

CR-10-00757-PHX-ROS, June 6, 2012 (Wedepohl excerpt)

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

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5	United States of America,)	
6)	
7	Plaintiff,)	
8	vs.)	
9)	CR10-00757-PHX-ROS
10	James R. Parker,)	
11)	
12	Defendant.)	
13)	June 6, 2012
14)	
15)	
16)	
17)	
18)	
19)	
20)	

BEFORE: THE HONORABLE ROSLYN O. SILVER, CHIEF JUDGE
REPORTER'S EXCERPT TRANSCRIPT OF PROCEEDINGS

JURY TRIAL - DAY 5
(Paul Wedepohl testimony)

Official Court Reporter:
Elaine Cropper, RDR, CRR, CCP
Sandra Day O'Connor U.S. Courthouse, Suite 312
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Proceedings Reported by Stenographic Court Reporter
Transcript Prepared by Computer-Aided Transcription

CR-10-00757-PHX-ROS, June 6, 2012 (Wedepohl excerpt)

A P P E A R A N C E S

1
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PAUL WEDEPOHL - Direct

P R O C E E D I N G S

(The following excerpt was transcribed.)

THE COURT: And your next witness?

MR. SEXTON: Paul Wedepohl, we're going to recall him
from last week.

02:08:35

PAUL WEDEPOHL,
called as a witness herein by the Government, having been
previously duly sworn or affirmed to testify to the truth, was
further examined and testified as follows:

THE COURT: Good afternoon, Mr. Wedepohl. You are
under oath.

02:09:11

THE WITNESS: Thank you.

DIRECT EXAMINATION (Continued)

BY MR. SEXTON:

Q. Good afternoon.

02:09:25

A. Good afternoon.

Q. When we broke with you -- first off, do you have
Exhibit 446 in front of you, the archived history? That may be
of use to you in refreshing your recollection from time to
time. Is that big document still up there?

02:09:42

A. 456?

Q. 456 -- 446, sir.

A. 446. Yes, I do.

Q. Okay. And turning to page 21, I think we just finished up
with your conversation with Mr. Greg Robinson on March 11,

02:10:09

PAUL WEDEPOHL - Direct

1	2004, which is noted at the bottom of your archive history.	02:10:15
2	A. Yes.	
3	Q. At the end of that conversation, did you leave it with	
4	Mr. Robinson that you were going to give him some time in order	
5	to produce some records?	02:10:34
6	A. Yes, I did.	
7	Q. Approximately how much time do you recall that you were	
8	asking him to get your records by?	
9	A. He agreed to get records to me within 30 days following.	
10	Q. Pardon me?	02:10:51
11	A. Within 30 days following our discussion.	
12	Q. Did you, in fact, get the financial information you were	
13	looking for within 30 days?	
14	A. If I could look here for just a moment. No, I did not	
15	receive the information at all.	02:11:24
16	Q. At this point, when is the next time you have any	
17	communications with Mr. Robinson in regard to this collection	
18	matter?	
19	A. I had communication through a phone call I received from	
20	Mr. Robinson on May 7.	02:11:43
21	Q. Of 2004?	
22	A. Yes, sir.	
23	Q. And is it a phone call just between the two of you?	
24	A. Yes, sir.	
25	Q. Do you remember who initiated the call, you or he?	02:11:52

United States District Court

PAUL WEDEPOHL - Direct

1 A. He did. 02:11:55

2 Q. As best you can, would you use your notes as necessary to
3 refresh your recollection? Would you tell the jury and the
4 Court the substance of your conversation with Mr. Robinson that
5 day? 02:12:05

6 A. Yes. Our discussion revolved around the collection
7 information, financial statements that I was expecting to
8 receive. Mr. Robinson indicated that he was unable to secure
9 the information because Mr. Parker has been too busy to provide
10 it and as much as he was out trying to earn money is what he
11 told me. 02:12:24

12 He indicated that he has gone to Belize, in fact, to
13 try to, quote, put out some fires.

14 Q. You're using the word "he." I want to make sure that --

15 A. Yes, sir. Mr. Robinson told me that Mr. Parker had gone
16 to Belize to put out some fires. 02:12:38

17 Q. And earlier when you were talking about too busy, who was
18 too busy, Mr. Robinson or was Mr. Robinson telling you that
19 Mr. Parker was too busy?

20 A. It was Mr. Robinson telling me that Mr. Parker was too
21 busy. 02:12:56

22 Q. What else do you recall from this conversation?

23 A. We talked about a pending collection due process appeal
24 that was in place and I was trying to communicate with
25 Mr. Robinson at that point about that appeals case in terms of 02:13:19

PAUL WEDEPOHL - Direct

1 explaining to him that going to appeals was a simple waste of 02:13:28
2 time because without financial statements, appeals was not
3 going to be able to help him out either.

4 Q. And any response or what happened next in the conversation
5 after you said that? 02:13:45

6 A. I'm sorry. In addition to Mr. Robinson -- or I indicated
7 to Mr. Robinson, I should say, that an interim installment
8 agreement wouldn't be appropriate either because of unfiled
9 returns. So we were talking about options I guess at that
10 point, Mr. Robinson and I. 02:14:07

11 Q. And when he was telling you about where Mr. Parker was
12 during this conversation, was there any discussion at all
13 between you as to what Mr. Parker was doing in Belize?

14 A. No.

15 Q. And from the standpoint of the discussion on this 02:14:33
16 collection due process hearing that had begun and I believe we
17 talked about it with the jury the last time we were together --

18 A. Yes.

19 Q. -- did you tell him what you were going to do with that or
20 what was the status of the collection effort in light of that? 02:14:50

21 A. Well, the status of the collection effort was that I could
22 not continue with the collection while the appeal was in
23 process, that my hands were tied from moving forward.

24 Q. As a collection officer, when this due process hearing is
25 in place, are you still allowed to continue your investigation 02:15:12

PAUL WEDEPOHL - Direct

1 as opposed to your more specific collection efforts? 02:15:16

2 A. Yes.

3 Q. Now, if you would, looking forward, what happened next as
4 you can recall from your archive on this collection method?

5 A. In terms of? 02:15:47

6 Q. What's the next thing that happened in terms of your
7 collection efforts? And I would direct you to your -- pages 26
8 and 27 of your archive to see if that jogs your memory of the
9 next --

10 A. Well, at this point I was trying to secure some summons 02:16:03
11 information from Bank of America that I had requested and so I
12 was communicating with an official with the Bank of America
13 over that.

14 So my efforts were focused in on trying to get some
15 of the information. 02:16:22

16 Q. And does there come a time where you gather information
17 about the status of the collection due process hearing, whether
18 it was going forward or whether it had been withdrawn?

19 A. I'm sorry. Could you ask that again?

20 Q. Sure. This collection due process hearing that's causing 02:16:37
21 you to sort of stand down for a moment --

22 A. Sure, yes.

23 Q. -- do you subsequently learn some information as to what
24 the status is of that request for a hearing?

25 A. I did. I received the CDP, or the request for due 02:16:54

PAUL WEDEPOHL - Direct

1 process, referral back from the office which it was assigned to 02:16:59
2 which happened to be in Oklahoma City. The information I
3 received was that Mr. Robinson withdrew that CDP.

4 Q. Approximately when was that information learned by you?

5 A. On July 6, 2004. 02:17:20

6 Q. After you learned that, did you have any conversations
7 with Greg Robinson after that?

8 A. Yes, I did.

9 Q. When was the next conversation you had with him?

10 A. It was the same day, July, 6 when I talked to 02:17:44
11 Mr. Robinson.

12 Q. And just the two of you and was it a phone conversation?

13 A. It was a phone conversation.

14 Q. What was the substance of what you and he talked about?

15 A. We talked about the fact that Mr. Robinson confirmed to me 02:17:58
16 that he had sent the offer to Memphis, an offer in compromise
17 to Memphis, Tennessee.

18 Q. And so is this the first offer in compromise that was
19 presented in this particular file, to your knowledge?

20 A. Yes. 02:18:20

21 Q. Why Memphis? Did he say?

22 A. He did not -- to my recollection, he did not indicate why
23 he sent it to Memphis specifically.

24 Q. After you got a copy of that offer in compromise, is that
25 normally a document in this collection process when that's 02:18:47

PAUL WEDEPOHL - Direct

1 filed, is that something that you review for your collection 02:18:49
2 purposes?

