURT: All right. Your response, Mr. Knapp, that  
14:34:19 20 it's not sworn under penalty of perjury.

21 MR. KNAPP: Your Honor, at the top it does, "being  
22 duly sworn upon my oath depose and state," and it is notarized.

23 THE COURT: All right. It is a sworn statement in  
24 front of a notary, so I think it satisfies the requirements of  
14:34:50 25 Rule 902(11). It also sets forth each of the elements of

14:34:55 1 902(11). That, in turn, satisfies the requirements of  
2 Rule 803(6). Limiting those exhibits to the 2003 through 2006  
3 tax years, I believe it is relevant, and therefore I will admit  
4 Exhibits 152 and 153, but only for the 2003 to 2006 documents.

09:25:03 5 (Exhibits 152 and 153 admitted.)

6 THE COURT: All right. Your next motion, Mr. Knapp.

7 MR. KNAPP: Your Honor, we move for admission of  
8 Exhibit 154.

9 THE COURT: Incidentally -- I'm sorry. Let me back up  
10 and say, as to 152 and 153, I was relying upon the affidavit of  
11 Gayle Fleming, I don't know if we had mentioned that, dated  
12 November 8, 2007.

13 Okay. Go ahead.

14 MR. KNAPP: Your Honor, we move to admit Exhibit 154  
15 based on a different Eric Stellhorn affidavit, which is  
16 attached after the Gayle Fleming affidavit. This Stellhorn  
17 affidavit is dated July 22nd, 2008.

18 THE COURT: All right. And what is Exhibit 154?

19 MR. KNAPP: Just a moment, Your Honor. Your Honor,  
20 Exhibit 154 are records for McBride Musical Ministries, another  
21 nominee entity, sham entity that we've alleged. Ms. Taylor had  
22 signature authority on that.

23 There are -- I guess I can provide further details,  
24 but the bottom line is part of our case is that that's a  
14:36:46 25 nominee entity used by her to evade taxes.



14:36:51 1 THE COURT: All right. Any objection?

2 MS. TAYLOR: I object.

3 THE COURT: Okay. And the basis?

4 MS. TAYLOR: It's irrelevant.

14:36:56 5 THE COURT: All right. I'm going to overrule the  
6 objection and admit Exhibit 154 on the basis of the statements  
7 of Mr. Knapp and the affidavit of Eric Stellhorn dated July 22,  
8 2008.

9 (Exhibit 154 admitted.)

14:37:12 10 THE COURT: Your next motion, Mr. Knapp?

11 MR. KNAPP: Your Honor, we move to admit Exhibit 155  
12 based on the April 15th, 2010 letter declaration from Evelyn  
13 Reinoso of B of A.

14 And your Honor, those -- and Your Honor, that's --  
15 again, we allege that's another nominee account used by  
16 Ms. McBride -- I'm sorry, Ms. Taylor. And, for example, there  
17 are checks to "cash," checks written out to "cash" signed by  
18 Suzi McBride, which we believe is the defendant, written on  
19 that account within that exhibit.

14:38:02 20 THE COURT: Your response, Ms. Taylor?

21 MS. TAYLOR: These are irrelevant. These are -- this  
22 is not my account. These were -- one moment, please.

23 I object because of relevance.

24 THE COURT: All right. I --

14:39:18 25 MS. TAYLOR: One minute. I don't even know what years

14:39:20 1 these were that they're talking about.

2 Looks like the years that they have are correct, but  
3 still irrelevant.

4 THE COURT: Mr. Knapp, are you going to present  
14:40:05 5 evidence to support your assertion that this was an account  
6 that was signed by Ms. Taylor as Suzi McBride?

7 MR. KNAPP: Yes, Your Honor. We -- there will be  
8 evidence tying Suzi McBride to Sue Taylor, and I'll just note  
9 that the signature card for the account, which is the first  
14:40:23 10 page in the exhibit, also has Suzi McBride's signature.

11 THE COURT: All right. Well, subject to that linking  
12 up, I'm going to admit Exhibit 155, the April 15th, 2010,  
13 letter from Evelyn Reinoso is signed under the penalty of  
14 perjury, and therefore is a sufficient declaration under 28  
14:40:45 15 U.S.C. Section 1746 to satisfy Rule 902(11), and Rule 9 -- I'm  
16 sorry, 803(6).

17 And I think it's relevant in light of the link -- or  
18 the assertion of the government, which will be linked up  
19 through later evidence.

09:25:03 20 (Exhibit 155 admitted.)

21 THE COURT: Your next motion, Mr. Knapp.

22 MR. KNAPP: Your Honor, Exhibits 156 and 157. Two  
23 more exhibits of records from Bank of America, and these are  
24 based on the October 7th, 2008 letter declaration by  
14:41:21 25 Ms. Reinoso.

14:41:22 1

THE COURT: And the relevancy?

2

MR. KNAPP: I'm sorry, one moment.

3

Your Honor, these two accounts also she has signature authority on. We believe these are also accounts for nominee entities used for tax evasion.

14:42:09 5

6

THE COURT: What nominee entities?

7

MR. KNAPP: This is for McBride Musical Ministries and for Burning Bush Ministries.

9

THE COURT: All right. Your response, Ms. Taylor?

14:42:22 10

11

MS. TAYLOR: This is irrelevant. This doesn't apply to me either.

12

THE COURT: I'm sorry, ma'am. I couldn't hear your last --

13

14

MS. TAYLOR: This is irrelevant -- irrelevant and prejudicial. Prejudicial.

14:42:28 15

16

THE COURT: All right. I'm going to admit Exhibits 156 and 157, the October 7, 2008 letter from Ms. Reinoso is signed under penalty of perjury, satisfies the requirements of Rule 902(11), and therefore Rule 803(6). And I believe it is relevant in light of the government's assertion, which will be linked up through later testimony.

14:42:51 20

21

22

(Exhibits 156 and 157 admitted.)

23

THE COURT: All right. We've only got about three minutes before we're due to bring the jury in.

24

14:43:01 25

Mr. Knapp, is there any of these exhibits that you

14:43:06 1 think you need to have in for what you're going to be doing  
2 this afternoon? Because if so, let's focus on those. I  
3 really don't want to keep this jury waiting again after  
4 keeping them waiting twice.

14:43:17 5 MR. KNAPP: No, Your Honor, we don't need any.

6 THE COURT: Okay. Well, let's do the next one, then,  
7 and get that one done.

8 MR. KNAPP: Okay. I think we're at -- we move to  
9 admit Exhibit 158. This is -- your Honor, these are bank  
10 records. There will be testimony from Jeanette Weaver of --  
11 formerly of Sunstate Bank, who will explain how it was Sue  
12 Taylor, the defendant, who came in and negotiated a check that  
13 relates to this exhibit.

14 THE COURT: All right. Your response, Ms. Taylor, to  
15 Exhibit 158.

16 MS. TAYLOR: Irrelevant.

17 THE COURT: All right. I'm going to overrule that  
18 objection and admit Exhibit 158. I find the certification of  
19 Ms. Sedillo, S-E-D-I-L-L-O, dated January 21, 2009, satisfies  
20 the requirements of Rule 902(11) and 803(6).

21 (Exhibit 158 admitted.)

22 THE COURT: Your next motion, Mr. Knapp?

23 MR. KNAPP: Your Honor, we move to admit Exhibit 159  
24 based on the certification from Stacey Collins. And let me  
25 just pull that one up.

14:44:49 1           Actually, Your Honor, we'll forgo 159 for right now.  
2 I'm sorry. We'll withdraw that motion for now.

3           THE COURT: Okay. All right. Why don't we pause  
4 there, and we'll come back and pick this up either at the end  
14:45:01 5 of the day or tomorrow morning so we get these in. But I do  
6 want to get the jury in on time.

7           All right. So Ms. Taylor, just so you're listening,  
8 the next thing we're going to do is I'm going to give my  
9 preliminary instructions. We'll then have opening statements.

14:45:17 10           If you want to bring the lecturn over so that it  
11 faces the jury, either side, you can do that, but you'll still  
12 need to be sure you're talking into that mike.

13           We'll have the government's opening statement. Then  
14 you'll be allowed to make an opening statement if you choose  
14:45:31 15 to. Do you plan to make an opening statement, Ms. Taylor?

16           MS. TAYLOR: Not at this time. I'm going to reserve  
17 it.

18           THE COURT: Okay. Then what we'll do is, I'll just  
19 ask you in front of the jury and you can say you'll reserve it,  
14:45:44 20 and then we'll go directly into the government's evidence.

21           We'll go ahead and bring the jury in at this point.

22           MR. GALATI: Your Honor, may I move this now?

23           THE COURT: Yes. You kind of have to keep it flat to  
24 make it roll.

14:46:31 25           (The jury entered the courtroom.)

14:48:17 1

THE COURT: All right. Please be seated.

2

3

Welcome back members of the jury. We're going to begin with some preliminary instructions. You are now the jury in this case, and I want to take a few minutes to tell

14:48:34 5

you something about your duties as jurors and to give you some preliminary instructions. At the end of the trial, I will give you more detailed written instructions that will control your deliberations.

9

14:48:49 10

When you deliberate, it will be your duty to weigh and to evaluate all the evidence received in the case, and in that process, to decide the facts. To the facts as you find them, you will apply the law as I give it to you whether you agree with it or not. You must decide the case solely on the evidence and the law before you and must not be influenced by any personal likes or dislikes, opinions, prejudices or sympathy.

14:49:10 15

16

17

We've got a phone on somewhere. Okay. Let's just have everybody turn their phones off in case anybody has them on in the courtroom.

14:49:32 20

21

Please do not take anything I may say or do during the trial as indicating what I think of the evidence or what your verdict should be. That is entirely up to you.

22

23

24

The government charges the defendant with criminal tax evasion. The charges against the defendant are contained in the indictment. The indictment simply describes the

14:49:48 25

14:49:52 1 charges the government brings against the defendant. The  
2 indictment is not evidence and does not prove anything.

3 The indictment alleges that the defendant evaded  
4 taxes and failed to submit personal income tax returns from  
14:50:09 5 2003 through 2006. For each tax year between 2003 and 2006,  
6 the indictment charges one count of tax evasion in violation  
7 of 26 United States Code Section 7201, and one count of  
8 failure to file a return in violation of 26 United States Code  
9 Section 7203.

14:50:35 10 The defendant has pled not guilty to all charges and  
11 is presumed innocent unless and until the government proves  
12 the defendant guilty beyond a reasonable doubt. In addition,  
13 the defendant has the right to remain silent and never has to  
14 prove innocence or to present any evidence.

14:50:56 15 The evidence you are to consider in deciding what the  
16 facts are consists of the sworn testimony of any witness, the  
17 exhibits which are received in evidence, and any facts to  
18 which the parties stipulate or agree.

19 The following things are not evidence and you must  
14:51:15 20 not consider them as evidence in deciding the facts of this  
21 case: Statements and arguments by the attorneys or by  
22 Ms. Taylor; questions and objections by the attorneys or  
23 Ms. Taylor; any testimony that I instruct you to disregard;  
24 and anything you may see or hear when the Court is not in  
14:51:37 25 session, even if what you see or hear is done or said by one

14:51:41 1 of the parties or by one of the witnesses.

2 Evidence may be direct or circumstantial. Direct  
3 evidence is direct proof of a fact, such as testimony by a  
4 witness about what that witness personally saw or heard or  
14:51:58 5 did. Circumstantial evidence is indirect evidence. That is,  
6 it is proof of one or more facts from which you can find  
7 another fact.

