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8 UNITED STATES DISTRICT COURT
9 DISTRICT OF ARIZONA

10 United States of America,
11
12 Plaintiff,
13
14 v.
15 Janice Sue Taylor,
16
17 Defendant.

No. CR-10-0400-PHX-DGC
**GOVERNMENT’S SUPPLEMENTAL
SENTENCING MEMORANDUM**

16 Defendant has filed no objections to the Presentence Investigation Report (PSR), so she
17 apparently has no challenge to the factual findings in the PSR. This Supplemental Memorandum
18 addresses some concerns that Defendant’s former advisory counsel raised about the tax loss
19 calculations.

20 The federal tax loss stated in the PSR is \$2,367,372, which is significantly higher than
21 the \$910,646.23 figure discussed at trial. (PSR 5 ¶ 11, 12; RT 4/21/11 727:5-6.) One reason is
22 that the calculations at trial only covered the charged counts, whereas the PSR includes tax loss
23 from additional tax years. Another reason the tax loss in the PSR is higher is that, as IRS
24 Revenue Agent Cheryl Bradley explained, she did the trial calculations “as conservative as [she]
25 could,” giving Defendant the benefit of the doubt whenever possible. (RT 4/21/11 704:17-22.)
26 The tax loss stated in the PSR is not limited in this way, and is therefore more accurate (and
27 higher). A third reason that the tax loss is higher is that the IRS continues to find additional
28 income sources for Defendant, even after the jury trial. Defendant declined to be interviewed by

1 the U.S. Probation Office, so the PSR contains no information from Defendant about her assets
2 and income during the relevant time period. (PSR 6 ¶ 14, 7 ¶ 28.)

3 The total tax loss stated in the PSR, after including unpaid state taxes, is \$3,187,774.86.
4 (PSR 5 ¶ 11.) See United States v. Yip, 592 F.3d 1032, 1038-39 (9th Cir. 2010) (concluding that
5 tax loss properly includes unpaid state taxes, even those for which the statute of limitations may
6 prevent prosecution). IRS Revenue Agent Cheryl Bradley has since re-calculated the state taxes
7 at a lower rate and updated some other entries, which results in a total tax loss of \$3,025,285.11.
8 This is still well over the \$2,500,000 threshold in U.S.S.G. § 2T4.1(J), so the Sentencing
9 Guidelines calculation is unaffected. Agent Bradley's worksheet is attached as Sentencing
10 Exhibit B, and she will be available at sentencing if the Court has questions regarding her
11 calculations.

12
13 Respectfully submitted this 30th day of November, 2011.

14 ANN BIRMINGHAM SCHEEL
15 Acting United States Attorney
16 District of Arizona

17 *s/ Frank Galati*

18 FRANK T. GALATI

19 *s/ James Knapp*

20 JAMES R. KNAPP
21 Assistant U.S. Attorneys

22 Certificate of Service

23 I hereby certify that on 11/30/2011, I mailed copies of the attached document to the following:

24 Janice Sue Taylor
25 3341 Arianna Ct.
26 Gilbert, AZ 85298
27
28

Sentencing Exhibit B

Page 1 of 1

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Tax Year	2001	2002	2003	2004	2005	2006	2010	Total
Commissions	\$23,139.00	\$123,846.00	\$100,698.03	\$268,504.93	\$204,916.12	\$162,148.20	\$0.00	
Gain from Sale of Real Estate	0.00	0.00	209,540.50	0.00	1,823,150.00	2,463,056.30	822,563.00	
Gain from Sale of Real Estate	0.00	0.00	0.00	0.00	426,739.00	0.00	0.00	
Gain from Sale of Real Estate	0.00	0.00	0.00	0.00	1,147,759.75	0.00	0.00	
Rental Income	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
Business Expenses	-5,692.00	-31,067.00	-30,917.00	-31,367.00	-33,067.00	-33,467.00	-35,117.00	
Deduction for 1/2 of Self Employment Tax	-1,233.00	-6,506.00	-4,930.00	-8,626.00	-38,009.00	-7,564.00	0.00	
Adjusted Gross Income	\$21,914.00	\$86,273.00	\$274,391.53	\$228,511.93	3,531,488.87	2,584,173.50	787,446.00	7,514,198.83
Standard Deduction	4,550.00	4,700.00	4,750.00	4,850.00	5,000.00	5,150.00	5,700.00	
Personal Exemption	2,900.00	3,000.00	0.00	930.00	0.00	1,100.00	3,650.00	
Taxable Income	\$14,464.00	\$78,573.00	\$269,641.53	\$222,731.93	\$3,526,488.87	\$2,577,923.50	\$778,096.00	7,467,918.83
Federal Tax Due	1,871.00	17,888.00	76,553.00	60,791.00	1,214,741.00	882,134.00	243,805.00	
Self-Employment Tax	2,465.00	13,012.00	9,860.00	17,251.00	76,018.00	15,127.00	35,272.00	
Arizona State Tax Due	429.85	3,050.65	12,451.93	10,087.69	176,597.05	122,394.06	33,485.88	358,497.11
Tax Due and Owing	\$4,765.85	\$33,950.65	\$98,864.93	\$88,129.69	\$1,467,356.05	\$1,019,655.06	\$312,562.88	\$3,025,285.11
Federal Tax Due and Owing for 2003 - 2006			\$76,553.00	\$60,791.00	\$1,214,741.00	\$882,134.00		\$2,234,219.00