3 A. Yes, it is.

4 Q. Explain to the jury what you do with that information
5 after reviewing it if you disagree or see something that you 02:19:01
6 disagree with on the offer in compromise? What do you do?

7 A. Sure. Typically, when a case is assigned to a revenue
8 officer such as myself in the field and an offer in compromise
9 is filed, nine times out of ten the offer filed is with the
10 revenue officer that is working the case because of the 02:19:23
11 communication that had been ongoing between the revenue officer
12 and the representative or the individual.

13 And when that's done, it's easy. I can look at the
14 paperwork and determine what I think of that offer, the
15 validity of that offer. 02:19:37

16 In this instance, since the offer was sent to
17 Memphis, I had to run down that information and finally got it
18 so that I could review it and determine what I felt the type of
19 validity that offer held.

20 So, in other words, I look at the offer to see if I 02:19:54
21 agree with it or make a decision on whether I would recommend
22 it for acceptance or recommend it for rejection for a variety
23 of reasons.

24 Q. So do you have authority, in the reviewing of an offer in
25 compromise, to put your two cents' worth into the process if 02:20:15

PAUL WEDEPOHL - Direct

1 you disagree with what's in the offer in compromise? 02:20:20

2 A. Absolutely.

3 Q. Now, after the offer in compromise is made it to your
4 desk, did you have a conversation with Mr. Robinson about
5 anything that you thought was not listed on that offer in 02:20:40
6 compromise?

7 A. Yes, I did.

8 Q. Were was that conversation?

9 A. That conversation was on July 6, 2004.

10 Q. And just was it a telephone conversation again, sir? 02:20:54

11 A. Yes, it was a telephone conversation.

12 Q. And to your memory, was it just the two of you on the
13 phone?

14 A. Yes, it was just the two of us.

15 Q. And what did you and he talk about with regard to that? 02:21:05

16 A. Well, I indicated to him that based on my cursory review
17 of the financial statement, something that kind of stood out to
18 me was there was no residence or home listed on the financial
19 statement.

20 A financial statement, again, lists assets and 02:21:26
21 income, liabilities and expenses. A home is an asset and there
22 was no home on that financial statement. So I asked about
23 that, why the financial statement had no residence on it.

24 Q. And what was the response?

25 A. The response from Mr. Robinson was that -- if I could hear 02:21:41

PAUL WEDEPOHL - Direct

1 see in my notes. Mr. Robinson indicated to me that the reason 02:21:49
2 that the residence wasn't on the financial statement was
3 because the house was owned by a family trust for the benefit
4 of the children, his children.
5 Q. So we talked a second ago that when the collection due 02:22:11
6 process hearing is pending, you have to stand down?
7 A. That's correct.
8 Q. So when the hearing was withdrawn, when an OIC, or offer
9 in compromise, is put, does that affect your collection process
10 at all? 02:22:32
11 A. Yes.
12 Q. In the same manner?
13 A. Absolutely. We are to stand down. We cannot take any
14 collection action.
15 Q. Do you have Exhibit 104 in front of you, sir? 02:22:43
16 MR. SEXTON: This is in evidence, Judge. This is the
17 first offer in compromise.
18 BY MR. SEXTON:
19 Q. Starting on page three. Is this the offer in compromise
20 that you got a copy of in this collection process? 02:23:05
21 A. It looks like so. It is, yes.
22 Q. Now, is it in any way significant to your collection
23 process that the taxpayer is making a compromise only as to
24 collectability as opposed to liability? Is that significant in
25 your questioning? 02:23:26

United States District Court

PAUL WEDEPOHL - Direct

1 A. Yes, it is. 02:23:30

2 Q. Explain that.

3 A. Well, an offer to doubt liability is when an individual

4 asks for the Service to compromise a liability because they

5 believe that the liability is not correct or it's inaccurate. 02:23:38

6 An offer for doubt to collectibility is one where the

7 individual says, "Please accept my offer in compromise because

8 I can't pay." So they are not disputing the liability; they

9 are just saying, "I can't pay."

10 Q. If we go to page 12, we'll put it on the screen here. 02:24:05

11 When I say page 12, it's the lower right-hand corner Bates

12 stamp number at the bottom.

13 A. Okay. All right.

14 Q. What's the date that this was signed?

15 A. June 18, 2004. 02:24:38

16 Q. Now, if you could, put Exhibit 203 on the screen.

17 COURTROOM DEPUTY: What exhibit?

18 MR. SEXTON: Exhibit 203 in evidence.

19 COURTROOM DEPUTY: I don't have that listed as in

20 evidence. 203. 02:24:56

21 MR. SEXTON: Okay. Hold on a second. I messed up

22 somewhere.

23 THE COURT: Do you know what exhibit it is and do you

24 have an objection to its admission?

25 MR. MINNS: Ashley is checking. 02:25:16

United States District Court

PAUL WEDEPOHL - Direct

1 MR. SEXTON: Actually, it's my mistake, Judge. I 02:25:18
2 think I have the right one. Exhibit -- one second here, 123.
3 I'm sorry about that.
4 BY MR. SEXTON:
5 Q. So that offer in compromise was signed June 18, 2004? 02:26:02
6 A. Yes.
7 Q. Go to the last page of this memorandum of sale. First of
8 all, do you see this sale here, do you see item number six down
9 below on the purchase price?
10 A. I do. 02:26:24
11 Q. How much is the amount there?
12 A. \$6 million.
13 Q. And what are the names of the entities, vendor entity up
14 above?
15 A. The vendor entity is MacKinnon Belize Land and Development 02:26:36
16 Limited.
17 Q. Is that entity in any way listed as a business entity for
18 Mr. Parker in that offer in compromise, Exhibit 104?
19 A. Excuse me one moment. I do not see that entity listed
20 anywhere. 02:27:07
21 Q. Go to I think it's like the signature page of this
22 document. Is that page 10 or of 11 on the screen?
23 A. Yes.
24 Q. What's the date of that memorandum of sale?
25 A. It's dated seventh of June, 2004, the effective date. 02:27:33

United States District Court

PAUL WEDEPOHL - Direct

1 Q. Just a few days before that offer in compromise? 02:27:41
2 A. Yes.
3 Q. Is there anything in that offer in compromise that deals
4 with a recent land sale in Belize associated with Belize
5 MacKinnon Land and Development? 02:27:51
6 A. No, sir.
7 Q. Does it anywhere list Mr. Parker as the chairman and/or
8 president of that entity at that time?
9 A. No, sir.
10 Q. In that offer in compromise, do you see any listing for a 02:28:13
11 bank account associated with the country -- located in the
12 country of Belize?
13 A. No.
14 Q. Is there an entry therein that would indicate that there
15 is any remaining unsold land still in Belize? 02:28:30
16 A. No.
17 Q. Was this offer in compromise accepted?
18 A. No, it wasn't.
19 Q. What's the next -- looking back on your Exhibit 446,
20 what's the next sort of substantive thing that occurred in your 02:29:06
21 collection efforts in this regard?
22 A. Subsequent to this offer being received?
23 Q. Yes.
24 A. Well, my efforts involved at that point, since I was
25 prohibited from collecting, I needed to resolve the stay issues 02:29:20

United States District Court

PAUL WEDEPOHL - Direct

1 or the stand-down issues that the offer brought. So I was 02:29:24
2 trying to work with the offer managers and other employees to
3 try to get that offer rejected so I could then get back on my
4 collection mode.

5 Q. There was an amendment to the 2002 tax return. Do you 02:29:39
6 remember that?

7 A. Yes, I do.

8 Q. Did you have any conversation with Mr. Robinson before
9 that amendment was filed as to the 2002 tax return?

10 A. Yes, I did. 02:29:56

11 Q. Would you -- approximately when did you have that
12 conversation in relation to that --

13 A. If I could look here just a second.

14 Q. If you look at the bottom of page 28 --

15 A. Thank you. Yes. I see this here. I received a letter 02:30:20
16 from Mr. Robinson when I received that amended 2002 return.

17 Q. Had you spoken to him prior to that about the fact that
18 the home interest had been deducted by Mr. Parker and
19 Mrs. Parker personally?

20 A. I believe I did, if I could find it here. I can't seem to 02:30:51
21 find it offhand, but I do recall having a conversation with
22 him. And I asked him why the interest was on the tax return
23 when the financial statement showed they owned no property and,
24 therefore, had no mortgage or interest.