8 You are to consider both direct and circumstantial  
9 evidence. Either can be used to prove any fact. The law  
14:52:16 10 makes no distinction between the weight to be given to either  
11 direct or circumstantial evidence. It is for you to decide  
12 how much weight to give to any evidence.

13 There are rules of evidence that control what can be  
14 received in evidence. When a lawyer or Ms. Taylor asks a  
14:52:35 15 question or offers an exhibit, and the lawyer or Ms. Taylor  
16 thinks that it is not permitted by the rules of evidence, that  
17 person may object.

18 If I overrule the objection, the question may be  
19 answered or the exhibit received. If I sustain the objection,  
14:52:53 20 the question cannot be answered or the exhibit cannot be  
21 received. Whenever I sustain an objection to a question, you  
22 must ignore the question and must not guess what the answer  
23 would have been.

24 Sometimes I may order that evidence be stricken from  
14:53:09 25 the record and that you disregard or ignore the evidence.



14:53:14 1 That means that when you are deciding the case, you must not  
2 consider the evidence that I told you to disregard.

3 In deciding the facts in this case, you may have to  
4 decide which testimony to believe and which testimony not to  
14:53:29 5 believe. You may believe everything a witness says or part of  
6 it or none of it. In considering the testimony of any  
7 witness, you may take into account the witness' opportunity  
8 and ability to see or hear or know the things testified to;  
9 the witness' memory; the witness' manner while testifying; the  
14:53:51 10 witness' interest in the outcome of the case, if any; the  
11 witness' bias or prejudice, if any; whether other evidence  
12 contradicted the witness' testimony; the reasonableness of the  
13 witness' testimony in light of all the evidence; and any other  
14 factors that bear on believability.

14:54:12 15 The weight of the evidence as to a fact does not  
16 necessarily depend on the number of witnesses who testify  
17 about it.

18 I will now say a few words about your conduct as  
19 jurors. First, please keep an open mind throughout the trial,  
14:54:28 20 and do not decide what the verdict should be until you and  
21 your fellow jurors have completed your deliberations at the  
22 end of the case.

23 Second, because you must decide the case only on the  
24 evidence received in the case and my instructions as to the  
14:54:44 25 law that applies, you must not be exposed to any other

14:54:49 1 information about the case, or about anybody involved in the  
2 case.

3 Thus, until the end of the case, or unless I tell you  
4 otherwise, please do not communicate with anyone in any way  
14:55:05 5 and do not let anyone else communicate with you in any way  
6 about the merits of the case or anything to do with it.

7 This includes discussing the case in person, in  
8 writing, by phone, or electronic means, via e-mail, text  
9 messaging or any Internet chatroom, blog, website or other  
10 feature.

11 This applies to communicating with your fellow jurors  
12 until I have given the case to you for deliberation, and it  
13 applies to communicating with everyone else, including your  
14 family members, your employer, the media, or press, and the  
14:55:44 15 people involved in the trial, although you may, of course,  
16 notify your family and your employer that you have been  
17 selected as a juror in this case.

18 But if you are asked or approached in any way about  
19 your jury service or anything about this case, you must  
14:56:01 20 respond that you have been ordered not to discuss the matter  
21 and to report the contact to the Court.

22 Because you will receive all the evidence and legal  
23 instructions you properly may consider to return a verdict, do  
24 not read, watch, or listen to any news or media accounts or  
14:56:20 25 commentary about the case or anything to do with it. Do not

14:56:24 1 do any research, such as consulting dictionaries, searching  
2 the Internet, or using other reference materials, and do not  
3 make any investigation or in any other way try to learn about  
4 the case on your own.

14:56:38 5 The law requires these restrictions to ensure that  
6 the parties have a fair trial based on the same evidence that  
7 each party has had an opportunity to address. A juror who  
8 violates these restrictions jeopardizes the fairness of these  
9 proceedings and a mistrial could result that would require the  
14:56:59 10 entire trial process to start over. If any of you is exposed  
11 to any outside information about the case, please notify me  
12 immediately.

13 At the end of the trial, you will have to make your  
14 decision based upon what you recall of the evidence. You will  
14:57:18 15 not have a written transcript of the trial. I urge you to pay  
16 close attention to the testimony as it is given.

17 If you wish, you may take notes to help you remember  
18 the evidence. If you do take notes, please keep them to  
19 yourself until you and your fellow jurors go to the jury room  
14:57:37 20 to decide the case. Do not let note taking distract you from  
21 being attentive. When you leave the courtroom for recesses or  
22 at the end of the day, your notes should be left on your chair  
23 here in the courtroom. Nobody will read your notes.

24 Whether or not you take notes, you should rely on  
14:57:55 25 your own memory of the evidence. Notes are only to assist

14:57:59 1 your memory. You should not be overly influenced by your  
2 notes or those of your fellow juror.

3 The next phase of the trial will now begin. First,  
4 each side may make an opening statement. An opening statement  
14:58:16 5 is not evidence and the party is not required to make an  
6 opening statement. An opening statement is simply an outline  
7 to help you understand what that party expects the evidence  
8 will show.

9 The government will then present evidence and  
14:58:31 10 Ms. Taylor may cross-examine. Then if Ms. Taylor chooses to  
11 offer evidence, she may do so, and counsel for the government  
12 may cross-examine.

13 After the evidence has been presented, the attorneys  
14 and Ms. Taylor will make closing arguments, and I will  
14:58:47 15 instruct you on the law that applies to the case. After that,  
16 you will go to the jury room to deliberate on your verdict.

17 Let me mention one other matter. From time to time  
18 during the trial, it may become necessary for me to talk with  
19 the attorneys and with Ms. Taylor outside of the hearing of  
14:59:06 20 the jury, either by having a conference here at the side of  
21 the bench when you are present in the courtroom, or by calling  
22 a recess.

23 Most often, these conferences will involve  
24 determination as to whether evidence is admissible under the  
14:59:21 25 rules of evidence. It is appropriate to take those kinds of

14:59:25 1 matters up outside of the hearing of the jury. Should I  
2 conclude that a more prolonged discussion is necessary, I may  
3 excuse you from the courtroom.

4 We will, of course, do what we can to keep the number  
14:59:39 5 and length of these conferences to a minimum. I may not  
6 always grant a party's request for a conference. Do not  
7 consider my granting or denying a request for a conference as  
8 any indication of my opinion of the case or of what your  
9 verdict should be.

14:59:55 10 Counsel for the government, do you have any  
11 corrections to these preliminary instructions?

12 MR. GALATI: No, we don't, Your Honor.

13 THE COURT: Ms. Taylor, do you have any?

14 MS. TAYLOR: No, not at this time.

15:00:07 15 THE COURT: Okay. All right. Mr. Galati, you may  
16 proceed with your opening statement.

17 MR. GALATI: Thank you, Your Honor. May it please the  
18 court.

19 Ladies and gentlemen, good afternoon. My name is  
15:00:16 20 Frank Galati. I'm one of the assistant United States  
21 attorneys that is going to be presenting the evidence on  
22 behalf of the government. Jim Knapp here is my colleague, and  
23 he'll -- he's the other assistant United States attorney that  
24 will be presenting the government's evidence.

15:00:30 25 We want to thank you for being here. We appreciate

15:00:33 1 your kind attention. We'll try to get to business and  
2 certainly not try to waste your time in any way, shape, or  
3 form.

4 Ladies and gentlemen, the evidence that we're going  
15:00:42 5 to present is going to be presented to you through about 16  
6 witnesses that we hope -- who we hope to call over the next  
7 three or four days, perhaps about 200 documents, we're not  
8 sure exactly about the number that will be admitted. A lot of  
9 the documents are, as you can imagine, tax-related documents,  
10 this is a tax case after all.

11 This evidence will be offered in support of our  
12 allegations that this defendant, Sue Taylor, seated right over  
13 there, is guilty of eight separate crimes, all committed  
14 between the year 2003 and 2006 here in the district, the state  
15 of Arizona.

16 As His Honor has told you, these eight crimes are of  
17 two types. There are four counts of tax evasion, which is the  
18 shorthand for attempting to evade or defeat an assessment of  
19 federal income tax. There are also four counts of a willful  
15:01:43 20 failure to file a tax return. So there's two types of crimes,  
21 and there are four tax years, as we've told you, 2003, '4, '5,  
22 '6. So two times four is eight, and that's why there's eight  
23 crimes.

24 Concerning the tax evasion charges. We do intend to  
15:02:00 25 offer evidence to you to prove that this defendant, in each of

15:02:04 1 those four tax years, owed more federal income tax than was  
2 declared on her federal income tax return, if she filed one  
3 that year. We intend to offer evidence to prove that the  
4 defendant knew it. She knew she owed more taxes than she was  
15:02:23 5 declaring or not declaring. We intend to prove evidence that  
6 she affirmatively did something in each of those tax years to  
7 evade or defeat the proper assessment of her federal income  
8 tax liability. And we intend to offer evidence that she knew  
9 that she had a duty to accurately report her federal income  
15:02:44 10 tax liability to the IRS or the federal government.

11 With regard to the willful failure to file the tax  
12 returns for each of those four years, we intend to offer  
13 evidence that this defendant was, in fact, required to file in  
14 each of those years; that she failed to file in each of those  
15:03:02 15 years; and that she knew her legal obligation to do so and  
16 willfully failed to do so.

17 You will learn through the evidence presented in this  
18 case that, during this period of 2003 through 2006, Sue Taylor  
19 was a real estate broker. Her brokerage, which she owned, was  
15:03:29 20 National Land Bank. It was located at 20 North Gilbert Road  
21 in Gilbert, Arizona. This defendant's occupation as a real  
22 estate broker -- that was her occupation, and she primarily  
23 dealt in raw land, undeveloped land, in Maricopa and Pinal  
24 counties during the tax years at issue.

15:03:55 25 From her activities, being a real estate broker, she

15:03:58 1 earned commissions as an agent for either the buyer or the  
2 seller in those situations. She oftentimes directed that the  
3 commissions that she earned be directed to National Land Bank  
4 as opposed to Sue Taylor, the individual. Most of the  
15:04:20 5 information that you will get concerning the land deals comes  
6 from escrow files that will be presented in evidence. Escrow  
7 files evidencing transactions that this defendant was a broker  
8 in or concerning.

9 The evidence will also show you that she directed  
15:04:43 10 some commission payments to other entities or other people and  
11 not just National Land Bank. One of the reasons we expect you  
12 will find that she directed her commissions to National Land  
13 Bank is that you'll hear that real estate agents or brokers  
14 don't get W-2 forms. They're 1099'd by their brokerage. If  
15:05:09 15 it's your own brokerage, perhaps you don't 1099 yourself, and  
16 we think the evidence in this case will show you that.

17 This defendant also bought and sold real estate  
18 herself. She made money doing that. She concealed those  
19 assets, the evidence will show you. She concealed the profits  
15:05:33 20 that she made, didn't report them. She concealed them through  
21 the use of bogus trusts and other entities. She -- and  
22 through that, the government is alleging that somewhere in the  
23 vicinity of \$900,000 to -- perhaps up to a little more than  
24 \$1.2 million is the tax liability for the tax years 2003,  
15:06:00 25 2004, 2005, 2006.