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2001	Exhibit Number
Commissions	\$23,139.00	Exhibit 1, page 15
Gain from Sale of Real Estate	0.00	
Rental Income	5,700.00	Exam File
Business Expenses	-5,692.00	RC Exhibit 1, page 14
Deduction for 1/2 of Self Employment Tax	-1,233.00	
Adjusted Gross Income	21,914.00	
Standard Deduction	4,550.00	
Exemptions	2,900.00	
Taxable Income	\$14,464.00	
Federal Tax Due	1,871.00	
Self-Employment Tax	2,465.00	
Subtotal of Federal Tax	4,336.00	
Arizona State Tax Due	429.85	
Total Tax Due and Owing	\$4,765.85	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2002	Exhibit Number
Commissions	\$123,846.00	Exam file
Gain from Sale of Real Estate	0.00	
Rental Income	0.00	
Business Expenses	-31,067.00	RC Exhibit 1, page 14
Deduction for 1/2 of Self Employment Tax	-6,506.00	
Adjusted Gross Income	86,273.00	
Standard Deduction	4,700.00	
Exemptions	3,000.00	
Taxable Income	\$78,573.00	
Federal Tax Due	17,888.00	
Self-Employment Tax	13,012.00	
Subtotal of Federal Tax	30,900.00	
Arizona State Tax Due	3,050.65	
Total Tax Due and Owing	\$33,950.65	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2003	Exhibit Number
Commissions	\$100,698.03	Ex 148, page 1
Gain from Sale of Real Estate	209,540.50	RC Exhibit 1, page 23
Rental Income	0.00	
Business Expenses	-30,917.00	Ex 149, page 14
Deduction for 1/2 of Self Employment Tax	-4,930.00	
Adjusted Gross Income	274,391.53	
Standard Deduction	4,750.00	
Exemptions	0.00	
Taxable Income	\$269,641.53	
Federal Tax Due	76,553.00	
Self-Employment Tax	9,860.00	
Subtotal of Federal Tax	86,413.00	
Arizona State Tax Due	12,451.93	
Total Tax Due and Owing	\$98,864.93	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2004	Exhibit Number
Commissions	\$268,504.93	Ex 148, page 3
Gain from Sale of Real Estate	0.00	
Rental Income	0.00	
Business Expenses	-31,367.00	Ex 149, page 14
Deduction for 1/2 of Self Employment Tax	-8,626.00	
Adjusted Gross Income	228,511.93	
Standard Deduction	4,850.00	
Exemptions	930.00	
Taxable Income	\$222,731.93	
Federal Tax Due	60,791.00	
Self-Employment Tax	17,251.00	
Subtotal of Federal Tax	78,042.00	
Arizona State Tax Due	10,087.69	
Total Tax Due and Owing	\$88,129.69	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2005	Exhibit Number
Commissions	\$204,916.12	Ex 148, page 4
Gain from Sale of Real Estate	1,823,150.00	Ex 149, page 6
Gain from Sale of Real Estate	426,739.00	Ex 149, page 6
Gain from Sale of Real Estate	1,147,759.75	RC Ex 1, page 23
Business Expenses	-33,067.00	Ex 149, page 14
Deduction for 1/2 of Self Employment Tax	-38,009.00	
Adjusted Gross Income	3,531,488.87	
Standard Deduction	5,000.00	
Exemptions	0.00	
Taxable Income	\$3,526,488.87	
Federal Tax Due	1,214,741.00	
Self-Employment Tax	76,018.00	
Subtotal of Federal Tax	1,290,759.00	
Arizona State Tax Due	176,597.05	
Total Tax Due and Owing	\$1,467,356.05	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2006	Exhibit Number
Commissions	\$162,148.20	Ex 148, page 4
Gain from Sale of Real Estate	2,463,056.30	RC Ex 1, page 23
Rental Income	0.00	
Business Expenses	-33,467.00	Ex 149, page 14
Deduction for 1/2 of Self Employment Tax	-7,564.00	
Adjusted Gross Income	2,584,173.50	
Standard Deduction	5,150.00	
Exemptions	1,100.00	
Taxable Income	\$2,577,923.50	
Federal Tax Due	882,134.00	
Self-Employment Tax	15,127.00	
Subtotal of Federal Tax	897,261.00	
Arizona State Tax Due	122,394.06	
Total Tax Due and Owing	\$1,019,655.06	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2010	Exhibit Number
Gain from Sale of Real Estate	822,563.00	RC Ex 1, page 28
Business Expenses	-35,117.00	RC Ex 1, page 14
Deduction for 1/2 of Self Employment Tax	-17,636.00	
Adjusted Gross Income	769,810.00	
Standard Deduction	5,700.00	
Exemptions	3,650.00	
Taxable Income	\$760,460.00	
Federal Tax Due	243,805.00	
Self-Employment Tax	35,272.00	
Subtotal of Federal Tax	279,077.00	
Arizona State Tax Due	33,485.88	
Total Tax Due and Owing	\$591,639.88	