25 Q. Was that prior to when the 2002 tax return was amended to 02:31:33

United States District Court

PAUL WEDEPOHL - Direct

1	remove the interest?	02:31:38
2	A. I believe it was, yes.	
3	Q. Did there come a time when another offer in compromise was	
4	filed after the first one was rejected?	
5	A. Yes.	02:32:07
6	Q. Looking at page 31 of your archive, is this an offer in	
7	compromise that you obtained as well and reviewed?	
8	A. Yes, it is.	
9	Q. Were there any materially substantive issues associated	
10	with this other than what you already testified to as to the	02:32:34
11	first offer in compromise?	
12	A. Yes.	
13	Q. What were the differences?	
14	A. Well, I believe the first offer in compromise omitted two	
15	tax years. This offer in compromise included those tax years	02:32:44
16	that were omitted from the first one.	
17	Q. Anything else that you thought was materially different	
18	than what you've already testified about the first one?	
19	A. Well, there were some -- as far as the financial	
20	statements go?	02:33:08
21	Q. Yes.	
22	A. Sure, there were some -- a few items listed on the	
23	financial statement. And when I say "items," assets. A couple	
24	of jet skis and a trailer, an automobile, an older Cadillac	
25	that is, a gun, basically assets valued under \$15,000 in	02:33:24

PAUL WEDEPOHL - Direct

1 totality along with also a couple of credit card bills that 02:33:34
2 were also listed on the financial statement.
3 Q. Well, we're looking at the offers in compromise. Did they
4 list a personal bank account of any sort for Mr. and
5 Mrs. Parker? 02:33:49
6 A. No.
7 Q. In your experience, is that uncommon?
8 A. Yes.
9 Q. Why is that?
10 A. Well, my experience, when somebody lives in a \$2 million 02:33:59
11 house got a checking account, they got a bank account, they got
12 money, they got income. And this financial statement showed
13 none of that.
14 Q. What about as to the assets were you just talking about,
15 the smaller items, did you review to see whether or not you 02:34:13
16 thought the contents of the Carefree home were adequately
17 covered in this financial statement?
18 A. Did I review it for that?
19 Q. Yes.
20 A. I reviewed the financial statement and I felt that there's 02:34:26
21 got to be more stuff inside that house than a gun and, you
22 know, a couple of jet skis and a car, but I was not -- I did
23 not go in the house. I had not been in the house so I didn't
24 know for sure.
25 Q. We'll come to that. 02:34:48

United States District Court

PAUL WEDEPOHL - Direct

1 On March 2 if you look at your entry on page 44, did 02:34:55
2 you have another phone conversation on March 2 of 2005 with
3 Mr. Robinson?
4 A. Yes, I did.
5 Q. Was it a phone conversation? 02:35:09
6 A. It was a telephone conversation, yes.
7 Q. And it was just the two of you again?
8 A. Yes, it was.
9 Q. Would you tell the jury what you and he talked about in
10 that telephone conversation? 02:35:19
11 A. Well, in that instance, Mr. Robinson indicated that he
12 wanted to reopen the offer in compromise that had been
13 previously returned and that he indicated -- Mr. Robinson
14 indicated he was going to speak to the group manager about,
15 that is the offer in compromise group manager, to try to get it 02:35:36
16 reopened and, again, caused me to back off.
17 Q. What else?
18 A. I, however, advised Mr. Robinson that, nonetheless, I was
19 going to continue with collection action and I was going to
20 file a nominee lien on the residence to protect the 02:35:56
21 government's interest.
22 Mr. --
23 Q. Go ahead.
24 A. Shall I go on?
25 Q. Yes. 02:36:08

United States District Court

PAUL WEDEPOHL - Direct

1 A. Mr. Robinson indicated that, in fact, he essentially 02:36:08
2 conceded that as part of the offer in compromise, Mr. Parker
3 was going to have to offer up the equity in the residence.

4 Q. Did he specify how much equity was in the residence at
5 that time? 02:36:24

6 A. No, he didn't.

7 Q. And you said a second ago that you would continue to work
8 on a nominee lien. I don't remember if you defined that for
9 the jury the last time we were together. Would you explain
10 what a nominee lien is and the function of it? 02:36:37

11 A. I will. I believe last time I explained it in the context
12 of somebody holding title to a car for the true owner of the
13 car. I'll use house in this instance since that's what we're
14 talking about. You have a nominee situation where, for
15 example, the title of my house I put into my neighbor's name 02:36:56
16 essentially for no reason, no consideration, just for
17 convenience, yet I still live in the house. I pay for the
18 mortgage payments, I pay the taxes, I take care of the
19 maintenance, I paint the house, you know, I water the yard.

20 The utilities are in my name. It's my house, but I just have 02:37:16
21 it titled to another person called a nominee. And I was going
22 to file a lien showing that a nominee, i.e., Sunlight, held
23 title to the Parker residence.

24 Q. And what's the effect of a nominee lien on that property
25 as it pertains to Sunlight? 02:37:38

PAUL WEDEPOHL - Direct

1 A. Well, the effect of the nominee lien would essentially be 02:37:40
2 that you would have a tax lien showing all of the income tax
3 liabilities that were owed by the Parkers, but it would say
4 Sunlight Financial, nominee of James and Jacqueline Parker, and
5 then it would have the home address. There would be some 02:38:03
6 wording on that lien also that specifies that this lien is a
7 specific lien and attached to that house and to that house only
8 and it would describe the address of the house, probably with a
9 legal description.

10 Q. Now, after you had the conversation on March 2, 2005, with 02:38:16
11 Mr. Robinson regarding the equity in the Carefree home, did he
12 call you back the next day?

13 A. I received a message to call Mr. Robinson back the next
14 day.

15 Q. And when did you next talk to him? 02:38:34

16 A. I talked to him on March 3.

17 Q. Is that the next day?

18 A. That's the next day, yes.

19 Q. A telephone conversation again?

20 A. It was just a telephone conversation. 02:38:47

21 Q. Just the two of you?

22 A. Just the two of us.

23 Q. Would you tell the jury and the Court what that
24 conversation was about?

25 A. Yes. Mr. Robinson indicated to me that he had spoken to 02:38:53

United States District Court

PAUL WEDEPOHL - Direct

1 the Parkers about the residential issues, the nominee issues,
2 and Parkers' ability to offer a good -- or to make a good offer
3 in compromise that could be accepted. Mr. Robinson told me
4 that Mr. Parker at this point was going to sell the jet skis
5 and get maybe 6,000 or 8,000 to put towards the offer in
6 compromise.

7 Mr. Robinson also indicated that the business in
8 Belize has been down since -- or slow I should say, slowing
9 down since 9-11, since 2001, and that a hurricane had hit
10 shortly thereafter affecting the business.

11 Mr. Robinson also further indicated that the reason
12 the house was not in his -- in the Parkers' name was because of
13 the type of business that Mr. Parker was in Belize. And so
14 inasmuch as he was possibly open to liability for whatever
15 reason in conjunction with his business in Belize, risking
16 being sued and whatnot I presume, that he put the house in
17 somebody else's name to avoid possibly a creditor trying to get
18 the house at some point.

19 Q. Was there any discussion about trying to get some of the
20 equity out of the Carefree home?

21 A. Yes. Mr. Robinson indicated that the Parkers could not
22 qualify for a conventional loan and so, therefore, they would
23 have to borrow from some high-rate lenders.