15:06:03 1 In general terms -- and I don't want to get into  
2 specific numbers here, but generally, the evidence will show  
3 you that the tax liability was perhaps as low as \$2,900 in one  
4 of the tax years, perhaps as high as \$885,000 in one of the  
15:06:20 5 other tax years.

6 One of the things that I think an opening statement  
7 is for is to identify for you what we believe the evidence  
8 will be and also what the issues in the case are. Despite the  
9 numbers that I just announced to you that we believe the  
15:06:38 10 evidence will show, it's not our thought that the issue in the  
11 case will be the amount. Perhaps there's an issue with it,  
12 but that's not really the issue in the case. The issue in the  
13 case is did the defendant willfully do the things that she is  
14 accused of doing. And we will present evidence to you that  
15:06:58 15 demonstrates that this defendant knew of her legal obligation  
16 to comply with the Internal Revenue Code and pay the taxes  
17 that were due and owing.

18 That evidence includes this: The evidence will show  
19 you that she did, in fact, file income tax returns up to about  
15:07:16 20 2002 -- 2000, the year 2000. I apologize. Early in the 21st  
21 century, around 2001, '2 or '3, around there, the defendant  
22 stopped filing what I'll call normal, usual, tax returns, and  
23 began filing tax returns that just listed zeros. Zeros as  
24 income and zeros throughout the return. Just zeros. And then  
15:07:41 25 beginning about 2004 she filed -- 2003 or '4, she filed no

15:07:48 1 returns whatsoever.

2 We'll offer evidence that, in fact, she knew that she  
3 was supposed to file returns because she did it before. We'll  
4 also evidence -- the other evidence we will offer that  
15:07:58 5 demonstrates that she knew of her obligation to comply with  
6 the Internal Revenue Code is, for at least a brief period of  
7 time, she had a CPA who was employed at least -- at least for  
8 a brief period of time with regard to her taxes. And, in  
9 fact, she asked the CPA to file an extension of -- of the  
15:08:18 10 filing date in one year. That was around 1992.

11 Other direct evidence that she knew. She told one of  
12 her relatives -- Sue Taylor told one of her relatives that it  
13 is illegal not to file your taxes. She said that. She was  
14 told by a relative and an ex-boyfriend, you have to file your  
15:08:42 15 taxes. They told her that in response to other things she  
16 said.

17 Perhaps more importantly, the evidence that we will  
18 present that demonstrates that this defendant was attempting  
19 to evade the proper assessment of her income taxes is that she  
15:08:58 20 hid her income. She hid her assets. She did this through  
21 sham trusts that were established -- that she established or  
22 helped establish with her boyfriend, Ron McBride, with her  
23 daughter, Desiree Saunders. She concealed her personal  
24 involvement in -- in real estate transactions by not revealing  
15:09:21 25 the fact that she was, in fact, a principal and not just the

15:09:23 1 agent. You'll hear some of that.

2 You'll hear that the IRS questioned her tax returns  
3 of 1997 and 1998, which put her on notice that the IRS was  
4 looking into her tax situation.

15:09:40 5 She was called to an examination by Cheryl Bradley  
6 who will testify in this case. The examination was in  
7 February of 2004. It was to look into the -- the  
8 appropriateness, the propriety, the correctness of the 2001  
9 returns that the defendant filed or hadn't filed. You'll hear  
10 about that.

11 And during the course of that examination, the  
12 defendant refused to provide information. She said she kept  
13 no business records basically. When asked "Where do you  
14 bank?" the response was, "That's for you to find out."

15:10:04 10 Responses like that.

16 Ladies and gentlemen, that type of evasion, that type  
17 of deceit, we allege is indicative of an intent to evade  
18 proper assessment and collection of income taxes.

19 You'll hear some examples of the kind of things that  
15:10:41 20 the defendant did in addition to what I've mentioned. For  
21 example, you'll hear from a witness that was involved in  
22 what -- in July, around July of 2004, of a piece of property  
23 that the defendant was involved with that she called the CG40  
24 Hilltop Trust. And in this situation, the defendant obtained  
15:11:08 25 an ownership interest in that real property, purchasing it for

15:11:11 1 about \$500,000. It's down by -- in Casa Grande, the CG. It  
2 was an entity that this defendant was involved with. She  
3 didn't disclose her ownership interest when she bought it.  
4 She told the person from whom she bought it that she was  
15:11:29 5 representing a wealthy buyer when, in fact, Sue Taylor was  
6 personally involved in this. This property was turned over in  
7 November of 2005 and sold. This was Pinal County 2005. I  
8 think the evidence will demonstrate real estate was hot in  
9 those days.

15:11:46 10 The property sold for about \$2.4 million. This  
11 defendant took a \$72,000 commission as the broker. And there  
12 were about \$1.3 million in proceeds. And all of these things,  
13 all of these -- all of these funds, both the commission that  
14 she earned plus the \$1.3 million in proceeds, were diverted to  
15:12:08 15 something called Burning Bush Ministries, which is another  
16 entity that you'll hear about that is associated with this  
17 defendant. They weren't reported as income. They weren't --  
18 there were no tax documents prepared indicating to anyone that  
19 Sue Taylor earned that commission or shared in those proceeds.

15:12:30 20 Another example you'll hear about that demonstrates  
21 the defendant's deceit, her attempt to conceal money and  
22 assets and income, was in about August of 2005 this defendant  
23 had earned a real estate commission and had a check that was  
24 drawn on the account of a national -- First National Title  
15:12:53 25 Agency. It was a little more than \$17,000. She went to the

15:12:57 1 bank that the title agency used, which was the Sunstate Bank  
2 in Casa Grande. She wanted to cash the check. She was told  
3 by people at the bank that, you know, "It's more than \$10,000,  
4 we're going to have to report this to the government." And so  
15:13:15 5 they asked her, "What's your Social Security number? Let us  
6 see your driver's license," and she said, "I don't have a  
7 Social Security number, and I don't have a driver's license,"  
8 when, in fact, she does and she did.

9 The bank officials were so perplexed and so  
15:13:32 10 suspicious, they went outside to watch her drive away in her  
11 vehicle, and figuring if she drove away in a vehicle, she's  
12 got a driver's license. But the point of that, we allege that  
13 that shows deceit and an attempt to conceal by this defendant.

14 Ladies and gentlemen, I'm not going to get into any  
15:13:56 15 more specifics about the evidence, but we will, at the  
16 conclusion of this case, based upon everything you hear, ask  
17 you to return verdicts of guilty on all eight of the counts.  
18 Thank you very much.

19 THE COURT: All right. Thank you, Mr. Galati.

15:14:10 20 Ms. Taylor, do you wish to make an opening statement  
21 at this point?

22 MS. TAYLOR: Yes, I believe I will.

23 THE COURT: All right.

24 MS. TAYLOR: Hello. I'm Sue Taylor, as you've already  
15:14:31 25 heard. This is a little bit loud, I think. Is that okay?

15:14:38 1 THE COURT: Yeah, actually we can hear you pretty  
2 well, Ms. Taylor.

3 MS. TAYLOR: All right. I'm not prepared to come and  
4 talk to you today. I wasn't going to make a statement at all.  
15:14:49 5 Earlier on in this trial, I had asked for a continuance so that  
6 I could get more of my paperwork done, and I actually had  
7 finally found an attorney that would come and represent me, and  
8 so I'm really not prepared to go over with you. I didn't make  
9 a big speech. I didn't practice anything that I could try and  
10 convince you of any particular issues at hand.

11 Except I'd like for you to know that the government  
12 here has come into all of our lives, as I'm sure you have  
13 maybe been touched by it at one time in your life. If not,  
14 you may be soon.

15:15:34 15 Once upon a time, we was a nation that belonged to --  
16 was under the power of England, and we were taxed so heavily.  
17 And our forefathers fought tooth and nail to get away from  
18 that, and to give us our independence. And through the  
19 Declaration of Independence we got that. And there was no  
15:15:59 20 taxes on people. And in our constitution and in the Articles  
21 of Confederation that they passed down to us, that was one of  
22 the things that they was trying to guarantee to the American  
23 people, that we would be free. We have our life, liberty and  
24 our pursuit of happiness. And we have --

15:16:20 25 THE COURT: Ms. Taylor, excuse me, I'm going to

15:16:22 1 interrupt you for a minute. The time right now is not for  
2 argument. You'll have a chance to make argument at the end of  
3 the case.

4 MS. TAYLOR: I'm sorry, I wasn't trying to argue.

15:16:29 5 THE COURT: All right. The opening statement is to  
6 tell them what you believe the evidence in the trial will show.

7 MS. TAYLOR: Well, this is where I come from. This is  
8 my evidence.

9 THE COURT: Well, you'll have a chance to testify  
10 about that. But why don't you describe for them what you think  
11 the evidence will show, rather than making --

12 MS. TAYLOR: Well, I'm leading up to that.

13 THE COURT: Okay.

14 MS. TAYLOR: I'm trying to lead up to that.

15:16:52 15 THE COURT: All right.

16 MS. TAYLOR: Okay. I told you I didn't -- I didn't  
17 come prepared. Normally, I -- if I thought I was going to do  
18 this, I would have wrote it all down. So I'm just trying to  
19 hit the basis of where I come from.

15:17:03 20 I know what the government's going to try to prove to  
21 you. But I believe that everybody is free. Everybody has  
22 their right of choice to put their matters in their life the  
23 way that they see fit, and the government allows us to do  
24 that. They allow you to put your -- all of your docs in  
15:17:28 25 order, more or less, what you say. You have deductions. You

15:17:32 1 have all kinds of different things.

2 And in my lifetime, I -- at one time, I did pay  
3 taxes. At one time I paid taxes. And I believed that I owed  
4 taxes at that time because that's what I was brought up to  
15:17:46 5 believe. And then through the years -- and during those years  
6 I did pay. And then through the years, I started studying and  
7 I started finding and talking with other people who were like  
8 minded like myself and --

9 MR. GALATI: Your Honor, we do object. This is  
15:18:03 10 improper opening statement.

11 THE COURT: Actually, Mr. Galati, I think she is now  
12 describing the basis for her views, so I'm going to permit her  
13 to give this preview of her evidence.

14 Go ahead, Ms. Taylor.

15:18:14 15 MS. TAYLOR: Thank you.

16 And so during this time, I began searching for my --  
17 for the truth within my heart and what -- what I was doing.  
18 Was I looking -- I was looking to find out if what I believed  
19 that I had to pay or I didn't have to pay was reality. And in  
15:18:39 20 doing this, I started writing letters to the IRS. I wrote  
21 many, many letters to the IRS. They never answered them.  
22 They would never come out and tell me where the law was that  
23 I -- that made me liable for paying taxes.

24 And so I then became acquainted with other people,  
15:19:01 25 people that worked in the IRS and have worked for -- for years



15:19:04 1 in the IRS, and they did the same thing, and they ended up  
2 losing their jobs over it, but they found the same thing.  
3 There was no law that makes you liable for paying taxes.

4 And you may believe that, you may not. And I'm not  
15:19:21 5 asking you to believe it. It just became my belief, because I  
6 searched and I studied. I wrote letters. I asked. I never  
7 got any information back from one person that could show me  
8 the law. Where is it in the law that makes me liable that I  
9 have to pay taxes.

10 There's all kinds of laws on taxes, don't get me  
11 wrong. I mean, you have to pay it on excise taxes and you  
12 have to pay it on gasoline taxes, gun taxes. All kinds of  
13 laws. And they're very, very specific. They point them out  
14 very, very clearly. But they do not point out your taxes on  
15:20:04 15 your labor.