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Trans. Date	Transactions	Amount	Reference	Weekly	Monthly	Semi Annual	Annually	Estimated Expenses
6/27/2002	Alltel	45.83	Community Bank 0957					
1/10/2001	Alltel	56.38	Compass Bank 0204					
3/3/2001	Alltel	58.14	Compass Bank 0204					
5/4/2001	Alltel	57.67	Compass Bank 0204					
7/9/2001	Alltel	68.37	Meridian Bank 0128					
11/13/2001	Alltel	71.78	Meridian Bank 0128					
12/17/2001	Alltel	73.05	Meridian Bank 0128					
1/14/2002	Alltel	55.12	Meridian Bank 0128					
1/14/2002	Alltel	42.00	Meridian Bank 0128					
2/13/2002	Alltel	140.72	Meridian Bank 0128					
		669.06			66.91			\$802.87
1/17/2002	American Family	927.70	Community Bank 0128					
1/21/2003	American Family	1,110.60	Community Bank 0128					
1/10/2001	American Family	1,356.00	Compass Bank 0204					
		3,394.30				1,131.43		\$2,262.87
12/29/2001	AOL Online Service 1201	23.90	Global Bank Credit Card					
1/29/2002	AOL Online Service 1201	23.90	Global Bank Credit Card					
3/1/2002	AOL Online Service 1201	23.90	Global Bank Credit Card					
3/29/2002	AOL Online Service 1201	23.90	Global Bank Credit Card					
4/29/2002	AOL Online Service 1201	23.90	Global Bank Credit Card					
		119.50			23.90			\$286.80
6/24/2002	APS	185.45	Community Bank 0957					
1/25/2001	APS	101.63	Compass Bank 0204					
3/1/2001	APS	107.76	Compass Bank 0204					
8/23/2001	APS	398.37	Meridian Bank 0128					
11/15/2001	APS	185.80	Meridian Bank 0128					
12/13/2001	APS	112.16	Meridian Bank 0128					
		1,091.17			181.86			\$2,182.34
5/8/2001	Arizona Capital Times	51.00	Compass Bank 0204					
1/9/2001	Arizona Republic	357.82	Compass Bank 0204					
3/6/2001	Arizona Republic	314.08	Compass Bank 0204					
1/11/2002	Arizona Republic	363.45	Meridian Bank 0128					
7/9/2001	Arizona Republic	334.85	Meridian Bank 0128					
11/13/2001	Arizona Republic	277.08	Meridian Bank 0128					
12/12/2001	Arizona Republic	275.08	Meridian Bank 0128					
		1,973.36			281.91			\$3,382.90
3/1/2001	C.N.A.	486.39	Compass Bank 0204					

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Trans. Date	Transactions	Amount	Reference	Weekly	Monthly	Semi Annual	Annually	Estimated Expenses
3/1/2001	C.N.A.	1,667.44	Compass Bank 0204					
		2,153.83					2,153.83	\$2,153.83
1/21/2002	Discount Copy	21.57	BofA Credit Card Charge					
2/7/2002	Discount Copy	21.57	BofA Credit Card Charge					
5/7/2002	Discount Copy	56.05	BofA Credit Card Charge					
8/21/2002	Discount Copy	16.16	BofA Credit Card Charge					
9/4/2002	Discount Copy	34.54	BofA Credit Card Charge					
		149.89		29.98				\$1,558.86
1/16/2002	MLS	250.00	Meridian Bank 0128					
		250.00				250.00		\$500.00
1/14/2002	Office Max	6.02	BofA Credit Card Charge					
2/5/2003	Office Max	49.58	BofA Credit Card Charge					
9/27/2003	Office Max	36.64	BofA Credit Card Charge					
9/27/2003	Office Max	23.99	BofA Credit Card Charge					
9/30/2003	Office Max	11.85	BofA Credit Card Charge					
10/3/2003	Office Max	13.56	BofA Credit Card Charge					
10/5/2003	Office Max	46.46	BofA Credit Card Charge					
2/12/2001	Office Max	28.40	BofA Credit Card Charge					
6/2/2001	Office Max	20.39	BofA Credit Card Charge					
		236.89			26.32			\$315.85
6/7/2002	Prof Inst of RL Estate	100.00	BofA Credit Card Charge					
6/18/2002	Prof Inst of RL Estate	20.00	BofA Credit Card Charge					
		120.00					120.00	\$120.00
6/24/2002	Qwest	109.93	Community Bank 0957					
1/8/2001	Qwest	112.72	Compass Bank 0204					
1/8/2001	Qwest	50.21	Compass Bank 0204					
1/8/2001	Qwest	52.54	Compass Bank 0204					
3/4/2001	Qwest	53.74	Compass Bank 0204					
3/6/2001	Qwest	259.69	Compass Bank 0204					
11/9/2001	Qwest	49.48	Meridian Bank 0128					
11/9/2001	Qwest	117.50	Meridian Bank 0128					
12/11/2001	Qwest	49.48	Meridian Bank 0128					
12/11/2001	Qwest	118.01	Meridian Bank 0128					
1/17/2002	Qwest	50.42	Meridian Bank 0128					
1/17/2002	Qwest	118.92	Meridian Bank 0128					
1/17/2002	Qwest	117.99	Meridian Bank 0128					
6/10/2002	Qwest	49.48	Meridian Bank 0128					