24 Q. What was Mr. Robinson's position, if anything, in regard
25 to your efforts to pursue a nominee lien?

United States District Court

PAUL WEDEPOHL - Direct

1 A. Well, Mr. Robinson said that the Parkers wanted to leave 02:40:48
2 the residence to Rachel Harris and so they didn't want that
3 lien.
4 Q. Was there any discussion about another offer in compromise
5 being submitted in the near future? 02:41:07
6 A. Yes. Mr. Robinson indicated that he was working up some
7 new data and wanted to know if an offer in compromise in the
8 amount of \$3,008 would be acceptable.
9 Q. And did he want you in any way to endorse that?
10 A. I think that's what he was asking me for. He was seeing 02:41:32
11 if I would, you know, entertain such an offer, if I could
12 recommend such an offer.
13 Q. Did you ever inquire as to what the fair market value was
14 as to the home with Mr. Robinson?
15 A. Well, when he asked me about the amount, we didn't talk 02:41:58
16 about the amount. My issue was I've got to determine what the
17 equity is in the house because that has a factor on what's
18 offered. The offer must at least be for the equity in the
19 house or preferably one dollar more.
20 So I didn't know what the equity was at that point or 02:42:19
21 the fair market value exactly. It hadn't been determined.
22 Q. As part of your research on that issue, did you visit the
23 Carefree residence on Meander Way?
24 A. Yes, I did.
25 Q. Looking at your entry on 45 and 46, what day did you go 02:42:37

PAUL WEDEPOHL - Direct

1 out to the home? 02:42:41

2 A. I went out to the home on March 9, 2005.

3 Q. And is this something you call a field call?

4 A. We call those field calls or field visits, yes.

5 Q. And what's your goal when you do a field call? 02:42:54

6 A. In this instance, my goal was to inspect the house and the

7 property and do the things I needed to do make an assessment of

8 the fair market value.

9 Q. If Exhibit 422 can be put on the screen. It's in

10 evidence. 02:43:15

11 Is that the home that you visited that day?

12 A. Yes.

13 Q. Is that the home at 35802 Meander Way in Carefree,

14 Arizona?

15 A. It sure is. 02:43:34

16 Q. Now, let's look at, there should be in front of you, sir,

17 three pictures of the back view of the home. Would you look at

18 Exhibits 432, 430, and 429. Starting with 432.

19 A. I have 432 open.

20 Q. Is that an accurate picture of the back of the Meander 02:44:02

21 home from the mountain side?

22 A. Yes, it is.

23 Q. And is the one that is 429 a slightly closer view from the

24 rear of the residence?

25 A. Yes, sir. 02:44:23

United States District Court

PAUL WEDEPOHL - Direct

1 Q. And then is Exhibit 430 sort of an angled view to one 02:44:24
2 direction sort of the side back of the house?

3 A. Yes.

4 MR. SEXTON: We would offer all three of those into
5 evidence. 02:44:40

6 MS. ARNETT: No objection.

7 THE COURT: They are admitted.

8 (Exhibit Numbers 432, 430 and 429 were admitted into
9 evidence.)

10 BY MR. SEXTON: 02:44:47

11 Q. Let's put 432 on the screen if we could. Is that the back
12 of the Meander Way residence?

13 A. Yes.

14 Q. And then the other two shots, without putting them on the
15 screen, are slightly angled views and closer views? 02:45:05

16 A. That's right.

17 Q. Let's put 424 -- is that in evidence? Yes. Put
18 Exhibit 424 on the screen.

19 On this day, did you try to go inside to view the
20 house? 02:45:31

21 A. I did.

22 Q. Okay. Explain to the jury where you were with your car
23 and what efforts you made to try to get an inside view of this
24 house.

25 A. Sure. Well, you see the wrought iron gates there or what 02:45:38

PAUL WEDEPOHL - Direct

1 appear to be wrought iron gates. There's a little bit 02:45:45
2 extension of the driveway this side of the gates toward the
3 street. I was parked right there at the bottom of that
4 driveway on the street and I called Mr. Robinson and I said,
5 "Hey, I'm out at the residence. You wanted to know what the 02:45:58
6 fair market value was so you could submit an offer for the
7 equity in the residence. I'm here to help. I'm at the house
8 right now. I would like to go up and look at it. Could you
9 make a phone call to the Parkers and see if I could have
10 permission to go view the property"? 02:46:19

11 Q. What happened next?

12 A. Mr. Robinson said he would inquire and call me right back
13 and he called me right back and he said, "No, you may not enter
14 the property." So I was limited to, basically, the views that
15 these photos reflected in terms of my inspection of the 02:46:39
16 property.

17 Q. And then did you do your own research in public records to
18 try to get a measure of what the value of this home was?

19 A. Yes, I did.

20 Q. And what value did you determine? 02:46:57

21 A. I came up with an approximate value of \$2.965 million.

22 Q. And from what source do you recall that you generally went
23 to in order to arrive at that kind of a number?

24 A. Sure. Well, it's pretty difficult to do comps, check
25 comparables in an area like this because nothing is comparable 02:47:23

United States District Court

PAUL WEDEPOHL - Direct

1 to one another. I secured data information off of other 02:47:28
2 listings of property for sale and determined the square footage
3 based on their asking prices, the dollar amount per square foot
4 attached and I made a formula to run the calculation based on
5 the Parker residence square footage times the approximate value 02:47:47
6 of square footage of other properties in the area and I came up
7 with my figure.
8 Q. Now, you made this field call on 3-9-2005?
9 A. Yes.
10 Q. According to your records, is the next day when this file 02:48:02
11 was reassigned from you to another collection offer?
12 A. Yes, it was.
13 Q. And who was the collection officer it was reassigned to on
14 3-2-2005?
15 A. It was assigned to revenue officer Jerry Carter. 02:48:14
16 Q. So you're not working on it but does there come a time
17 where, like all government bureaucracies, it comes back to you
18 again?
19 A. You have been working for the government for a long time.
20 Yes. 02:48:33
21 Q. Turn to page 54. Does that tell when you this file came
22 back to you again?
23 A. Yes, it does.
24 Q. What is the date that it became your file again?
25 A. November 14, 2005. 02:48:48

PAUL WEDEPOHL - Direct

1 Q. In reviewing the archive, other than working on the 02:48:55
2 nominee lien, did you have any more substantive conversations
3 with Mr. Robinson during this time?
4 A. No.
5 Q. And, ultimately, this was reassigned away from you again 02:49:07
6 to Mr. Carter on 12-20 of 2006?
7 A. I believe that's correct, yes.
8 Q. Look at your entry on page 59.
9 A. Thank you.
10 Correct, 12-20-2006, it was reassigned back to 02:49:30
11 Jerry -- excuse me. It was assigned to Jerry Young at that
12 time.
13 Q. Is that a pseudonym?
14 A. Yes.
15 Q. So when we see Jerry Young in the record, that's the alias 02:49:45
16 name that Jerry Carter was actually using during this period of
17 time?
18 A. Correct.
19 Q. And then the file never came back to you again for
20 collection purposes? 02:50:00
21 A. No, it didn't.
22 Q. And you retired when?
23 A. I retired September 11, 2009.
24 Q. Now, during the time the file was yours, were you ever
25 given access to the Carefree home? 02:50:21

United States District Court

PAUL WEDEPOHL - Direct

1	A.	Never.	02:50:22
2	Q.	Were you ever provided any photographs of the inside of	
3		the Carefree home?	
4	A.	Never.	
5	Q.	Were you ever provided any bank records from Sunlight as	02:50:32
6		to how it was paying for the care and upkeep of this home?	
7	A.	Never.	
8	Q.	Were you ever provided any records of any borrowings	
9		against the equity in this Carefree home?	
10	A.	Provided by whom?	02:50:52
11	Q.	By either Mr. Robinson or the taxpayer, Mr. Parker?	
12	A.	Never.	
13	Q.	Were you ever provided any information about a Rolls	
14		Royce?	
15	A.	No, I wasn't.	02:51:12
16	Q.	How about a Hummer?	
17	A.	No, I wasn't.	
18	Q.	A Ford truck?	
19	A.	No, I wasn't.	
20	Q.	Were you ever provided any information about any residence	02:51:21
21		at 218 Turkey Track Trail in Canyon, Texas?	
22	A.	No.	
23	Q.	How about a residence at 103 Gentawood Drive in Canyon,	
24		Texas?	
25	A.	No, sir.	02:51:40

PAUL WEDEPOHL - Cross

1 THE COURT: We're going to take a break now. 02:51:40
2 Ladies and gentlemen, we'll see you back here at
3 about 15 minutes after three.
4 COURTROOM DEPUTY: All rise.
5 (Jury departs.) 02:51:50
6 (Recess at 2:51; resumed at 3:27.)
7 (Jury enters.)
8 (Court was called to order by the courtroom deputy.)
9 THE COURT: Please be seated.
10 Okay. Mr. Sexton? 03:27:52
11 MR. SEXTON: Thank you, Judge.
12 BY MR. SEXTON:
13 Q. Before we broke, I actually had one more question and that
14 is, were you provided any information about any investments
15 going on in Oklahoma? 03:28:04
16 A. No.
17 MR. SEXTON: That's it for me, Judge.
18 THE COURT: Okay.
19 Cross?
20 MS. ARNETT: May I proceed, Your Honor? 03:28:27
21 THE COURT: You may, Ms. Arnett.
22 MS. ARNETT: Thank you.
23 **CROSS - EXAMINATION**
24 BY MS. ARNETT:
25 Q. Hi, Mr. Wedepohl. I'm Ashley Arnett and I represent 03:28:32

PAUL WEDEPOHL - Cross

1 Mr. Parker. And we haven't had a chance to meet; correct? 03:28:36

2 A. That's right.

3 Q. And you've met Mr. Liggett; right?

4 A. Mr. Who?

5 Q. Mr. Liggett? 03:28:44

6 A. Yes.

7 Q. In his Gilbert office; correct?

8 A. Yes, ma'am.

9 Q. And he had stacks of papers all over his office. It was

10 pretty disorganized when you were out there? 03:28:52

11 A. Looked like a CPA's office to me.

12 Q. Small, cramped, messy?

13 A. I was comfortable. We met in the conference room I

14 believe.