16 God gave us our labor. I mean, how can you -- I  
17 mean, labor is an exchange. It's an actual exchange. I mean,  
18 how can you put a price on it? Can you -- can you go to work  
19 for somebody and say, I want \$10, but I'm really only worth  
15:20:21 20 five? You know? So where's the gain? How can you pay  
21 something that you are doing an exchange for?

22 And that is my -- that is my belief. And I know the  
23 government is going to make me look like I am a horrible  
24 person because I happen to make money and because I happen to  
15:20:45 25 spend money. But the one thing they can't show you is the

15:20:49 1 definition of income. They won't be able to show you that.  
2 Because in the book --

3 THE COURT: Excuse me, Ms. Taylor, you're now arguing  
4 the law.

15:20:57 5 MS. TAYLOR: Arguing the law. So I can't do that.  
6 Sorry.

7 But you can ask about it. You can ask about it. And  
8 you're free to ask about that on your own. I can't give you  
9 the law because the judge is the law giver, but you can ask  
10 about that your own self. And when you're hearing things from  
11 me and you're hearing things from the prosecutor, you know,  
12 you can -- you can write down -- you're smart people. You can  
13 ask them those questions. And they have to answer you,  
14 because you are the independent branch of our society. The  
15 only independent branch that we have. The government rules  
16 everything, but they do not rule the jurors.

17 THE COURT: Excuse me, Ms. Taylor. You're arguing  
18 now.

19 MS. TAYLOR: Oh, I'm sorry. That's an argument?

15:21:43 20 THE COURT: That's an argument.

21 MS. TAYLOR: All right.

22 THE COURT: So what you can do is preview the evidence  
23 that you think the jury is going to hear, but you'll have a  
24 chance to argue at the end of the trial.

15:21:50 25 MS. TAYLOR: Oh, okay. I get carried away. I'm

15:21:53 1 sorry.

2 Let me see. Well, I guess I do get carried away with  
3 my speeches, and I don't mean them to run into argument or  
4 anything. But I do know that the government is probably going  
15:22:12 5 to paint me as a bad person. I don't feel that I am a bad  
6 person. The people that know me, they're -- I mean, everybody  
7 that knows someone, they may have bad feelings against them.  
8 You may hear from my sisters that will come in here. You may  
9 hear from other people who will testify. Everybody has family  
15:22:37 10 arguments. That doesn't mean that you don't love 'em. That  
11 doesn't mean that they don't have their opinion. They might  
12 have their opinion just like I have my opinion, and just like  
13 you all have your opinion also.

14 And all I'm asking from you jurors is that, once you  
15:22:53 15 see all of the evidence, you know, you -- you take it into  
16 consideration very, very seriously, and think of yourself, if  
17 you was in -- you know, and what God really gave you in this  
18 world to do. He gave you the -- the pursuit of life, liberty,  
19 and happiness. You know, and that includes your labor. That  
15:23:15 20 includes your labor. Going out there and making a living.  
21 And regardless what the government tells you, that they can  
22 tax it, they can't tax it.

23 THE COURT: We're back into argument, Ms. Taylor. Do  
24 you have anything else to say in terms of previewing the  
15:23:30 25 evidence for the jury?

15:23:32 1 MS. TAYLOR: No, I guess that's all.  
2 THE COURT: Okay. Thanks.  
3 MS. TAYLOR: Thank you very much.  
4 THE COURT: All right. Mr. Galati or Mr. Knapp, your  
15:23:40 5 first witness.  
6 MR. GALATI: Our first witness, Your Honor, is Robert  
7 Martin.  
8 THE COURT: All right.  
9 MR. GALATI: May I approach the clerk?  
15:24:03 10 THE COURT: You may.  
11 MR. KNAPP: Your Honor, I'm not sure, are the monitors  
12 on?  
13 THE COURT: Lisa can make them work. What are you  
14 hoping for, the Elmo or the laptop?  
15:24:15 15 MR. KNAPP: Laptop.  
16 THE COURT: Yeah, she'll turn that on.  
17 Mr. Martin, would you come all the way to the front  
18 of the courtroom, please, to be sworn as a witness.  
19 THE COURTROOM DEPUTY: Please state your name and  
15:24:28 20 spell your last name for the record.  
21 THE WITNESS: Robert Martin. M-A-R-T-I-N.  
22 THE COURT: Mr. Martin, that mike will slide around.  
23 If you can get it right in front of you and speak directly into  
24 it, then we can all hear you.  
15:25:01 25 Go ahead, Mr. Galati.

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MR. GALATI: Thank you, Your Honor.

**ROBERT MARTIN,**

called as a witness herein, after having been first duly sworn or affirmed, was examined and testified as follows:

D I R E C T E X A M I N A T I O N

BY MR. GALATI:

Q Mr. Martin, good afternoon.

A Good afternoon.

Q Would you tell the ladies and gentlemen of the jury your full name, please.

A Robert Martin.

Q And what's your occupation?

A I'm an accountant.

Q And are you a certified public accountant?

A Yes, I'm a certified public accountant.

Q Can you tell the ladies and gentlemen what a certified public accountant is.

A They can do various things. What I do is income taxes, compilations and reviews, which is financial statement work.

Q And how long have you been doing that?

A Since 1976.

Q And where do you do that?

A In Mesa, Arizona.

Q Is part of the service that you provide for your clients to prepare income tax returns?

DIRECT EXAMINATION - ROBERT MARTIN

15:25:46 1 A Yes.

2 Q You offer tax advice?

3 A Yes.

4 Q Do -- I want to ask if you know certain people, if you

15:25:54 5 don't mind.

6 Do you know Gerald Ricke?

7 A Yes.

8 Q Do you know Dolpha Larsen?

9 A Yes.

15:26:01 10 Q Do you know Chip Larsen?

11 A Yes.

12 Q Do you know Sue Taylor?

13 A Yes.

14 Q Can you just briefly tell the ladies and gentlemen who

15:26:08 15 Gerald Ricke is?

16 A Gerald Ricke is a friend of mine that I met probably in the

17 mid '80s, along with Sue and Dolpha and Chip Larsen. I

18 still -- Dolpha is Sue's sister. And Gerry was her fiance at

19 one time. I -- that's my understanding.

15:26:32 20 Q And did you say you met them in the 1980s?

21 A In the mid 1980s, yes.

22 Q Do you remember where it was that you --

23 A Oh, sure, yeah. American Legion in Gilbert, Arizona.

24 Q And you said you know Sue Taylor. Is she present in court

15:26:46 25 here today?

DIRECT EXAMINATION - ROBERT MARTIN

15:26:47 1 A Yes.

2 Q Can you point her out for the ladies and gentlemen.

3 A Right there. I haven't seen her in a long time, but she  
4 hasn't changed any.

15:26:53 5 Q Thank you.

6 MS. TAYLOR: Thank you.

7 BY MR. GALATI:

8 Q And were you doing professional services for Gerald Ricke?

9 A Yes, I did.

15:27:00 10 Q Of the four people that we just named, Chip and Dolpha  
11 Larsen, Sue Taylor, and Gerald Ricke, was one of them your  
12 client first?

13 A Of -- of which ones?

14 Q Of those four.

15:27:13 15 A Of those four. Sue Taylor would have been the first one.

16 Q Sue Taylor would have been your first client.

17 A Yes, of those four.

18 Q All right. And do you remember how it was that you came to  
19 be hired by her?

15:27:23 20 A I don't remember the exact details, but it would have been  
21 at the American Legion, just meeting her over the years. She  
22 would have at some point asked me to do some work for her.

23 Q What kind of business was she in at the time that she asked  
24 you?

15:27:35 25 A At that time, she had a herb shop.

DIRECT EXAMINATION - ROBERT MARTIN

15:27:37 1 Q And do you know where it was located?

2 A It was on Gilbert Road and Elliot, roughly.

3 Q Is that approximately 20 North Gilbert Road?

4 A That -- that sounds familiar, yes.

15:27:46 5 Q And do you know what kind of business the herb shop was?

6 A She sold herbs. I don't know how you describe herbs. Just  
7 nonprescription stuff.

8 Q All right. And how long ago was it, to the best of your  
9 recollection, that --

15:28:04 10 A It's been 20 years.

11 Q So you have a clear recollection of everything you did for  
12 her 20 years ago?

13 A Absolutely not.

14 Q How long a period of time was she your client?

15:28:14 15 A And that part I'm not sure about. I don't know that I ever  
16 did any income taxes for her. I do know that I filed an  
17 extension for her one year. And I honestly don't know -- her  
18 and I got into a little disagreement later on and --

19 Q You ceased your representation of her?

15:28:34 20 A Yes.

21 Q I wanted to show you what is marked as Exhibit 311, and  
22 Ms. Richter is going to hand it to you.

23 Do you see it?

24 A Yes.

15:28:52 25 Q Do you recognize what it is?



DIRECT EXAMINATION - ROBERT MARTIN

15:28:54 1 A Yes, it's an extension for -- it's an application for an  
2 extension for a tax return.

3 Q Can you tell the ladies -- well, let me back up.

4 Is -- is something like an application for automatic  
15:29:05 5 extension to file a U.S. Individual Tax return, is that  
6 something you do in your business?

7 A Oh, yes.

8 Q You prepare and file those things for your clients?

9 A Yes.

15:29:16 10 Q Is it a relatively routine thing?

11 A Yes.

12 Q So do you have a recollection of every time you did this  
13 for a client?

14 A No.

15:29:23 15 Q And what is the purpose of it?

16 A It's to -- it's for individuals to give them an automatic  
17 extension. Back then, I think it was four years.

18 Q Let me see here.

19 A It's either four or six years. I'm not sure of the time  
15:29:34 20 table. There was a point in time when it was only -- I don't  
21 mean years, months.

22 Q And it gives you an extension --

23 A An extension of time to file your taxes.

24 Q Usually from April 15th?

15:29:44 25 A From April 15th to either -- this is an automatic

DIRECT EXAMINATION - ROBERT MARTIN

15:29:51 1 four-month extension, so this extended it to August of -- 17th  
2 of -- August 17th of 2001.

3 Q All right. And is what -- is -- the document in front of  
4 you, does it contain your signature?

15:30:07 5 A Yes.

6 Q Does it have a date?

7 A April 14th, 1992.

8 Q And who is the client for whom you prepared this?

9 A Sue Taylor.

15:30:16 10 Q And did you file it with the IRS?

11 A Yes.

12 Q And why did you prepare this?

13 A Well, she would have called me up and told me to file it.

14 Q Would you have done it --

15:30:27 15 A I don't know, again, if she talked to me or somebody in  
16 my --

17 MS. TAYLOR: Objection.

18 THE COURT: What's the objection, Ms. Taylor?

19 MS. TAYLOR: I just looked at this, and he's looking  
20 at a statement that's from 2'01 --

21 THE WITNESS: From 19 --

22 MS. TAYLOR: I mean, he's already admitted it --

23 THE COURT: Excuse me, Ms. Taylor. Are you looking at  
24 Exhibit 311?

15:30:46 25 MS. TAYLOR: Yes. Oh, it's 1991. That's worse than

DIRECT EXAMINATION - ROBERT MARTIN

15:30:50 1 2'01.