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Trans. Date	Transactions	Amount	Reference	Weekly	Monthly	Semi Annual	Annually	Estimated Expenses
		1,310.11			93.58			\$1,122.95
10/3/2003	Realty Sign	12.72	BofA Credit Card Charge					
10/7/2003	Realty Sign	8.09	BofA Credit Card Charge					
10/11/2003	Realty Sign	322.78	BofA Credit Card Charge					
10/21/2003	Realty Sign	103.49	BofA Credit Card Charge					
11/5/2003	Realty Sign	67.86	BofA Credit Card Charge					
12/10/2001	Realty Sign	207.73	Global Bank Credit Card					
		722.67			120.45			\$1,445.34
1/31/2002	Service Charge	18.50	Community Bank 0128					
2/28/2002	Service Charge	2.00	Community Bank 0128					
3/31/2002	Service Charge	2.00	Community Bank 0128					
4/30/2002	Service Charge	2.00	Community Bank 0128					
5/31/2002	Service Charge	2.00	Community Bank 0128					
6/30/2002	Service Charge	2.00	Community Bank 0128					
7/31/2002	Service Charge	2.00	Community Bank 0128					
8/31/2002	Service Charge	2.00	Community Bank 0128					
10/31/2002	Service Charge	2.00	Community Bank 0128					
11/30/2002	Service Charge	2.00	Community Bank 0128					
12/31/2002	Service Charge	2.00	Community Bank 0128					
2/28/2003	Service Charge	2.00	Community Bank 0128					
1/31/2003	Service Charge	2.00	Community Bank 0128					
3/31/2003	Service Charge	2.00	Community Bank 0128					
4/30/2003	Service Charge	2.00	Community Bank 0128					
5/31/2003	Service Charge	2.00	Community Bank 0128					
6/30/2003	Service Charge	2.00	Community Bank 0128					
7/31/2003	Service Charge	2.00	Community Bank 0128					
8/31/2003	Service Charge	2.00	Community Bank 0128					
9/30/2003	Service Charge	2.00	Community Bank 0128					
		56.50			2.83			\$33.90
1/11/2001	Southeast Realtors	250.00	Compass Bank 0204				250.00	\$250.00
		250.00						
6/11/2002	Southwest Gas	16.51	Community Bank 0136					
1/9/2001	Southwest Gas	40.22	Compass Bank 0204					
3/6/2001	Southwest Gas	47.13	Compass Bank 0204					
5/4/2001	Southwest Gas	20.28	Compass Bank 0204					
7/10/2001	Southwest Gas	18.76	Meridian Bank 0128					
11/14/2001	Southwest Gas	13.98	Meridian Bank 0128					
12/12/2001	Southwest Gas	17.78	Meridian Bank 0128					

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owning

Trans. Date	Transactions	Amount	Reference	Weekly	Monthly	Semi Annual	Annually	Estimated Expenses
1/15/2002	Southwest Gas	47.70	Meridian Bank 0128					
		<u>222.36</u>			27.80			<u>\$333.54</u>
1/16/2002	SRP	7.65	Meridian Bank 0128					
7/9/2001	SRP	12.46	Meridian Bank 0128					
7/9/2001	SRP	158.94	Meridian Bank 0128					
11/9/2001	SRP	8.15	Meridian Bank 0128					
11/9/2001	SRP	200.08	Meridian Bank 0128					
12/11/2001	SRP	11.02	Meridian Bank 0128					
12/11/2001	SRP	8.21	Meridian Bank 0128					
1/11/2002	SRP	160.11	Meridian Bank 0128					
1/11/2002	SRP	39.59	Meridian Bank 0128					
1/11/2002	SRP	8.15	Meridian Bank 0128					
		<u>614.36</u>			61.44			<u>\$737.23</u>
10/11/2002	Staples	12.91	BofA Credit Card Charge					
6/13/2001	Staples	86.22	BofA Credit Card Charge					
		<u>99.13</u>			49.57			<u>\$594.78</u>
1/11/2001	Town of Gilbert	45.24	Compass Bank 0204					
3/7/2001	Town of Gilbert	45.24	Compass Bank 0204					
5/9/2001	Town of Gilbert	27.59	Compass Bank 0204					
7/11/2001	Town of Gilbert	33.67	Meridian Bank 0128					
9/13/2001	Town of Gilbert	41.76	Meridian Bank 0128					
11/19/2001	Town of Gilbert	44.46	Meridian Bank 0128					
12/14/2001	Town of Gilbert	44.46	Meridian Bank 0128					
1/15/2002	Town of Gilbert	41.37	Meridian Bank 0128					
		<u>323.79</u>			40.47			<u>\$485.69</u>
1/16/2001	Tribune	42.60	Compass Bank 0204					
5/9/2001	Tribune	73.44	Compass Bank 0204					
5/9/2001	Tribune	73.44	Compass Bank 0204					
7/11/2001	Tribune	13.32	Meridian Bank 0128					
12/14/2001	Tribune	55.52	Meridian Bank 0128					
		<u>258.32</u>			51.66			<u>\$619.97</u>
2/26/2002	USPS	20.00	Community Bank 0510					
1/9/2002	USPS	34.00	BofA Credit Card Charge					
2/13/2002	USPS	6.95	BofA Credit Card Charge					
3/26/2002	USPS	37.90	BofA Credit Card Charge					
3/26/2002	USPS	12.45	BofA Credit Card Charge					
4/3/2002	USPS	8.37	BofA Credit Card Charge					