15 Q. Would you say that Mr. Liggett was competent? 03:29:13

16 MR. SEXTON: Objection. Foundation and calls for an

17 opinion from this witness.

18 THE COURT: Well, I'll allow her to ask the question

19 but only if there is foundation laid.

20 MS. ARNETT: Thank you, Your Honor. 03:29:28

21 BY MS. ARNETT:

22 Q. You've worked with many CPAs as power of attorneys in

23 collections; correct?

24 A. Yes.

25 Q. And you've worked with competent CPAs and incompetent 03:29:36

PAUL WEDEPOHL - Cross

1 CPAs? 03:29:41

2 A. I didn't give them tests. I worked with lot of different

3 CPAs.

4 Q. And some of them did really good jobs for the taxpayers

5 and cooperated with you; correct? 03:29:50

6 A. I guess you could say that.

7 Q. And some of them didn't do such a good job for their

8 client; correct?

9 A. I guess you could say that.

10 Q. And you never met Mr. Parker? 03:30:02

11 A. No, I haven't.

12 Q. And you have met Mr. Robinson?

13 A. Oh, yes.

14 Q. And you testified on May 31 that you had a historical

15 relationship with him? 03:30:14

16 A. I said I had historical experiences with Mr. Robinson,

17 yes.

18 Q. Yes, sir. And you also said that he was involved in some

19 other cases where there had been similar problems to the

20 Parkers'? 03:30:28

21 A. Yes.

22 Q. What types of other problems did Mr. Robinson have?

23 A. I'm not sure I know how to describe to you to answer your

24 question what type of problems did he have. I mean, every case

25 is different. Every issue and every case is different. So I'm 03:30:52

PAUL WEDEPOHL - Cross

1 not really sure how to answer your question. 03:30:57

2 Q. Okay. You know that Mr. Robinson is an ex-IRS lawyer?

3 A. Yes.

4 Q. And you know that he is board certified in tax law?

5 A. I don't know that. I assume so. 03:31:08

6 Q. And during your collection history with Mr. Parker, you

7 started investigating Mr. Robinson?

8 A. No.

9 Q. Well, you filed -- you turned him in to the Office of

10 Professional Responsibility? 03:31:30

11 A. I did.

12 Q. And you turned him also over to the Lead Development

13 Center?

14 A. No, I didn't.

15 MS. ARNETT: If I could show the witness -- I have -- 03:31:38

16 just for refreshing his memory. It's not marked as an exhibit.

17 May I approach the witness?

18 THE COURT: Yes.

19 MR. SEXTON: May I see it before she shows it to him?

20 THE COURT: M'hum. All right. 03:31:59

21 Christine?

22 MS. ARNETT: Thank you.

23 BY MS. ARNETT:

24 Q. If you could take a look at footnote one.

25 A. Yes. 03:32:41

United States District Court

PAUL WEDEPOHL - Cross

1 Q. And this was a memo prepared by you; correct? 03:32:41
2 A. Yes.
3 Q. So do you recall that Mr. Robinson was turned in to the
4 Lead Development Center?
5 A. I believe he was but not by me. 03:32:51
6 Q. Okay. Well, you know that the purpose of the Lead
7 Development Center is to investigate fraud, correct, abusive
8 tax claims?
9 A. That is a function, I suppose.
10 Q. And you turned Mr. Robinson in to the Office of 03:33:12
11 Professional Responsibility; correct?
12 A. I sure did.
13 Q. And when you turned him in -- and you also turned him in
14 to criminal investigation for the IRS; correct?
15 A. No, I didn't. 03:33:25
16 Q. Could you refer to Exhibit 1010 that is already in
17 evidence. I apologize. The document that you have in front of
18 you that hasn't been marked as an exhibit, this is the fraud
19 referral form prepared by you; correct?
20 A. This memorandum dated January 25, 2007? 03:34:01
21 Q. Yes, sir.
22 A. No.
23 Q. I'm sorry. This memo that says from Paul Chase.
24 A. The memo is from me but not the form.
25 Q. If you could turn to the back page that's marked 014514, 03:34:24

United States District Court

PAUL WEDEPOHL - Cross

1 it's signed off by fraud technical advisor 11C. Paul Chase? 03:34:31
2 MR. SEXTON: Is there another copy for us to refer
3 to?
4 MS. ARNETT: Yes.
5 MR. SEXTON: Thank you. 03:34:42
6 MS. ARNETT: No problem.
7 THE WITNESS: Could you repeat your question?
8 BY MS. ARNETT:
9 Q. Yes, sir. On the page marked 014515 and box 11C--
10 A. Yes. 03:35:00
11 Q. -- it says fraud technical advisor --
12 A. Yes.
13 Q. -- Paul Chase?
14 A. Yes.
15 Q. That's your electronic signature? 03:35:05
16 A. Yes. But this form is not from me.
17 Q. I understand but you signed off on --
18 A. I did but I did not initiate the form, and you asked me if
19 I did the form and I did not.
20 Q. Yes, sir. So you signed off on the referral report of 03:35:20
21 potential criminal fraud cases; correct?
22 A. Yes, I did.
23 Q. And if you could flip to the page 14514 --
24 A. Yes.
25 Q. -- and it lists Gregory Robinson, correct, under 1C? He's 03:35:31

United States District Court

PAUL WEDEPOHL - Cross

1 one of the names listed; correct? 03:35:38

2 A. Yes.

3 Q. And he is listed as a POA, possible promoter; correct?

4 A. Yes.

5 Q. Now, when the IRS investigates promoters, they have a list 03:35:53

6 of tax fraud promoters; correct?

7 A. I believe so.

8 Q. And then they also have a list of victims; correct?

9 A. I don't know if they call them victims but -- can you

10 rephrase that? 03:36:11

11 Q. Well, they have a list of former clients that are -- the

12 promoter is ordered to pay back the clients for the harm that

13 they caused.

14 A. Promoters have clients. I don't know what they pay back

15 or -- I don't know. I'm not sure I guess I understand your 03:36:26

16 question. I'm sorry.

17 Q. When the IRS investigates possible promoters --

18 A. Yes.

19 Q. -- they have a list of the promoters of the tax fraud

20 schemes; correct? 03:36:39

21 A. Yes.

22 Q. And then also they have a list of victims of the

23 promoters?

24 A. Clients.

25 Q. Clients of the promoters? 03:36:48

PAUL WEDEPOHL - Cross

1 A. Yes. 03:36:49

2 Q. Okay. And if they had a list of clients of the promoters
3 of Greg Robinson, Mr. Parker would be on that list?

4 A. I don't know.

5 Q. Well, Mr. Robinson represented Mr. Parker; correct? 03:37:00

6 A. Yes.

7 Q. And Mr. Robinson represented Mr. Parker in the offer in
8 compromises that he submitted to you; correct?

9 A. Yes.

10 Q. And Mr. Parker hired Mr. Robinson to fill out those forms 03:37:14
11 and admit them to you; correct?

12 MR. SEXTON: Objection. Foundation.

13 THE COURT: Overruled.

14 THE WITNESS: I guess so. You say hired. I assume
15 so. 03:37:28

16 BY MS. ARNETT:

17 Q. Okay. And the role of the power of attorney is to put
18 kind of a wall or a space between you and the taxpayer;
19 correct?