2 THE COURT: Okay. So the objection is?

3 MS. TAYLOR: Irrelevant.

4 THE COURT: Overruled.

15:30:55 5 BY MR. GALATI:

6 Q Mr. Martin, I'm not sure I got your entire answer. I asked  
7 you why would you have prepared this.

8 A Because my office would have been called and that  
9 individual, in this case Sue, would have asked me to file an  
10 extension.

15:31:09 11 Q Would you have filed it without your client asking you to  
12 do so?

13 A Not in this case, because she would have been a new client.  
14 Existing clients that I have that I don't hear from that I know  
15 they want me to file an extension, I'll -- I'll do it on their  
16 behalf, yes.

17 Q All right. And do you have a specific recollection that  
18 this was filed with the IRS?

19 A I can guarantee you it was filed, because we mail them out  
20 ourself.

15:31:32 21 Q All right.

22 MR. GALATI: And, Your Honor, I move that Exhibit 311  
23 be admitted.

24 THE COURT: Any objection to 311, Ms. Taylor?

15:31:51 25 MS. TAYLOR: Would you repeat that, please?

DIRECT EXAMINATION - ROBERT MARTIN

15:31:53 1 THE COURT: Sure. Do you have an objection to the  
2 admission of Exhibit 311?

3 MS. TAYLOR: Yes, I do.

4 THE COURT: And what is the objection?

15:31:59 5 MS. TAYLOR: Well, it's from 1997, didn't I say? And  
6 what does that have relevant to do with today?

7 THE COURT: So it's a relevancy objection?

8 MS. TAYLOR: Relevancy. It's 1991, excuse me. What  
9 does that have to do with today? I've already told --

15:32:15 10 THE COURT: All you have to do is say relevancy,  
11 Ms. Taylor. I understand your objection.

12 The objection is overruled. Exhibit 311 is admitted.

13 (Exhibit 311 admitted.)

14 MR. GALATI: May I have one second, Your Honor?

15:32:24 15 THE COURT: You may.

16 MR. GALATI: May we publish it to the jury, Your  
17 Honor?

18 THE COURT: You may.

19 Members of the jury, do any of you have black  
15:32:42 20 screens? I mean, do you all have it up on your screen?

21 Is there anybody who does not have it up? We're just  
22 making sure the screens work. We do this at the beginning of  
23 the case.

24 Okay.

15:32:54 25 MR. GALATI: I have nothing further, Your Honor.

DIRECT EXAMINATION - ROBERT MARTIN

15:32:56 1 THE COURT: All right. Cross-examination, Ms. Taylor.

2 MS. TAYLOR: No, Your Honor.

3 THE COURT: Okay. Thank you, Mr. Martin. Thanks.

4 You can step down.

15:33:20 5 MR. GALATI: Your Honor, if I may, our next witness is  
6 Robin King.

7 THE COURT: All right. Ma'am, would you come all the  
8 way to the front of the courtroom, please, to be sworn as a  
9 witness.

15:33:51 10 THE COURTROOM DEPUTY: Please state your name and  
11 spell your last name for the record.

12 THE WITNESS: Robin King, K-I-N-G.

13 THE COURTROOM DEPUTY: How do you spell your first  
14 name?

15:33:57 15 THE WITNESS: R-O-B-I-N.

16 **ROBIN KING,**

17 called as a witness herein, after having been first duly sworn  
18 or affirmed, was examined and testified as follows:

19 D I R E C T E X A M I N A T I O N

15:34:14 20 BY MR. GALATI:

21 Q Ms. King, good afternoon.

22 MR. GALATI: Your Honor, may I proceed?

23 THE COURT: Yes, you may.

24 MR. GALATI: Thank you.

25

DIRECT EXAMINATION - ROBIN KING

15:34:24 1

BY MR. GALATI:

2

Q Ms. King, if you'll just pull the microphone close. Thank

3

you very much.

4

Ma'am, would you tell the ladies and gentlemen your

15:34:30 5

full name, please.

6

A Robin K. King.

7

Q And what is your occupation?

8

A I'm a senior investigator and manager of investigations and

9

development services for the Department of Real Estate.

15:34:42 10

Q The Arizona Department of Real Estate?

11

A Correct.

12

Q Can you -- can you briefly tell the ladies and gentlemen of

13

the jury what the Arizona Department of Real Estate is and what

14

it does?

15:34:49 15

A It is a state agency that licenses and regulates both real

16

estate agents, real estate entities, and subdivisions.

17

Q And how long have you been with the Arizona Department of

18

Real Estate?

19

A Since August 19 -- I'm sorry. August 2005.

15:35:07 20

Q And your present occupation -- your present position is

21

that you are a senior investigator; is that correct?

22

A That's correct.

23

Q And you said manager?

24

A Correct.

15:35:15 25

Q And you're the manager of what division?

DIRECT EXAMINATION - ROBIN KING

15:35:18 1 A Investigations and Development Services.

2 Q Is there anything in particular that that division does?

3 A There's actually four parts of the division: real estate  
4 investigations, subdivision investigations, auditing, and  
15:35:33 5 development services.

6 Q Does the Arizona Department of Real Estate maintain a  
7 database concerning the licensure of brokerages and brokers and  
8 agents?

9 A Yes.

15:35:46 10 Q And are you familiar with it?

11 A I am.

12 Q Is it something that you work with on a daily basis?

13 A I do.

14 Q And can -- can you tell the ladies and gentlemen of the  
15 jury the sorts of reasons you would access the database in  
16 doing your job?

17 A To verify whether or not someone is licensed; to find out  
18 when they're license expired or was terminated; to see where a  
19 licensee, a salesperson or associate broker is employed.

15:36:14 20 MR. GALATI: And may we show the witness Exhibit 195,  
21 please.

22 BY MR. GALATI:

23 Q And Ms. Richter is going to hand it to you.

24 Do you recognize what Exhibit 195 is?

15:36:31 25 A I do.

DIRECT EXAMINATION - ROBIN KING

15:36:32 1 Q And can you briefly describe for the ladies and gentlemen  
2 what it is?

3 A It's a certified license history for both the broker and  
4 the entity.

15:36:44 5 Q All right. And we'll -- we'll get into who it is in just  
6 one second.

7 Did you search the database and have the documents  
8 prepared in your hands based on a request by us?

9 A I did.

15:36:58 10 Q And were you asked to search the database for licensure  
11 documentation concerning Sue Taylor?

12 A I was.

13 Q And were you asked to do likewise for a brokerage named  
14 National Land Bank?

15:37:17 15 A I was.

16 Q And have you done that?

17 A I did.

18 Q And are those the documents that are in front of you  
19 that -- that indicate those things?

15:37:22 20 A They are.

21 Q Now, did I ask you to search and see if there's more than  
22 one Sue Taylor?

23 A Yes.

24 Q And did you do that?

15:37:32 25 A I did.



DIRECT EXAMINATION - ROBIN KING

15:37:32 1 Q Did you find that there was more than one?

2 A There was no other Sue Taylor that was a broker, no.

3 Q Thank you.

4 And was there any other Sue Taylor that was associated

15:37:44 5 in any way, shape, or form with National Land Bank?

6 A No.

7 Q Can -- did your search of the -- of the database indicate

8 when Sue Taylor became a real -- a licensed real estate agent?

9 A Yes.

15:38:02 10 Q Can you tell the ladies and gentlemen when that was?

11 A The original license date for the broker was June 4th,

12 1990. But she had been a salesperson prior to that, beginning

13 on or about February 1st, 1987.

14 Q Are you familiar with the rules and regulations of the

15:38:26 15 Arizona Department of Real Estate?

16 A I am.

17 Q Is there a period of time that one must be a salesperson or

18 an agent before one may become a broker?

19 A Yes.

15:38:36 20 Q And how long is that?

21 A Approximately three years.

22 Q And what was the status of Sue Taylor's license from the --

23 from about 1990 to 1995?

24 A She was a self-employed broker from 1990 to 1995.

15:38:51 25 Q And did she become a designated broker for National Land --

DIRECT EXAMINATION - ROBIN KING

15:38:54 1 National Land Bank, LLC, at some point?

2 A Yes. On March 6th, 1995.

3 Q Did Sue Taylor's license lapse at some point?

4 A It did.

15:39:10 5 Q And when did that happen?

6 A It expired on June 30th, 2006.

7 Q As part of the records maintained by the Department of Real

8 Estate, is there a social security number on file with the

9 Department of Real Estate for each broker or agent?

15:39:30 10 A Yes.

11 Q And is there one on file for Sue Taylor?

12 A Yes.

13 Q Can you tell the ladies and gentlemen what it is?

14 A Do you want the full number?

15:39:36 15 Q Please.

16 A 556-56-3002.

17 Q And with regard to the data -- database search that you did

18 concerning National Land Bank, LLC, can you tell the ladies and

19 gentlemen when it was first licensed as a brokerage.

15:39:55 20 A It was first licensed on March 6th, 1995.

21 Q And is there an address listed for the brokerage?

22 A There's both a business and mailing address.

23 Q And can you tell the ladies and gentlemen what that is?

24 A Certainly. They are the same. 20 North Gilbert, Suite A,

15:40:12 25 Gilbert, Arizona, 85234.

DIRECT EXAMINATION - ROBIN KING

15:40:16 1 Q And what's the current status of National Land Bank, LLC,  
2 as a brokerage, the current status of its license?

3 A It is now terminated.

4 Q And does that mean anything in particular, that it was  
15:40:33 5 terminated?

6 A Yes. The license of the entity expired on March 31st --  
7 March 31st, 2007. And by operation of law, one year later,  
8 it's terminated.

9 Q As part of your -- excuse me.

15:40:52 10 MR. GALATI: Your Honor, I move that Exhibit 195 be  
11 admitted.

12 THE COURT: All right. Any objection, Ms. Taylor?  
13 Any objection to Exhibit 195?

14 MS. TAYLOR: Oh. No. No, Your Honor.

15:41:08 15 THE COURT: All right. 195 is admitted.

16 (Exhibit 195 admitted.)

17 MR. GALATI: Your Honor, may we display it for the  
18 jury?

19 THE COURT: You may.

15:41:23 20 MR. GALATI: There are four total pages.

21 Thank you.

22 BY MR. GALATI:

23 Q Just one last bit, Ms. King, if you will.

24 As part of your job as a senior investigator, are you  
15:42:27 25 ever asked to look into violations of disclosure rules?

DIRECT EXAMINATION - ROBIN KING

15:42:31 1 A I am.

2 Q Are you familiar with the rules concerning disclosure of  
3 personal interest in transactions --

4 A Yes.

15:42:36 5 Q -- by brokers or agents?

6 A I'm sorry. Yes.

7 Q And is the rule at issue, is it R4281101?

8 A Correct.

9 Q Can you tell the ladies and gentlemen, in general, what the  
15:42:49 10 rule requires?

11 A The rule requires that anyone having an interest in a  
12 transaction or a real estate licensee have an interest in a  
13 transaction, other than the compensation expected as part of a  
14 commission, to disclose that in writing to all parties.

15:43:16 15 Q Are you familiar with how commissions are to be paid  
16 according to the rules of the real estate department?

17 A Yes.

18 Q Through whom are commissions to be paid?

19 A Through the employing broker.

15:43:28 20 Q The employ -- employing broker?

21 A Correct.

22 Q And if commissions are to be directed elsewhere, what's  
23 required?

24 A That the designated or self-employed broker direct that.

15:43:43 25 Q And with regard to unlicensed folks, people, can

DIRECT EXAMINATION - ROBIN KING

15:43:50 1 commissions be directed to unlicensed people?