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Trans. Date	Transactions	Amount	Reference	Weekly	Monthly	Semi Annual	Annually	Estimated Expenses
7/29/2002	USPS	37.00	BofA Credit Card Charge					
8/29/2002	USPS	4.30	BofA Credit Card Charge					
10/3/2002	USPS	2.90	BofA Credit Card Charge					
10/8/2002	USPS	41.30	BofA Credit Card Charge					
11/13/2002	USPS	37.03	BofA Credit Card Charge					
11/19/2002	USPS	4.30	BofA Credit Card Charge					
11/27/2002	USPS	3.22	BofA Credit Card Charge					
12/4/2002	USPS	6.59	BofA Credit Card Charge					
1/3/2003	USPS	4.70	BofA Credit Card Charge					
1/8/2003	USPS	26.52	BofA Credit Card Charge					
1/16/2003	USPS	5.25	BofA Credit Card Charge					
1/29/2003	USPS	42.00	BofA Credit Card Charge					
7/30/2003	USPS	4.42	BofA Credit Card Charge					
10/2/2003	USPS	37.00	BofA Credit Card Charge					
12/10/2003	USPS	37.00	BofA Credit Card Charge					
1/12/2001	USPS	4.58	BofA Credit Card Charge					
3/13/2001	USPS	34.00	BofA Credit Card Charge					
3/26/2001	USPS	12.27	BofA Credit Card Charge					
4/5/2001	USPS	2.02	BofA Credit Card Charge					
4/16/2001	USPS	51.27	BofA Credit Card Charge					
5/11/2001	USPS	3.90	BofA Credit Card Charge					
6/5/2001	USPS	3.50	BofA Credit Card Charge					
6/6/2001	USPS	57.53	BofA Credit Card Charge					
6/9/2001	USPS	19.63	BofA Credit Card Charge					
6/15/2001	USPS	17.16	BofA Credit Card Charge					
6/21/2001	USPS	16.01	BofA Credit Card Charge					
6/25/2001	USPS	3.50	BofA Credit Card Charge					
7/3/2001	USPS	18.19	BofA Credit Card Charge					
8/11/2001	USPS	4.13	BofA Credit Card Charge					
10/18/2001	USPS	4.75	BofA Credit Card Charge					
10/31/2001	USPS	3.90	BofA Credit Card Charge					
12/12/2001	USPS	8.11	BofA Credit Card Charge					
		677.65		17.83				\$927.31
	Total Estimated Expenses							\$20,117

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Trans. Date	Transactions	Amount	Reference	Weekly	Monthly	Semi Annual	Annually	Estimated Expenses
Auto Expense								
	Mileage	30000						
2001	Standard Mileage Rate	0.345	30000			\$10,350		
2002	Standard Mileage Rate	0.365	30000			\$10,950		
2003	Standard Mileage Rate	0.360	30000			\$10,800		
2004	Standard Mileage Rate	0.375	30000			\$11,250		
2005	Standard Mileage Rate	0.405	20000		8,100			
		0.485	10000		4,850	\$12,950		
2006	Standard Mileage Rate	0.445	30000			\$13,350		
2010	Standard Mileage Rate	0.500	30000			\$15,000		
2001 Total Expenditures		\$5,692	(1)					
2002 Total Expenditures		\$31,067						
2003 Total Expenditures		\$30,917						
2004 Total Expenditures		\$31,367						
2005 Total Expenditures		\$33,067						
2006 Total Expenditures		\$33,467						
2010 Total Expenditures		\$35,117						

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Deposits	2001	2002	
Community/Meridian Bank 0510	46,055	206,641	
Community/Meridian Bank 0957	-	89,333	
Community/Meridian Bank 0136	12,991	8,734	
Community/Meridian Bank 0128	97,924	53,125	
Compass Bank 2404	7,305		
	166,276	359,835	
Taxable Commissions			
Community/Meridian Bank 0510	-	30,807	
Community/Meridian Bank 0957	-	89,222	
Community/Meridian Bank 0136			
Community/Meridian Bank 0128	14,913	3,817	
Compass Bank 2404	8,225		
Total Taxable Commissions	23,139	123,846	See Exam File
Rental Income			
Community/Meridian Bank 0128	5,700		See Exam File

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

	2001	2002	2003	2004	2005	2006	2010
Taxable Income	14,464.00	78,573.00	269,641.53	222,731.93	3,526,489.00	2,577,924.00	760,460.00
Rate	0.032	0.0472	0.0504	0.0504	0.0504	0.0479	0.0454
Subtotal	462.85	3,708.65	13,589.93	11,225.69	177,735.05	123,482.56	34,524.88
Less	33.00	658.00	1,138.00	1,138.00	1,138.00	1,088.50	1,039.00
Tax	430	3,051	12,452	10,088	176,597	122,394	33,486

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Items Deposited to Account 6511300128							
Statement Date	Amount	Check No.	Payor	Date	Amount	Memo	Comments
5/15/2001	800.00	1123	Celia-Jov J. Marquez	5/15/2001	400.00	Rent & late fees	
			Cash in	5/15/2001	400.00		
					800.00		
6/1/2001	650.00	810	Steven Varela JR	5/30/2001	650.00		payable to Sue Taylor
6/1/2001	60.64	3421	Dolpha Pinkerton/Avis Johnson	5/29/2001	46.09		Dolpha Larson
		1009	Les & Stacy Griffith	5/21/2001	14.55		
					60.64		
6/1/2001	14.94	3459	Mark & Jullianne Skaman	5/31/2001	14.94		
6/18/2001	2,426.37	104197	Capital Title Agency	6/4/2001	1,544.69		contract # 6980262
		113279512	EDS Cash Dividend	6/11/2001	0.60		
		money order	C J Marquez	6/1/2001	350.00	rent for june	525 E Peppertree Ave #2
		1142	C E Murphy & Darlene Hipsley	6/4/2001	350.00	rent june	525 E Peppertree Ave #4
		2100555	Home Commings Financial Network	5/29/2001	181.08	pay to Gerald J Ricke	2220 S Country Club #107 Mesa 85210
					2,426.37		
6/18/2001	24.04	396	Louse G De Carlo	6/15/2001	8.02		
		1007	Carolyn & Neal McNutt	6/2/2001	12.81		
		1739	Shelly Carnille	6/11/2001	3.21		
					24.04		
6/28/2001	665.95	108788	Capital Title Agency	6/7/2001	665.95	pay to Gerry S Wright	4213 N Civic Center Blvd #18 Scottsdale 85251
6/15/2001	37.50		OD Charge Refund				
7/5/2001	4,000.00	1148	C E Murphy & Darlene Hipsley	7/1/2001	350.00	July rent	pay to Sue Taylor
		1167	Celia-Jov J. Marquez	6/30/2001	350.00	Rent July	pay to Sue Taylor
			Cash in ticket	7/5/2001	50.00		
		money order	Erin Schabe	6/28/2001	250.00	pay to Sue Taylor	438 E Kachina #3
		money order	Erin Schabe	6/28/2001	300.00	pay to Sue Taylor	438 E Kachina #3
		money order	Erin Schabe	6/28/2001	300.00	pay to Sue Taylor	438 E Kachina #3
		109455	Capital Title Agency	7/3/2001	2,000.00	escrow 06010303-006 N	payable to National Landbank, LLC
		1708	The Mutt Mobile	6/30/2001	400.00	july rent/pay to Sue Tay	Margaret Owens
					4,000.00		
7/5/2001	227.91	7619	JR Becker DBA Becker Trucking	6/17/2001	64.25		
		2165	Brian & Deanna Fero	6/17/2001	9.95		
		3405	Dolpha Pinderton/Avis Johnson	7/2/2001	81.77		