20 A. I wouldn't phrase it as a wall. I would phrase it as a 03:37:45
21 representative of the taxpayer.

22 Q. Somebody to speak on behalf of the taxpayer?

23 A. Absolutely.

24 Q. And you don't know what Mr. Robinson told Mr. Parker?

25 A. I have no idea. 03:38:03

United States District Court

PAUL WEDEPOHL - Cross

1 Q. And you don't know what Mr. Parker knew about the 03:38:04
2 conversations that you had with Mr. Robinson?
3 A. I have no idea.
4 Q. So you don't know that -- you don't know if Mr. Parker was
5 aware of the promises that Mr. Robinson made to you and he 03:38:14
6 broke?
7 A. No.
8 Q. And you felt that Mr. Robinson was breaking the rules?
9 A. I felt that he was short-circuiting the process. I don't
10 know about breaking the rules. I'm not the judge on that. My 03:38:38
11 job is to report when I see possible irregularities or
12 situations that are inappropriate, I report. Somebody else
13 investigates and makes the call.
14 Q. There were times that you told Mr. Robinson he couldn't do
15 what he was doing on behalf of the taxpayer? 03:38:56
16 A. For example?
17 Q. Yes. If you could refer to Government 446, I think it's
18 your history notes.
19 MR. SEXTON: Did you say a page?
20 MS. ARNETT: I'm getting there. One second. 03:39:30
21 BY MS. ARNETT:
22 Q. If you can refer to page 17. 4460177. Under the entry
23 for February 20, 2004 --
24 A. Okay.
25 Q. -- you state that you need to contact Robinson and explain 03:40:11

United States District Court

PAUL WEDEPOHL - Cross

1 how to properly -- 03:40:15

2 MR. SEXTON: Objection. She's reading from an

3 exhibit that is not in evidence.

4 THE COURT: Okay. Ask him a question and you can ask

5 him if it refreshes his recollection. 03:40:22

6 MS. ARNETT: Thank you, Your Honor.

7 BY MS. ARNETT:

8 Q. Do you see the entry under February 20, 2004?

9 A. Yes, ma'am.

10 Q. And do you see the third paragraph? 03:40:30

11 A. Yes, ma'am.

12 Q. And does that refresh your memory in having to tell

13 Mr. Robinson how to properly do things?

14 A. Yes.

15 Q. Do you feel that Mr. Robinson was breaking the rules or 03:40:44

16 not submitting things properly?

17 A. I don't know if he was breaking the rules. In my view,

18 what he was submitting was to waste my time and I explained to

19 Mr. Robinson only as a formality because I'm required to make

20 sure everybody is aware of their rights, even seasoned veteran 03:41:05

21 attorneys. So I explained to him how to do a CDP, a collection

22 due process submission. I went through the ABCs, the remedial

23 process, so he could not later say he didn't understand.

24 Q. And even after you went through the ABCs with him, you

25 still had problems with him; correct? 03:41:29

United States District Court

PAUL WEDEPOHL - Cross

1 A. You bet. 03:41:31

2 Q. So even though you explained to him, "You have to follow
3 the ABCs," he still didn't do it?

4 A. Right.

5 Q. So the only thing you know is what Mr. Robinson -- the 03:41:45
6 only thing you know about Mr. Parker is what Mr. Robinson or
7 what Mr. Liggett were telling you?

8 A. Correct.

9 Q. And you know that Mr. Robinson was telling you that
10 Mr. Parker only owed 1/10 of the tax liability? 03:41:59

11 A. Mr. Robinson tells me that on every case I work.

12 Q. If you could look at Exhibit 1010.

13 A. Sure.

14 Q. And if you could turn to what is -- it's IRS file 013077.

15 A. 01377 or '077, I'm sorry. 03:42:29

16 Q. '077.

17 A. Yes.

18 MS. ARNETT: And this has already been admitted into
19 evidence, Your Honor.

20 THE COURT: Okay. 03:42:43

21 BY MS. ARNETT:

22 Q. If you could read the second paragraph that starts with
23 "their power of attorney.

24 A. Read this second paragraph? I'm sorry.

25 Q. I'm sorry. Could you read starting with, "Their power -- 03:42:57

United States District Court

PAUL WEDEPOHL - Cross

- 1 "Their prior," I'm sorry. 03:43:01
- 2 A. Sure. "Their prior attorney Henry Tom handled those years
3 before the United States Tax Court. Because of economic
4 circumstances with the Parkers, Mr. Tom suggested that they
5 concede the liabilities even though the correct amount of tax 03:43:17
6 would be approximately one-tenth of that asserted by the
7 Internal Revenue Service. He suggested that they file an offer
8 in compromise. My feeling is that an offer in compromise
9 shouldn't be filed until the follow up years with Revenue Agent
10 Hunt are completed. In the interim I suggest that the Parkers 03:43:34
11 pay an installment payment and receive an installment
12 agreement. I have consulted with Mr. & Mrs. Parker and they
13 will agree to a payment plan of \$1500 per month. I believe
14 this is in line with the income that he has made in the last
15 two years." 03:43:50
- 16 Q. Thank you.
- 17 So it would appear that it's not just Mr. Robinson
18 saying that they only owe 1/10, it's also Henry Tom?
- 19 A. Well, that's his opinion, yes, m'hum.
- 20 Q. So every single case that you had with Mr. Robinson, he 03:44:08
21 told you that the clients only owed 10 percent of the tax
22 liability?
- 23 A. Well, I -- you know, every single case, you got me. Maybe
24 not every single case. But the greater majority of the cases,
25 Mr. Robinson starts out with the sad tale that nobody has got 03:44:22

United States District Court

PAUL WEDEPOHL - Cross

1 any money and that the liabilities are incorrect. 03:44:25

2 Q. If Mr. Robinson told the clients that they only owed 10
3 percent, would you expect the clients to believe that they only
4 owed 10 percent?

5 A. I have no idea. 03:44:43

6 MR. SEXTON: Objection to form of the question.

7 THE COURT: Sustained on form.

8 BY MS. ARNETT:

9 Q. Did you ever tell Mr. Liggett that you thought that
10 Mr. Robinson wasn't following the ABCs of the collection
11 process? 03:44:59

12 A. No.

13 Q. Did you ever tell the Parkers that Mr. Robinson wasn't
14 following the ABCs of the collection process?

15 MR. SEXTON: Objection. Foundation as to whether 03:45:10
16 there was ever a conversation with the Parkers.

17 THE COURT: Well, that's okay. Overruled.

18 You may answer that. Did you ever?

19 THE WITNESS: Not in those words.

20 BY MS. ARNETT: 03:45:21

21 Q. You did tell Mr. and Mrs. Parker something about Greg
22 Robinson?

23 A. I did not tell them. I sent them a final notice and
24 demand which is the Internal Revenue Service notification that
25 the train is about to crash and it's time to pay up. 03:45:31

PAUL WEDEPOHL - Cross

1 Q. And if somebody has the power of attorney, they normally 03:45:36
2 send those letters off to the power of attorney for them to
3 respond; correct?

4 A. I do not know, ma'am.

5 Q. Well, sending them the final collection letter wouldn't 03:45:49
6 tell them that Mr. Robinson wasn't following the ABCs of the
7 collection process.

8 A. It doesn't say it, in my humble words; but if I get a
9 letter that says the Internal Revenue Service's next step is to
10 levy, seize assets, I'm thinking something is not going well. 03:46:07

11 MS. ARNETT: One second, Your Honor?

12 THE COURT: Yes.

13 BY MS. ARNETT:

14 Q. So normally in your collection process, the offer in 03:47:14
15 compromise would go directly to you. You testified -- I'm
16 sorry.

17 A. Preferably, when a case is being worked in the field by a
18 Revenue officer and we usually have discussed the possibility
19 of an offer between the representative or taxpayer and myself
20 and I request that they send it to me. They don't have to 03:47:33
21 because I don't work the offer per se. I just make the
22 recommendation on the offer. The offer is actually worked in
23 Memphis, Tennessee, unless there's a reason to bring it to the
24 local office. In this case, there was that reason.

25 Q. But Mr. Robinson had filed it in Memphis; correct? 03:47:51

PAUL WEDEPOHL - Cross

1 A. Yes, ma'am. 03:47:56

2 Q. So he made the process much more difficult for you;
3 correct?

4 A. He drug things out because I had to communicate with
5 Memphis and -- you know, try to get that paperwork out here and 03:48:04
6 so forth. So, yes.