2 A No.

3 MR. GALATI: May I have one second, Your Honor?

4 THE COURT: You may.

15:44:02 5 MR. GALATI: I have nothing further, Your Honor.

6 THE COURT: All right. Cross-examination, Ms. Taylor?

7 MS. TAYLOR: Yes.

8 C R O S S - E X A M I N A T I O N

9 BY MS. TAYLOR:

15:44:22 10 Q It's Robin King?

11 A Correct.

12 MS. TAYLOR: Do I introduce myself each time?

13 THE COURT: You can to the witness if you don't know  
14 them.

15:44:29 15 BY MS. TAYLOR:

16 Q I'm Sue Taylor.

17 I just wanted to ask you, is the State of Arizona, in  
18 getting a State of Arizona license, does that require one to  
19 have a federal license also?

15:44:44 20 A Are you talking about real estate license?

21 Q Yes, ma'am.

22 A No, it does not require a federal license.

23 Q Does the State of Arizona have any requirements that you  
24 have to have or that you are working under the federal  
15:44:59 25 jurisdiction when you have a state license?

CROSS-EXAMINATION - ROBIN KING

15:45:02 1 A Not that I'm aware of, no.

2 Q So the State of Arizona has total and complete control over  
3 the licensee in the State of Arizona?

4 A That's correct.

15:45:13 5 Q Okay. Something else was mentioned about broker being able  
6 to disburse moneys. Can a broker disburse moneys to any person  
7 that it wants to disburse moneys to?

8 A Only licensees and other people that are owed compensation  
9 legally.

15:45:40 10 Q If a person -- if a broker disburses money to their company  
11 or to their self individually, then can that individual  
12 disburse money to others? Say, for example, if I -- if I had  
13 \$5,000 that came into a brokerage, and it came into -- me as a  
14 broker took it personally instead of putting it into the  
15 company, and I had that as my personal money, would I be  
16 allowed to give that money to anybody that I saw fit to?

17 A No.

18 Q What -- wait a minute.

19 A You can only give it to people that are owed money legally.

15:46:30 20 So you could pay licensees --

21 Q No, I'm not talking about people that are working for me.  
22 I mean once the money is mine personally.

23 A Well, once it -- once you have been paid lawfully, we don't  
24 have any regulation on who you can pay. But you may not pay  
15:46:51 25 compensation to unlicensed individuals.

CROSS-EXAMINATION - ROBIN KING

15:46:54 1 Q No, I'm not talking about compensation. I'm just talking  
2 about moneys that comes in and goes to, say, me personally.  
3 Even though I am a broker, if it were to come to me personally  
4 and be my own personal money, would I be allowed to give that  
15:47:11 5 to anybody I wanted to give it to?

6 A Again --

7 Q Not -- not as a business, not -- not as a transaction in  
8 business, not like paying a commission.

9 A Again, you can only pay those people that you can lawfully  
15:47:27 10 pay, and I really can't answer your question because it's too  
11 broad, number one, and I'm not really sure what money you  
12 received personally and who you're trying to pay.

13 Q Okay. Let me narrow it down a little bit for you.

14 A Okay.

15:47:47 15 Q If I were to receive \$5,000, and this as an example, and it  
16 came from a commission check and my company gave it to me  
17 personally, it becomes my money, right?

18 A Correct.

19 Q Now, with that money, can I give it to anybody I want to  
15:48:09 20 give it to?

21 A As long as you're paying people lawfully, yes.

22 Q No, I'm not -- why do I have to pay somebody lawfully?  
23 It's like if you're working for somebody and they give you a  
24 wage, do you have to take and pay somebody that works for you?  
15:48:28 25 Can't you go buy groceries?

CROSS-EXAMINATION - ROBIN KING

15:48:30 1 A Well, certainly. But if you receive compensation in the  
2 form of a commission, and that is paid to you lawfully through  
3 the brokerage, then it is your money as long as you are paying  
4 people for lawful things. For instance, you cannot pay anyone  
15:48:49 5 as a result of a transaction if they're not licensed.

6 Q I didn't say in a transaction. The transaction has closed.  
7 The money, the deal is done. The money is paid to you just  
8 like you received a wage if you worked at any company. You go  
9 to the bank, you cash your check. You have that money in your  
15:49:13 10 hand. Now, can you spend that money anywhere you want to spend  
11 it?

12 A Again, as long as you're spending it lawfully, yes.

13 Q You mean when you get your check from where you're paid and  
14 you go put it in your bank and you draw it out, you have to pay  
15:49:31 15 people that work for you? Is that what you're saying?

16 A No. I'm saying that there are statutes that govern who may  
17 be paid and what they may be paid through -- for real estate  
18 activities. And as long as you're not paying somebody for real  
19 estate activity that is not -- or is a -- as long as you're not  
15:49:50 20 paying someone that is not entitled to be paid under the law,  
21 you're fine.

22 Q I don't think you're understanding me quite correctly.  
23 If -- when you get your check, Mrs. King, when your company  
24 pays you and you take your check and you put it in -- into your  
15:50:11 25 bank account --



CROSS-EXAMINATION - ROBIN KING

15:50:12 1 A Uh-huh.

2 Q -- okay, and you go pay your electric company, does that  
3 electric company work for you?

4 A No.

15:50:19 5 Q When you go pay your water company, does that water company  
6 work for you?

7 A No.

8 Q When your daughter comes along and she wants to borrow 50  
9 bucks, does she work for you?

15:50:28 10 A No.

11 Q Do you give it to her? I mean, I'm not saying you do or  
12 you don't, but, I mean, if you gave it to her, would it be  
13 wrong?

14 A No.

15:50:36 15 MS. TAYLOR: That's all I needed. Thank you.

16 THE COURT: All right. Thanks, Ms. Taylor.

17 Any redirect?

18 MR. GALATI: No, Your Honor.

19 THE COURT: All right. Thanks, ma'am. You can step  
15:50:43 20 down.

21 Before you call your next witness, Mr. Galati, ladies  
22 and gentlemen, Tricia, our court reporter, has been at it for  
23 almost two hours. So we're going to take a ten-minute break  
24 just until 4 o'clock. Give her arms a rest. We'll come back  
15:51:11 25 at 4:00, and then go until 4:30, and then we'll be done for

CROSS-EXAMINATION - ROBIN KING

15:51:16 1 the day.

2 Please remember not to discuss the case, and we'll  
3 excuse the jury for ten minutes.

4 (Recess taken from 3:52 to 4:01. Proceedings resumed  
16:01:35 5 in open court with the jury present.)

6 THE COURT: Thank you. Please be seated.

7 All right. Mr. Galati or Mr. Knapp, your next  
8 witness.

9 MR. KNAPP: Thank you, Your Honor. Your Honor, the  
16:03:23 10 United States calls Chris Morgan.

11 THE COURT: Ms. Morgan, would you come all the way to  
12 the front of the courtroom to be sworn as a witness, please.

13 THE COURTROOM DEPUTY: Right here, please. Please  
14 state and spell your last name.

16:03:39 15 THE WITNESS: Kristy Morgan, K-R-I-S-T-Y, M-O-R-G-A-N.

16 THE COURTROOM DEPUTY: Please raise your right hand.

17 **KRISTY MORGAN,**

18 called as a witness herein, after having been first duly sworn  
19 or affirmed, was examined and testified as follows:

16:03:47 20 THE COURT: Go ahead, Mr. Knapp.

21 MR. KNAPP: Thank you, Your Honor.

22 D I R E C T E X A M I N A T I O N

23 BY MR. KNAPP:

24 Q Good afternoon, Ms. Morgan.

16:04:12 25 A Good afternoon.

DIRECT EXAMINATION - KRISTY MORGAN

16:04:13 1 Q Please introduce yourself to the jury.

2 A My name is Kristy Morgan. I work for the criminal  
3 investigation branch as the court witness coordinator at the  
4 Ogden Service Center in Ogden, Utah.

16:04:24 5 Q And what's the -- I think you said court witness  
6 coordinator. What's the overall agency you work for?

7 A The Internal Revenue Service.

8 Q And what do you do as the court witness coordinator?

9 A I secure documents and records that are maintained in the  
16:04:35 10 normal course of business by the IRS. I'll certify those  
11 documents and then testify on behalf of the commissioner as a  
12 custodian of records regarding those documents.

13 Q How long have you worked for the IRS?

14 A I've worked for the IRS for 26 years.

16:04:50 15 Q Where did you start?

16 A I started in the submission processing area correcting  
17 errors on 1040 returns that were processed through the system.

18 Q What else -- what else have you done at the IRS?

19 A I then went on and worked in the underreported branch where  
16:05:04 20 I sent notices to the taxpayers regarding underreported income.  
21 And then following that, I worked for 18 years in the  
22 examination branch where we did audits, sent notices to the  
23 taxpayers regarding proposed amount of tax. Ten of those years  
24 I spent as the penalty coordinator in the frivolous return  
16:05:22 25 program. Then on to criminal investigations the last ten

DIRECT EXAMINATION - KRISTY MORGAN

16:05:25 1

years.

2

Q What's the frivolous return -- you said a frivolous return program?

3

4

A Correct.

16:05:32 5

Q What is that?

6

A That's a specialized group in the examination branch where they'll review different types of tax returns that maybe don't quite meet certain requirements or they need a second look. So these tax examiners will look at these documents, decide

9

16:05:47 10

whether or not they're subject to a frivolous return penalty and then contact the taxpayer and inform them of the process and what's going to happen with their tax filing.

11

12

13

Q I'll come back to that in a little bit.

14

16:06:02 15

Going back to the court witness coordinator, your current job, again, just tell me what do you -- what do you basically do for the IRS as court witness coordinator?

16

17

A Certify the documents and then testify regarding those documents. I work with the agents and the attorneys in preparation for trials.

18

19

16:06:16 20

Q Was -- was the IRS your first job?

21

A No. No.

22

Q What did you do before that?

23

A For the first ten years, while my children were growing up, I worked as the librarian in the local elementary school. So I went to school with my children while they were young.

24

16:06:28 25

DIRECT EXAMINATION - KRISTY MORGAN

16:06:32 1 Q All right. All right. Now, in your current role as court  
2 witness coordinator, have you been asked to review some records  
3 for this case?

4 A That's correct.

16:06:42 5 Q All right. And I'm going to ask you --

6 MR. KNAPP: Actually, there are a series of exhibits  
7 that I'd like the witness to be shown. I wonder if I can help  
8 the staff maybe get them together.

9 THE COURT: What are the exhibits, Mr. Knapp?

16:06:57 10 MR. KNAPP: Your Honor, it's Exhibits 1, 4 through 22,  
11 including 14A, 25 through 38, 40, 42 through 44, 49, 51, 55,  
12 and 75 through 82. Those are not necessarily all that I  
13 want -- that I want to admit, but those are the ones -- well,  
14 actually, I will ultimately ask for admission of those.

16:07:31 15 THE COURT: So you want those in front of her now?

16 MR. KNAPP: Yes, if I may, Your Honor.

17 THE COURT: Okay.

18 MR. KNAPP: And we've reviewed them before, but I want  
19 to make sure that she has them.

16:07:39 20 THE COURT: All right.