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Items Deposited to Account 6511300128							
Statement Date	Amount	Check No.	Payor	Date	Amount	Memo	Comments
		12027218	National Paper dividend	6/15/2001	1.25		
		3553	Circle G Development Company	6/28/2001	70.69		
					227.91		
7/23/2001	294.12	108934	Capital Title Agency	7/16/2001	1,544.69	contract 6380262	pay Sue Taylor
			Cash Out Ticket	7/23/2001	-1,000.00		
			Loan Substitute Coupon	7/23/2001	-250.57		
					294.12		
7/6/2001	1,000.00		Telephone Trf Credit				
7/16/2001	50.00		Cash Adv Sys-gen				
7/17/2001	50.00		Cash Adv Sys-gen				
7/19/2001	50.00		Cash Adv Sys-gen				
7/20/2001	100.00		Cash Adv Sys-gen				
8/23/2001	700.00		Cash Adv Sys-gen				
9/7/2001	3,376.26	1091	Erin Schabe	9/6/2001	400.00	sept rent	pay Sue Taylor
		165	Gerald J Ricke	8/21/2001	1,000.00		G J R @ 20 N Gilbert Road
			Cash Out Ticket	9/7/2001	-2,000.00		
		11137	Queen Creek Water Company	8/31/2001	136.26	2000/2001 mainline refu	22036 Ellsworth Road Queen Creek 85242
		1737	The Mutt Mobile	8/31/2001	400.00	sept rent	pay Sue Taylor
		1206	Celia-Jov J. Marquez	9/4/2001	350.00	rent 9/2001	pay Sue Taylor
		109454	Capital Title Agency	7/5/2001	3,090.00	escrow 06010240 006 M	pay Sue Taylor
					3,376.26		
9/26/2001	1,243.33	115281	Capital Title Agency	9/23/2001	1,594.69	contract 6980262	pay Sue Taylor
			Cash Out Ticket	9/26/2001	-351.36		
					1,243.33		
9/18/2001	300.00		Cash Adv Sys-gen				
9/19/2001	50.00		Cash Adv Sys-gen				
10/9/2001	3,938.38						Not Available
10/10/2001	300.00						Not Available
10/19/2001	1,000.00		Cash Adv Sys-gen				
10/23/2001	100.00		Cash Adv Sys-gen				
11/7/2001	5,850.00	575727641	San Tan Credit Union	11/7/2001	5,000.00		
		1176	C E Murphy & Darlene Hipsley	11/5/2001	350.00	nov rent	pay Sue Taylor
			Cash in ticket	11/7/2001	500.00		
					5,850.00		

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owning

Items Deposited to Account 6511300128							
Statement Date	Amount	Check No.	Payor	Date	Amount	Memo	Comments
11/9/2001	2,500.00	1	Community Bank acct 6511100957	11/9/2001	3,000.00		
			Cash Out Ticket	11/9/2001	-500.00		
					2,500.00		
12/10/2001	3,694.69	1186	C E Murphy & Darlene Hipsley	12/7/2001	350.00	Dec rent	pay Sue Taylor
		398	Olga Barraza	12/8/2001	400.00	525 E Peperree #1	pay Sue Taylor
		1787	The Mutt Mobile	11/20/2001	400.00	Dec rent	pay Sue Taylor
		122768	Capital Title	11/19/2001	2,544.69	contract # 06980262	disburse to seller/Sue Taylor
					3,694.69		
12/10/2001	2,000.00		transfer from 6511100957	12/10/2001	2,000.00		
12/18/2001	4,000.13		Cash in ticket	12/18/2001	1,640.00		
			G/L Credit	12/18/2001	-0.06		
		6035702	GMAC Mortgage	12/7/2001	320.46	acct #302	
		2498382	Conxeco Medical	12/1/2001	39.73		
			transfer from 6511300136	12/18/2001	2,000.00		
					4,000.13		
12/18/2001	2,000.00		Cash in ticket	12/17/2001	2,000.00		
12/17/2001	272.40	126052	Capital Title Agency	12/13/2001	1,594.69	contract #06980262	
			Cash Out Ticket	12/29/2001	-1,322.29		
					272.40		
			Taxable Commissions		14,913.45		
			Taxable Rent		5,700.00		