7 Q. Now, when you were looking at the offer in compromise with
8 Mr. Sexton, you stated that the Belize company wasn't on the
9 offer in compromise. Do you remember that?

10 A. Yes. 03:48:31

11 Q. Now, if Mr. Parker didn't have a controlling interest in
12 the Belize company, he didn't need to put it on the offer in
13 compromise; correct?

14 A. Not necessarily so. If he had a one percent interest in
15 the company, he should put it on the financial statement. 03:48:43

16 Q. But if his power of attorney, an attorney told him he
17 didn't have to put it on the offer in compromise because it
18 wasn't his, and that is what was submitted to you, then he
19 didn't have to put it on there according to his power of
20 attorney; correct? 03:49:01

21 MR. SEXTON: Objection to the form of the question as
22 to what the attorney was told from -- in this process.

23 THE COURT: I'm not sure we're talking in this
24 question about the attorney but I will sustain it on
25 foundation. We're talking a power of attorney. You need to 03:49:18

United States District Court

PAUL WEDEPOHL - Cross

1 lay some foundation for this. 03:49:24

2 MS. ARNETT: Yes, Your Honor.

3 BY MS. ARNETT:

4 Q. Could you look at what's marked as 1019 and 1020?

5 A. I have 1019 and 1020. 03:49:50

6 Q. Thank you.

7 These are form letters. Well, 1020 is a form letter
8 dated February 4, 2005, from the IRS to James and Jackie
9 Parker?

10 A. Yes. 03:50:10

11 Q. And it also has some handwritten notes on it; correct?

12 A. Yes.

13 Q. And the government agreed it's Mr. Parker's handwritten
14 notes. Did you send this letter?

15 A. No. 03:50:19

16 Q. Is it a letter that you recognize in the collection
17 process?

18 A. Yes.

19 Q. As coming from the IRS?

20 A. Yes. 03:50:25

21 MS. ARNETT: Could we admit 1010 -- 1020. I'm sorry.

22 MR. SEXTON: This witness hasn't seen the exhibit
23 with the handwriting on there --

24 THE COURT: Well, he's just identified it. I'm not
25 sure what you're talking about. 03:50:40

United States District Court

PAUL WEDEPOHL - Cross

1 MR. SEXTON: There's additional handwriting on it. 03:50:42

2 THE COURT: Okay. So the foundation has not been
3 laid for the entire document. I'll sustain it on that basis.
4 I don't know what's written on the document. So apparently
5 that is the government's objection. 03:50:54

6 MS. ARNETT: Thank you, Your Honor.

7 BY MS. ARNETT:

8 Q. So as a collection agent, some of the tools that you have
9 in your job is to show up to a house and tow a car away;
10 correct? 03:51:31

11 A. Could you ask me that again?

12 Q. In your role as a collection agent, one of the tools that
13 you have to perform your job is to show up to a house and tow a
14 car away; correct?

15 A. We do seize vehicles. 03:51:42

16 Q. So if you -- if there was a car that the Parkers owned,
17 you could have towed it away to help in the collection process;
18 correct?

19 MR. SEXTON: Can we have some foundation as to when
20 and what we're talking about here? When in the process are we
21 talking about? 03:51:56

22 THE COURT: Sustained.

23 MS. ARNETT: Okay.

24 BY MS. ARNETT:

25 Q. During your work on the Parkers' collection file in 2004 03:52:05

PAUL WEDEPOHL - Cross

1 and '5, if there was a car that the Parkers owned such as a 03:52:10
2 Rolls Royce and you could prove that the Parkers owned that
3 car, you could show up to the house and tow it away; correct?
4 A. Well, you make it sound very simple but after an
5 investigation and verification of certain items and approval, I 03:52:29
6 can't do that on my own. I have supervisors. It is often
7 feasible to seize a vehicle, if that is the appropriate way to
8 resolve the liability.
9 Q. And you didn't seize any of the Parkers' cars; correct?
10 A. No, ma'am. 03:52:47
11 Q. The same thing with the house. If you felt the Parkers
12 owned the Carefree house, if you could prove that the Parkers
13 owned the Carefree house, then you could foreclose on the house
14 during your collections in 2004 and 2005?
15 A. You said if I could. I did and I can prove it's their 03:53:07
16 house and I was going to seize that house. I just didn't get
17 to it yet.
18 Q. The house is still there; correct?
19 A. Yeah. We don't remove it. But it's still there.
20 Q. But you haven't foreclosed on the house? 03:53:24
21 A. No, ma'am.
22 Q. And you know that Sunlight Financial owns the Carefree
23 house?
24 A. As a nominee of James and Jacqueline Parker only.
25 Q. Well, you had talked about, with Mr. Sexton, if you title 03:53:40

PAUL WEDEPOHL - Cross

1 in your neighbor's home, even though you work it and control 03:53:50
2 it, it's still yours; correct?
3 A. Yes.
4 Q. Well, during your investigation of Mr. and Mrs. Parker, if
5 I could refer you back to 446, you did some research into the 03:54:00
6 Parkers' home; correct?
7 A. Yes.
8 Q. And if you could refer to page 45.
9 A. Thank you. All right.
10 Q. When you researched the property taxes, you discovered 03:54:26
11 that none of the property tax payments came from Mr. and
12 Mrs. Parker; correct?
13 A. They did not come from an account -- the Parkers
14 themselves directly did not pay the property taxes, correct.
15 Q. And you also saw evidence of the Parkers paying rent; 03:54:47
16 correct?
17 A. No.
18 Q. No?
19 A. No.
20 Q. Okay. 03:54:55
21 MS. ARNETT: One moment, Your Honor.
22 I'm sorry. Could we give the witness Exhibit 1076?
23 THE WITNESS: Yes, I have 1076 right here.
24 BY MS. ARNETT:
25 Q. Does this appear to be a check written from I think 03:56:46

United States District Court

PAUL WEDEPOHL - Cross

1 American Sterling Bank? 03:56:49

2 MR. SEXTON: If counsel wants to offer it, we have no
3 objection.

4 MS. ARNETT: Okay. We'll offer it.

5 THE COURT: All right. It's admitted. 03:57:02

6 (Exhibit Number 1076 was admitted into evidence.)

7 MS. ARNETT: Thank you.

8 THE WITNESS: And the question again, please.

9 BY MS. ARNETT:

10 Q. Yes. Could you read the memo of the check? 03:57:06

11 A. The memo section says, "For rent, 35802," I think, "North"
12 I guess that's "Meander 8-3 through 7-4."

13 Q. And the address is the address of the taxpayers; correct?

14 A. Yeah, I think it is, yes.

15 Q. Now, lots of people put homes in family trusts; correct? 03:57:43

16 A. Sure.

17 Q. And they do that for estate planning purposes; correct?

18 A. Sure, yes.

19 Q. And there's nothing wrong with putting a home in a trust
20 for estate planning purposes; correct? 03:57:59

21 A. Absolutely not.

22 Q. So during your collection process with the Parkers, you
23 filed a nominee lien on the Parkers' Carefree home; correct?

24 A. No.

25 Q. There's a nominee lien on the home? 03:58:21

United States District Court

PAUL WEDEPOHL - Cross

1 A. Yes. 03:58:24

2 Q. Somebody else filed it?

3 A. Yes.

4 Q. And in the language on the nominee lien, it also states

5 that it will affect your ability to apply for credit and borrow 03:58:30

6 money; correct?

7 A. I am -- I am retired. I don't remember what it says on

8 there word for word. I don't know.

9 Q. It says something to that effect?

10 A. I don't know. 03:58:48

11 Q. So on the day that you showed up to Mr. Parker's house for

12 a field visit, you called Mr. Robinson to see if you could

13 inspect the inside of property; correct?

14 A. Well, I don't know if I asked him if I could inspect the

15 inside. I asked him if I could enter the premises. Remember 03:59:18

16 the gate was closed, and I asked if we could enter that gate to

17 go up and get closer to the house.

18 Q. Do you recall seeing a car in the driveway?

19 A. I believe so.

20 Q. Did Mr. -- do you remember Mr. Robinson telling you that 03:59:31

21 the Parkers weren't home?