21 MR. KNAPP: May I approach, Your Honor, to help or --

22 THE COURT: Sure.

23 BY MR. KNAPP:

24 Q Now, ma'am, first of all, we met before, before today,  
16:09:15 25 correct?

DIRECT EXAMINATION - KRISTY MORGAN

16:09:15 1 A Correct.

2 Q And we looked through some exhibits that had been marked  
3 for trial in this case; is that right?

4 A That's right.

16:09:21 5 Q And you checked over those exhibits and compared them with  
6 your own notes; is that right?

7 A That's correct, yes.

8 Q So if I read off a series of numbers, do you want to look  
9 at the actual exhibit, or will you know whether you've reviewed  
16:09:32 10 them and whether they're --

11 A Oh, I know --

12 Q -- I'm going to ask you whether they're true and correct  
13 copies from the IRS records.

14 A I know I've reviewed them, yes.

16:09:38 15 Q Okay. So are Exhibits 1, 4 through 22, including 14A, 25  
16 through 38, 40, 42 through 44, 49, 51, 55, and 75 through 82,  
17 true and correct records from the Internal Revenue Service?

18 A Yes, they are true and correct.

19 Q Are those records that the IRS has a duty to retain and  
16:10:04 20 keep?

21 A That's correct, they do.

22 Q And the IRS keeps those records in the normal course of  
23 its -- its operations?

24 A Yes, it does.

16:10:11 25 MR. KNAPP: Your Honor, we move to admit those

DIRECT EXAMINATION - KRISTY MORGAN

16:10:13 1 exhibits. And I did provide a list of the numbers earlier  
2 today to the defense.

3 THE COURT: All right. Ms. Taylor, any objection to  
4 those exhibits?

16:10:25 5 MS. TAYLOR: Yes. I object to the foundation and  
6 authiten -- authenticity. Excuse me.

7 THE COURT: That's okay. Authenticity, right?

8 MS. TAYLOR: Authenticity.

9 THE COURT: I knew that's what you meant. So your  
16:10:45 10 objection is foundation and authenticity, right?

11 MS. TAYLOR: Yes, sir.

12 THE COURT: Okay. I think the authenticity is  
13 addressed by the witness having testified they're true and  
14 correct records. Is there some other foundational objection  
16:10:59 15 you have?

16 MS. TAYLOR: They're presented by Peggy Saunders, who  
17 is not here to certify them. Kristy Morgan is -- does she work  
18 under her?

19 THE COURT: All right. Would you address that  
16:11:15 20 foundation issue, please, Mr. Knapp?

21 MR. KNAPP: Certainly, Your Honor.

22 BY MR. KNAPP:

23 Q Ms. Morgan, who is Peggy Saunders?

24 A Peggy Saunders is my supervisory investigative analyst.  
16:11:27 25 She's the senior investigative analyst at my office.

DIRECT EXAMINATION - KRISTY MORGAN

16:11:30 1 Q All right. And just picking out Exhibit 5, if you look at  
2 the first page of that, what does it -- I'm sorry. Does  
3 Exhibit 5 have a certification sheet on top of it?

4 A It does not have the certification sheet on the top; it has  
16:12:00 5 the certification to the back.

6 Q Okay. Let's go to that. So the last page, that has  
7 Ms. Saunders' name; is that right?

8 A That's correct.

9 Q And if you look at Exhibit 1, there's a certification sheet  
16:12:12 10 on the front of the record; is that right?

11 A On 1, yes, it's on the front.

12 Q All right. Just tell me what the process is when you're  
13 asked to collect records from the IRS, official records from  
14 the IRS for a court case.

16:12:23 15 A Originally it comes from the special agent, and he'll  
16 specify what records we need to -- to certify. I'll order in  
17 the records. I'll make sure that they're true and correct.  
18 I'll make copies. If there's any typing that needs to be done  
19 on certain forms, I type those records -- information into the  
16:12:43 20 record. It then goes on to another investigative analyst who  
21 will look at those records, make sure the typing is correct,  
22 the pages are correct. Then it goes into Peggy Saunders who  
23 will then do a final review and then she has the authority to  
24 sign the document.

16:12:58 25 Q All right. And so are you saying there are -- there are



DIRECT EXAMINATION - KRISTY MORGAN

16:13:01 1 regulations or policy or whatever that require that your  
2 supervisor sign the documents rather than you?

3 A Correct.

4 Q Okay. But do you have personal knowledge that these  
16:13:09 5 records contained in these exhibits are actually true and  
6 correct copies from the IRS?

7 A That's correct. I ordered them.

8 MR. KNAPP: Okay. We once again move for admission.

9 THE COURT: All right. Any further objection,  
16:13:22 10 Ms. Taylor?

11 MS. TAYLOR: Are you talking about Exhibit 1, Your  
12 Honor?

13 THE COURT: No, actually the whole list of exhibits  
14 that Mr. Knapp mentioned he's moving into evidence.

16:13:31 15 MS. TAYLOR: This whole stack here?

16 THE COURT: Well, I don't know what's in your stack,  
17 but he read off twice a list of the number of exhibits.

18 Do you want the list read again?

19 MS. TAYLOR: I object to the ones that aren't in the  
16:13:59 20 years in question, and I don't know which ones those are,  
21 without looking through each one of them, right off.

22 THE COURT: And is that a relevancy objection you're  
23 making?

24 MS. TAYLOR: Yes, sir.

16:14:13 25 THE COURT: All right.

DIRECT EXAMINATION - KRISTY MORGAN

16:14:14 1 Mr. Knapp, are these documents within the years at  
2 issue in the case.

3 MR. KNAPP: Some of them are, Your Honor, and some of  
4 them are not. As we again noticed pretrial, that exhibits  
16:14:27 5 outside of the charged years go to willfulness.

6 THE COURT: All right. I'm going to overrule the  
7 relevancy objection and the foundation objection. Exhibits 1,  
8 4 through 22, including 14A, 25 through 38, 40, 42 through 44,  
9 49, 51, 55, and 75 through 82 will be admitted.

09:25:03 10 (Exhibits 1, 4 through 22, 14A, 25 through 38, 40, 42  
11 through 44, 49, 51, 55 and 75 through 82 admitted.)

12 MR. KNAPP: Thank you, Your Honor.

13 BY MR. KNAPP:

14 Q And Ms. Morgan, you've also reviewed some other records in  
16:15:07 15 preparation for this case; is that right?

16 A Yes.

17 Q There's some correspondence.

18 A Correct.

19 Q And that's marked as Government's Exhibits 56 through 74;  
16:15:14 20 is that right?

21 A That's correct.

22 Q I'm not moving for admission of those, but are those -- are  
23 those similarly true and correct records from the IRS that you  
24 personally have knowledge of?

16:15:24 25 A Yes, they are.

DIRECT EXAMINATION - KRISTY MORGAN

16:15:32 1 Q Now, based on these records, I'm going to have to ask you  
2 to walk me through some of these to help me explain -- help me  
3 understand what they mean. Can you do that for us?

4 A Absolutely.

16:15:37 5 Q Is that part of your job as a courtroom -- court witness  
6 coordinator?

7 A Yes, it is.

8 Q All right. Let's start with Exhibit 5.

9 MR. KNAPP: And, Your Honor, may I publish?

16:15:48 10 THE COURT: You may.

11 BY MR. KNAPP:

12 Q We're looking at a page that at the top says Certificate of  
13 Assessments, Payments, and Other Specified Matters.

14 What kind of record is this?

16:16:09 15 A This is the filing record for Sue Taylor for the tax year  
16 December 1997.

17 Q At the top -- I'm going to blow it up a little bit on the  
18 screen. It has the taxpayer's name, it has the taxpayer's or  
19 the entity's Social Security Number or EIN, right?

16:16:27 20 A That's correct.

21 Q And here on the original exhibit, the full social security  
22 number is listed, but here I've just -- I've redacted out  
23 everything but the last four.

24 Looking at this form, how do -- do you know what kind  
16:16:41 25 of record this is? What tax year it's for?

DIRECT EXAMINATION - KRISTY MORGAN

16:16:44 1 A Yes. It's for the 1997 tax year.

2 Q And what kind of -- what kind of data does this capture for

3 the 1997 tax year for this particular taxpayer?

4 A This will show any assessments or payments, tax returns

16:16:58 5 that have been filed. It shows an accumulated amount of gross

6 income, taxable income. Any self-employment. It will also

7 show from the original filing the self-assessment of tax that

8 the taxpayer made. Any penalties or any credits that they

9 qualified for.

16:17:14 10 Q Okay. Let's start with the top third of the page here.

11 This says adjusted gross income, taxable income -- I'm sorry,

12 before we get to that, there's a line that says 10/19/1998,

13 return filed and tax assessed. What does that mean to you?

14 A That shows that the taxpayer filed a tax return, and it was

16:17:44 15 processed at the IRS, and the tax owed was \$2,190.

16 Q Now, are there times when a taxpayer doesn't file a return,

17 but nevertheless the IRS can begin to calculate a tax

18 liability?

19 A Yes, they can.

16:17:56 20 Q So how do you know, looking at this form, whether the

21 taxpayer -- in this case Sue Taylor, the defendant -- filed a

22 return versus had an assessment calculated for her?

23 A Because it says returned filed and tax assessed. If it was

24 something that the IRS initiated, it would say substitute for

16:18:13 25 return.

DIRECT EXAMINATION - KRISTY MORGAN

16:18:14 1 Q And this code below it, 29211, does that mean anything to  
2 you?

3 A Yes. That's the document locator number, or also called  
4 the DLN.

16:18:23 5 Q And is it true that that also tips you off that there's  
6 actually a return filed?

7 A Correct.

8 Q The number 2190, 2,190, what does that mean?

9 A That's the tax that was assessed per the taxpayer's tax  
16:18:37 10 return when they filed it October 19, 1998.

11 Q And which column does that fall under? Assessments or  
12 payments or what?

13 A It falls under the assessment.

14 Q And in -- you know, in general terms, does that mean the  
16:18:50 15 taxpayer would have claimed that amount as a tax due on the  
16 return?

17 A Correct. They would have computed that they owed \$2,190 in  
18 tax.

19 Q All right. And there's two notations for extension of time  
16:19:02 20 to file, and then a return filed at approximately the end of  
21 that second extension; is that right?

22 A Correct.

23 Q Now, the numbers at the top where it says adjusted gross  
24 income and taxable income and self-employment tax, are those  
16:19:25 25 necessarily the numbers listed on the taxpayer's return, or can

DIRECT EXAMINATION - KRISTY MORGAN

16:19:28 1 those be amended by the IRS?

2 A Those could be corrected amounts. They're not necessarily  
3 from the tax return.

4 Q Okay. And how could they be corrected?

16:19:36 5 A Through an audit or in the underreported area where there's  
6 underreported income. Any corrections that's made to the tax  
7 owing, that adjusted gross income and the taxable income will  
8 be changed.

9 Q Okay. Looking down a little bit lower on the page, some  
16:19:58 10 other -- other codes and lines. This is payment with return  
11 \$176. What does that tell you?

12 A That when the taxpayer filed the tax return, they included  
13 a payment for \$176.

14 Q Okay. And what's the failure-to-pay tax penalty?

16:20:16 15 A That comes with the fact that there wasn't enough tax paid  
16 with the tax return initially.

17 Q Okay. And then lower down toward the bottom it says,  
18 subsequent payment, \$12.72. What does that tell you?

19 A That a notice went out to the taxpayer regarding an  
16:20:36 20 additional amount owed and that payment was made by the  
21 taxpayer.