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Stmt Date	Amount	Payor	Amount	Ck Date	Ck #	Memo	Comments
2/8/2001	350.00	Celia Joy J. Marquez	350.00	2/1/2001	1055	Rent apt 2-Feb 2001	
	2,812.16	Circle R Investments	1,406.08	2/16/2001	3043	Miller Sale	
		Waray Diversified LLC	1,406.08	2/13/2001	101	Commission on 6024 & 502	
			<u>2,812.16</u>				
	2,053.28	Circle G Property Development LLC	646.70	3/2/1908			
		T. Dennis Barney	1,406.58	2/15/2001		Miller Sale	
			<u>2,053.28</u>				
3/30/2001	1,710.00	Capital Title Agency	1,710.00	3/16/2001	106124	0601055-006 MJW	
4/23/2001	2,700.00						
5/4/2001	1,650.00	Capital Title Agency	1,650.00	4/17/2001	107273	escrow #06010210-006 MJW	
5/4/2001	40.00	Cash In	40.00				
5/9/2001	45.00	NSF Waived	45.00	5/9/2001			
5/9/2001	1,100.00	Checks in	1,100.00				
5/10/2001	60.00	NSF Waived	60.00	5/9/2001			
	<u>12,520.44</u>						
			<u>8,225.44</u>			Taxable Commissions	

**Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owning**

Date	Amount	Payee	Amount	Cash Back	Ck Date	Ck #	Memo	Comments	Ck Payable to
6/1/2001	46,055.03	Deposit item not found							
	46,055.03	Total							
7/1/2002	153,000.00	Capital Title Agency	153,000.00		6/19/2002	117458	escrow #06020498-005 DR		Peacepipe LLC
7/18/2002	952.75	Cash In Ticket	952.75						
8/15/2002	10,000.00	Capital Title Agency	10,500.00		7/23/2002	117908	06020230-006 DR	commission parcel 401-48-012B	
		Cash Back		500.00					
			10,000.00						
10/15/2002	10,000.00	Cashier Checks	5,000.00						
		Cashier Checks	5,000.00						
			10,000.00						
10/30/2002	184.00	Queen Creek Water Company	184.00		8/30/2002	12715	2001/2002 Mainline refund-San Tan Goldmine	Payable to San Tan Gold Mine, LLC	
11/18/2002	22,000.00	Lawyers Title of Arizona	3,600.00				00367785-700-GAL/GAL		Sue Taylor
			2,850.00				00371534-700-GAL/GAL		Sue Taylor
			4,606.00				00369391-700-GAL/GAL		Sue Taylor
			3,420.00				00362931-700-GAL/GAL		Sue Taylor
			3,528.00				00371046-700-GAL/GAL		Sue Taylor
			2,303.00				00369419-700-GAL/GAL		Sue Taylor
			22,812.00	812.00					
			43,119.00						
11/19/2002	2,505.00	Non-negotiable item					Deposit error corrected by the bank		
11/22/2002	8,000.00	Deposit item not found							
	206,641.75	Total	30,807.00				Taxable Commissions		

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Date	Amount	Payor	Amount	Ck Date	Ck #	Memo	Comments
3/7/2002	9,563.86	Wary Diversified LLC	2,972.38	2/12/2002	108	Miller Sale	
		Circle R Investments	2,972.39	2/20/2002	3305	Miller Sale	
		T. Dennis Barney	2,972.39	2/12/2002	2161	Miller Sale	
		Circle G Property Development LLC	646.70	2/26/2002	4987		
			9,563.86				
3/25/2002	646.70	Circle G Property Development LLC	646.79	3/14/2002	4991		
5/6/2002	14,817.08	Wary Diversified LLC	7,408.54	4/22/2002	109	Commission	
		T. Dennis Barney	7,408.54	4/17/2002	2190	Miller Sale	
			14,817.08				
7/2/2002	4,800.00	Capital Title Agency	4,800.00	6/15/2002	117457	escrow # 06020496 006 DR	National Landbank, LLC
7/22/2002	1,650.00	Capital Title Agency	1,650.00	6/27/2002	117641	escrow # 08020469 006 DR	National Landbank, LLC
7/24/2002	3,300.00	Capital Title Agency	1,650.00	6/23/2002	116824	escrow# 05020389 005 DR	National Landbank, LLC
		Capital Title Agency	1,650.00	6/4/2002	117130	escrow# 05020282 005 MJW	National Landbank, LLC
			3,300.00				
8/15/2002	7,452.05	T. Dennis Barney	1,405.15	8/6/2002	2263	Miller Commission	National Landbank
		Circle G Property Development LLC	4,641.75	8/12/2002	5132		National Landbank, LLC
		Circle R Investments	1,405.15	8/13/2002	2130		
			7,452.05				
10/16/2002	354.35	T. Dennis Barney	354.35	10/15/2002	2299	Miller Sale	National Landbank
10/23/2002	1,308.52	T. Dennis Barney	1,308.52	10/16/2002	2300	Miller Sale	National Landbank
12/11/2002	111.10	American Family Mutual Insurance Company	111.10	11/18/2002	1751718		National Land Bank
12/12/2002	45,329.43	Lawyers Title of Arizona, Inc.	2,700.00	11/22/2002	836683	file# 00372535 700 GAL GAL	National Landbank, LLC
		Circle R Investments	1,350.00	12/3/2002	2320		National Landbank, LLC
		Lawyers Title of Arizona, Inc.	2,400.00	11/29/2002	836778	file # 00369405 700 GAL SD	National Landbank, LLC
		Circle G Property Development LLC	38,879.43	12/11/2002	5261		National Landbank, LLC
			45,329.43				
	89,333.09	Total					
			89,222.08	Taxable Commissions			

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Date	Amount	Payor	Check #	Date	Amount	Cash Back	Total Deposit	Memo		Ck Payable to
1/7/2002	900.00	The Mutt Mobile	1813	12/31/2001	400.00					
		Cash in Ticket		1/7/2002	500.00		900.00			
1/8/2002	2,000.00	Cash in Ticket		1/8/2002	2,000.00					
1/9/2002	5,500.00	Cash in Ticket		1/9/2003	4,650.00					
		Dariene Hipsley	1191	1/7/2002	350.00			Jan Rent		
		Grizzly Garage Door/Rusty C Baker owner	1031	1/7/2002	500.00		5,500.00	Jan Rent		
1/11/2002	5,000.00	Cash in Ticket		1/11/2002	5,000.00					
1/14/2002	2,394.58	Cash in Ticket		1/14/2002	1,900.00					
		Jesus & Olga Santana	402	Jan-02	400.00			rent		
		Coulter Cadillac	189158	1/11/2002	94.58		2,394.58			
1/22/2002	1,500.00	Cash in Ticket		1/22/2002	1,500.00					
1/22/2002	1,000.00	Cash in Ticket		1/22/2002	1,000.00					
1/22/2002	344.32	Coulter Cadillac	189291	1/16/2002	44.32					
		Money Order	06 671197284		300.00		344.32			
2/1/2002	4,000.00	Sue Taylor/HSBC acct 7138056617	8015	2/1/2002	5,000.00	1,000.00	4,000.00			
2/1/2002	633.40	Sunrise Investment Corp, Wesley IA	505	2/1/2002	627.50			Realtor fee	signed by Bill	Sue Taylor
		Delphi Automotive Systems	3153432	1/16/2002	2.38					
		ITW/Dividend check	55414	1/23/2002	3.52		633.40			
2/12/2002	50.00									
2/13/2002	150.00									
2/19/2002	100.00									
3/7/2002	4,689.38	Capital Title Agency	132458	2/19/2002	1,594.69			ref no 069 804	disbursement	Sue Taylor
		Capital Title Agency	133788	3/1/2002	1,594.69			ref no 069 804	disbursement	Sue Taylor
		San Tan Credit Union	16809769	2002	1,500.00		4,689.38			
12/12/2002	10,882.00	deposit to purchase cashier ck 4104061518								
	39,143.68				3,817	Taxable Commissions				

Janice Sue Taylor
 Computation of Federal and Arizona State Tax Due and Owing

Purchase Price	Sales Price	Gain	Purchase Date	Sales Date	Description of Property
350,459.50	560,000.00	209,540.50	6/26/2002	12/24/2003	Parcel 401-48-012B
		209,540.50			
500,656.00	2,323,806.00	1,823,150.00	7/1/2004	11/4/2005	Schroeder property
135,136.22	561,874.85	426,738.63	1/16/2004	4/28/2005	Marcey property
100,140.25	816,000.00	715,859.75	6/4/2001	5/4/2005	Parcel # 509-07-004 01
78,100.00	510,000.00	431,900.00	5/23/2000	5/27/2005	Parcel # 304-82-017E
		1,147,759.75			
1,574,325.82	3,652,282.13	2,077,956.30	Jun-05	12/15/2006	Highway 260
139,900.00	525,000.00	385,100.00	8/23/2003	2/6/2006	Lot 27, Seville Parcel 19
		2,463,056.30			

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Reference
Escrow No. 06020230-006-DR & Maricopa Co record 2003-089734
Escrow No. 06010308-006-MJW & Pinal Co record 2005-058359
Maricopa Co record 2000-126429 & 2005-0769169
Escrow No. 00063390-065-CK1 and 00060137-001-CK
Maricopa Co record 2003-1062256 and 2006-0196081

Janice Sue Taylor
 Computation of Federal and Arizona State Tax Due and Owing

Highway 260 Gain Computation				
27,574.19		1,106,102.50		
1,106,102.50		1,176,977.00		
1,176,977.50		1,176,977.25		
368,701.00		3,460,056.75	0.7689015	
368,701.00				
368,701.00				
76,190.63				
63,787.50				
3,989.06				
1,771.87				
6,115.30				
4,326.20				
85.00				
1,176,977.25				
4,750,000.00				
			100%	
				77%
				23%
	Purchase Price	2,047,500.00		1,574,325.82
	Sales Price	4,750,000.00		3,652,282.13
				1,097,717.88
				3,652,282.13
				1,097,717.88
				4,750,000.00
	Net Gain on Sale			\$2,077,956.30

Janice Sue Taylor
 Computation of Federal and Arizona State Tax Due and Owing

CG 40 Gain Computation		
Sales Price of CG 40 Acres	2,400,000	
Less Settlement charges to seller	(126,194)	
Add back monies going to McBride Musical Ministries	50,000	
Net Sales Price		\$2,323,806
Purchase Price	500,000	
Plus settlement charges to borrower	656	
Net Purchase Price		\$500,656
Net Gain on Sale		\$1,823,150

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

LP 20 Gain Computation		
Sales Price of LP 20 Acres	579,875	
Less Settlement charges to seller	(18,000)	
Net Sales Price		\$561,875
Purchase Price	135,000	
Plus settlement charges to borrower	136	
Net Purchase Price		\$135,136
Net Gain on Sale		\$426,739

Janice Sue Taylor
Computation of Federal and Arizona State Tax Due and Owing

Star Gain Computation		
Sale Date	2/6/2006	
Sale Price		525,000
Purchase Date	8/5/2003	
Purchase Price		139,900
Net Gain on Sale		\$385,100.00

Gain on Sale of Picacho Property

Purchase Price	591,855	Pinal County record 2005-150957
Sale Price	1,414,418	Pinal County record 2010-112927
Net Gain on Sale	<u><u>822,563</u></u>	