22 Q Okay. So as -- as a taxpayer makes payments or as the IRS  
23 logs in new assessments, that would be captured on this kind of  
24 form?

16:20:51 25 A Correct.

DIRECT EXAMINATION - KRISTY MORGAN

16:20:51 1 Q And this is known as a transcript of the account; is that  
2 right?

3 A That's correct.

4 Q Let's look at -- let's look at the next page. Is this  
16:21:19 5 still the same transcript for the taxpayer, Sue Taylor, for the  
6 tax year 1997, right?

7 A That is, yes.

8 Q Okay. Now, about midway down the page, there's this  
9 amended return filed, estimated tax penalty, miscellaneous  
16:21:45 10 penalty, accuracy penalty. What is an accuracy penalty?

11 A That's assessed to the taxpayer when their first return  
12 filed was not completely accurate. It comes with the  
13 examination that was done by the IRS.

14 Q Okay. And right below that, is there any significance to  
16:21:59 15 seeing that accuracy penalty and then below that seeing the  
16 earned income credit reversed line?

17 A Right. That means that the taxpayer originally should not  
18 have claimed a credit. They did not qualify.

19 Q And then right below that it says additional tax assessed  
16:22:14 20 by examination. Tell me what all that means, if you can.

21 A That shows that an audit was done on the taxpayer for the  
22 1997 year. When it says default of 90-day letter, that means  
23 that the letters went out to the taxpayer, they did not respond  
24 with any books or records or any correspondence regarding the  
16:22:36 25 assessment, so the tax was assessed at \$26,062 based on the

DIRECT EXAMINATION - KRISTY MORGAN

16:22:42 1 fact of the IRS records that they had.

2 Q All right. And this says default of 90-day letter. Do you  
3 know what a 90-day letter?

4 A Yes. That's the statutory notice of deficiency that's sent  
16:22:56 5 to the taxpayer.

6 Q So that's a type of correspondence that is sent by the IRS  
7 out to the taxpayer?

8 A Correct. Yes.

9 Q When -- when there's extra payment -- there's extra  
16:23:06 10 payments due or there's an additional assessment of tax, or  
11 there are penalties, what does the IRS do? Is there any  
12 correspondence related to that?

13 A Any time there's any amount owed, the taxpayer will receive  
14 notice of the amount of tax owed or the penalty owed and give  
16:23:24 15 them the opportunity to correspond and talk to the IRS about  
16 it, or a payment voucher is sent so they can pay that amount to  
17 the IRS.

18 Q All right. If you look kind of in the middle of the page  
19 here there's more codes. Federal tax lien, what does that  
16:23:53 20 mean?

21 A That means that the collections department put a lien on  
22 this account for the amount that was owed.

23 Q And then there's also -- it says 04/02/2002, intent to levy  
24 collection, due process notice, levy notice issued. What does  
16:24:11 25 that mean?



DIRECT EXAMINATION - KRISTY MORGAN

16:24:12 1 A That's a specific notice that goes out to the taxpayer  
2 regarding the levy and letting them know what is going on with  
3 their account and gives them the options, again, to pay.

4 Q And what does it mean -- what does levy mean, I mean in  
16:24:27 5 general terms?

6 A In general terms, it means that any wages or bank accounts  
7 can be levied for payment, any property that you own. So they  
8 can actually sell that property to make payment on the tax.

9 Q That's one of the -- one of the things that the IRS can do  
16:24:40 10 to collect debts; is that right?

11 A That's correct.

12 Q Is that necessarily the first step in collecting a debt?

13 A That's not the first step, no.

14 Q Does this mean that that notice went out on or about April  
16:24:54 15 2nd, 2002?

16 A Correct.

17 Q Let's get back to the page before where we talked about  
18 additional tax that was assessed by examination. And it says  
19 \$26,062.

16:25:15 20 First of all, what -- what does that mean?

21 A That is the tax that was -- that the IRS computed that was  
22 owed based on the third-party information that they received  
23 from employers, banks. Any type of income that the taxpayer  
24 received. So that's the tax that was owed.

16:25:35 25 Q So is that the -- after the examination, is that the total

DIRECT EXAMINATION - KRISTY MORGAN

16:25:38 1 tax calculated, or is that the additional tax calculated?

2 A That's the additional tax calculated.

3 Q All right. Let's move on to -- to Exhibit 5. I'm sorry,  
4 Exhibit 6. And this is still -- this is in evidence.

16:26:23 5 Okay. This is similar.

6 A Yes, it is a certificate of assessments payments for Sue  
7 Taylor for tax year 1998.

8 Q Okay. So this is the same kind of document but for a  
9 different tax year?

16:26:37 10 A Correct.

11 Q In this case, tax year 1998?

12 A Right.

13 Q And again, there are events that happened in this  
14 transcript that are after 1998, right?

16:26:45 15 A Yes.

16 Q Those are subsequent events that all relate to the same tax  
17 year; is that right?

18 A Correct.

19 Q And again, let's look at kind of in the middle of the page,  
16:27:03 20 it says 12/5/99, return filed and tax assessed, \$201. Now,  
21 would that have been the amount of tax that the taxpayer, Sue  
22 Taylor, would have claimed under 1998 tax return?

23 A Yes, it is.

24 Q And that was after -- that filing was after two extensions  
16:27:19 25 again. There's a late-filing penalty of \$100 and then later

DIRECT EXAMINATION - KRISTY MORGAN

16:27:24 1 on, that's abated. Do you know what that means?

2 A When they make a computation as far as a late-filing  
3 penalty, sometimes it's not done correctly. They review  
4 accounts and then again they correct accounts if there's  
16:27:36 5 something wrong on the account.

6 Q All right. And then at the top, it says adjusted gross  
7 income of \$310,890. Take a look at that. And then also the  
8 page after this one, which is -- and I don't -- it's -- at the  
9 bottom, it's -- well, it's the second page of the transcript  
16:28:17 10 for 1998 is what I'm referring to. It's on the right side of  
11 the screen.

12 A Sure.

13 Q Here again -- and I'm going over some of this stuff a  
14 couple of times because I just want to make sure that we  
16:28:34 15 understand. These are codes that you probably had to learn  
16 when you first started with the IRS; is that right?

17 A That's correct.

18 Q Okay.

19 A Still learning.

16:28:40 20 Q Just tell me again, this also says miscellaneous penalty,  
21 it says additional tax assessed by examination, audit  
22 deficiency per default of 90-day letter. This is the same kind  
23 of thing that we saw on the other transcript; is that right?

24 A That's correct, yes.

16:28:54 25 Q And here the additional tax assessed is \$112,669?

DIRECT EXAMINATION - KRISTY MORGAN

16:29:01 1 A Yes.

2 Q Okay. Okay. At the bottom of that page on the right,  
3 there's reference to some more notices relating to levies,  
4 correct?

16:29:37 5 A Yes, it does.

6 Q So again, this means that this is the IRS record that some  
7 kind of notice related to a levy would have gone out on or  
8 around those dates?

9 A Yes, that's correct.

16:29:47 10 Q Okay. Now, does the IRS retain copies of all  
11 correspondence going out to a taxpayer?

12 A No. It's maintained on the transcript. They're  
13 computer-generated letters.

14 Q And if we -- we flip through that exhibit -- and I'm  
16:30:13 15 hesitating because I -- I think my -- my numbers are a little  
16 different than yours, but I think it's the fourth page in the  
17 exhibit after the cover sheet. It looks like what's on the  
18 screen here; is that right?

19 A Yes.

16:30:26 20 Q Okay. And look at this. It's -- it was a 10/24/07  
21 subsequent payment by levy with \$103,178.81. What does that  
22 tell you?

23 A That means that, per the levy, this amount of money was  
24 collected for the amount of tax owed.

16:30:55 25 Q And then credited to the taxpayer's account?

DIRECT EXAMINATION - KRISTY MORGAN

16:30:58 1 A Correct.

2 Q And you see down below there, in 2000 and 2003, there are  
3 some kind of notices that it references. What are those  
4 notices?

16:31:06 5 A January 3rd of 2000, the statutory notice of balance due.  
6 So that's going out to taxpayers saying you owe money, this is  
7 the amount owed. Then February 7th of 2000, there was another  
8 notice of bal due go out. Then march 10th of 2003, again, the  
9 statutory notice goes out. Statutory meaning that it's sent  
16:31:27 10 certified. And then March 31st, 2003, another statutory notice  
11 of intent to levy was sent to the taxpayer.

12 THE COURT: All right. Mr. Knapp, we're at 4:30, so  
13 we're going to break for the day at this point.

14 Members of the jury, that concludes our efforts for  
16:31:44 15 today. We'll start tomorrow morning at 9:00. I would  
16 encourage you to take into account traffic and parking when  
17 you come down. We have found that on the second day of trial  
18 some jurors are surprised when they don't actually get into  
19 the courtroom until about 9:20 because they didn't anticipate  
16:32:00 20 that. So if you could take that into account.

21 When you come into the court, just come up to this  
22 jury room. We will plan to get started right at 9 o'clock.  
23 So if you could be in there ready to go, we would appreciate  
24 it.

16:32:12 25 Please remember not to discuss the case with anybody

DIRECT EXAMINATION - KRISTY MORGAN

16:32:15 1 or do any research on your own about the case, and we'll plan  
2 to see you in the morning.

3 Anything we need to address before we excuse the  
4 jury?

16:32:24 5 MR. KNAPP: Nothing from the United States, Your  
6 Honor.

7 THE COURT: Ms. Taylor, anything from you before we  
8 excuse them for the day?

9 MS. TAYLOR: No, Your Honor.

16:32:31 10 THE COURT: Okay. You can just leave your notes on  
11 the chair, and we'll see you in the morning. Thanks very much.

12 (The jury exited the courtroom at 4:32.)

13 THE COURT: All right. Please be seated.

14 Counsel for the government and Ms. Taylor, I think  
16:33:07 15 I'd like to continue the government's moving in of exhibits  
16 tomorrow morning at 8:30 rather than do it now. So if we can  
17 be here in the courtroom at 8:30, we will continue with that  
18 process.

19 Are there any additional matters we need to address  
16:33:23 20 before we break for the day?

21 MS. TAYLOR: I just want it on the record that I still  
22 object that I didn't get a jury of my peers.

23 THE COURT: All right. That's on the record.

24 Anything from the government?

16:33:36 25 MR. KNAPP: No, Your Honor.

DIRECT EXAMINATION - KRISTY MORGAN

16:33:37 1

THE COURT: Okay. We'll plan to see you at 8:30.

2 Thanks.

3 (End of transcript.)

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DIRECT EXAMINATION - KRISTY MORGAN

C E R T I F I C A T E

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2  
3 I, PATRICIA LYONS, do hereby certify that I am duly  
4 appointed and qualified to act as Official Court Reporter for  
5 the United States District Court for the District of Arizona.

6  
7 I FURTHER CERTIFY that the foregoing pages constitute  
8 a full, true, and accurate transcript of all of that portion  
9 of the proceedings contained herein, had in the above-entitled  
10 cause on the date specified therein, and that said transcript  
11 was prepared under my direction and control, and to the best  
12 of my ability.

13  
14 DATED at Phoenix, Arizona, this 23rd day of July,  
15 2011.

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20 s/ Patricia Lyons, RMR, CRR  
21 Official Court Reporter  
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