22 A. No, he didn't tell me that at all.

23 Q. Did you ever try to set up a scheduled visit to come to

24 the Parkers' house?

25 A. No. 03:59:43

PAUL WEDEPOHL - Cross

1 Q. And so after you left your field visit, you determined the 03:59:46
2 fair market value of the house?
3 A. I estimated the fair market value as best I could, yes.
4 Q. Do you have any real estate training?
5 A. I have two officers with me who have extensive real estate 04:00:00
6 backgrounds with me and they assisted me.
7 Q. And you valued the house at?
8 A. I think it was 2.9 and some change million.
9 Q. And do you know that the Parkers later -- that Sunlight
10 Financial later got a loan on the house for 1.5? 04:00:19
11 A. I don't know that they did when I was working the case. I
12 don't believe they did.
13 Q. Okay.
14 MS. ARNETT: One second, Your Honor.
15 BY MS. ARNETT: 04:02:04
16 Q. During your investigation, you found out about Sunlight
17 Financial; correct?
18 A. Yes.
19 Q. And did you find out about Cornerstone?
20 A. Yes. 04:02:15
21 Q. And Cornerstone was created in 1994; correct?
22 A. I believe so. I would have to go back to be positive on
23 that but I think so.
24 Q. It was created before any of the collection process
25 started; correct? 04:02:26

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PAUL WEDEPOHL - Cross

1 A. Yes. 04:02:27

2 Q. And Cornerstone transferred the Carefree home into
3 Sunlight Financial; correct?

4 A. Yes.

5 Q. And Cornerstone, like any other trust, there's not a 04:02:37
6 problem if a trust is set up for family estate planning;
7 correct?

8 MR. SEXTON: Objection. Calls for a legal
9 conclusion.

10 THE COURT: Overruled. 04:02:47

11 THE WITNESS: Could you rephrase your question or
12 restate your question, please.

13 BY MS. ARNETT:

14 Q. If a family trust is set up for estate planning, that's
15 okay; correct? 04:02:59

16 A. Yes.

17 Q. And lots of people do it?

18 A. Yes.

19 Q. And you do -- you used to deal with it all the time in
20 collections; correct? 04:03:06

21 A. Quite often, yes.

22 Q. And before any offer in compromise was submitted you knew
23 about Sunlight Financial?

24 A. Yes.

25 Q. And when you got the first offer in compromise, did you 04:03:42

United States District Court

PAUL WEDEPOHL - Cross

1 tell Greg Robinson, "Sunlight Financial wasn't on this offer in 04:03:44
2 compromise"?
3 A. I don't believe so.
4 Q. Did Greg Robinson tell you that Sunlight Financial didn't
5 need to be on the offer in compromise because the Parkers 04:03:57
6 didn't own it?
7 A. I don't remember him telling me that at all.
8 Q. Did you turn to Mr. Robinson to the Office of Professional
9 Responsibility for any of his other clients?
10 A. Yes. 04:04:55
11 Q. Do you know what happened to those claims?
12 A. I have no idea, ma'am.
13 Q. So Cornerstone first bought the Carefree home; correct?
14 A. Yes.
15 Q. And then a new trust was set up for the Parker children; 04:05:32
16 correct?
17 A. I don't know about the timing of it. The family trust?
18 Q. The Sunlight. Cornerstone went -- was -- bought the
19 Carefree home; correct?
20 A. Correct. 04:05:48
21 Q. And then Cornerstone transferred the Carefree home to
22 Sunlight?
23 A. Yes.
24 Q. And Mr. Parker couldn't borrow against the Carefree home
25 unless his children signed on that -- on the lending papers; 04:05:57

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PAUL WEDEPOHL - Cross

1 correct? 04:06:01

2 A. I don't know.

3 Q. Well, if he didn't own the home and Sunlight owned the
4 home, Sunlight would have to sign on borrowing papers; correct?

5 A. I don't know what the lender's policies are. I have no 04:06:09
6 idea, ma'am.

7 Q. You know that the Carefree home is not legally in
8 Mr. Parker's name?

9 A. I don't know about right now; but when I worked the case,
10 it was not titled to the Parkers. 04:06:21

11 Q. And you can't ignore title; correct?

12 A. No.

13 Q. You can't say it was faked if it's titled in Sunlight
14 Financial; correct?

15 MR. SEXTON: Objection to the form of the question 04:06:42
16 and the legal conclusion that it's asking for.

17 THE COURT: Well, I'll sustain it on foundation.
18 This witness seems to have more expertise. If it's legal and
19 I'm not quite sure that's what the question was. But if you
20 can lay more foundation, then I'll allow it. 04:07:00

21 BY MS. ARNETT:

22 Q. So you can say that the home is really Mr. Parker's but
23 you have no -- he has no legal ability to transfer title,
24 borrow, or sell without his children's signature?

25 A. I don't know. 04:07:22

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PAUL WEDEPOHL - Cross

1 Q. And the IRS would not have accepted a deed from Mr. Parker 04:07:28
2 because title is not in his name?
3 A. That was never offered or brought up. I don't know. I
4 haven't looked into that.
5 Q. If you could go back to Exhibits 1019 and 1020. 04:08:44
6 A. Yes, ma'am.
7 Q. And you already stated that 1019 is a form letter that is
8 sent out by the IRS; correct?
9 A. It looks like one of our letters although I'm not totally
10 familiar with this one. 04:09:07
11 Q. 1020 you are familiar with?
12 A. Yes.
13 Q. And you see the note at the bottom; correct?
14 A. The handwritten note?
15 Q. Yes. 04:09:41
16 A. Yes.
17 Q. You know who Greg Robinson is; correct?
18 A. Yes.
19 Q. And you know who Jim Parker is; correct?
20 A. Yes. 04:09:48
21 Q. Does it not surprise you that Mr. Parker would ask
22 Mr. Robinson what else do we need to submit because we gave
23 them everything?
24 MR. SEXTON: Objection. She's now testifying from
25 that which is not in evidence by framing her question in that 04:10:05

United States District Court

PAUL WEDEPOHL - Cross

1 fashion. 04:10:08

2 THE COURT: Well, it's not in evidence yet so you

3 need to -- if you intend to rely on it, you need to ask

4 questions to establish the admissibility and you are asking him

5 a question to speculate. So sustained. 04:10:22

6 MS. ARNETT: Thank you, Your Honor.

7 BY MS. ARNETT:

8 Q. You know that Greg Robinson and James Parker had a

9 relationship; correct? Mr. Robinson represented Mr. Parker;

10 correct? 04:12:54

11 A. Yes.

12 Q. They had an attorney-client relationship?

13 A. Yes.

14 Q. And 1020 is a form from the IRS; correct?

15 A. A form letter, yes. 04:13:09

16 Q. Yes.

17 And this is a way that you communicate with taxpayers

18 all the time; you send them form letters?

19 A. Myself?

20 Q. The IRS. 04:13:31

21 A. Generally. There's a form letter for everything.

22 Q. Yes, sir. And you see Mr. Parker giving his attorney

23 instructions on what to do in the collections, correct, at the

24 bottom?

25 A. Of 1020? 04:13:57

United States District Court

PAUL WEDEPOHL - Cross

1 Q. Yes, sir. 04:13:59

2 A. I see a note but I don't know -- I don't know if -- I
3 guess if you say we need to talk is an instruction.

4 MR. SEXTON: Don't read from -- this is in the
5 handwritten portion. 04:14:12

6 THE COURT: It's not admitted yet.

7 THE WITNESS: I don't know if that's an instruction
8 or not.

9 BY MS. ARNETT:

10 Q. Do you see Mr. Parker asking his attorney a question; 04:14:21
11 correct?

12 MR. SEXTON: Objection.

13 THE COURT: Ms. Arnett, you're asking about the
14 content of the letter that isn't admitted. So whatever it says
15 is not relevant until it is admitted. 04:14:31

16 MR. MINNS: Your Honor, could I assist on this
17 predicate, please?

18 THE COURT: If Ms. Arnett allows you to.
19 It's up to you. Do you want him as your -- to help
20 you out? 04:15:08

21 MS. ARNETT: Yes, please.

22 THE COURT: That's fine.

23 BY MR. MINNS:

24 Q. Mr. Wedepohl, am I pronouncing your name correctly?
25 A. Wedepohl. Call me Paul. 04:15:22

United States District Court

PAUL WEDEPOHL - Cross

1 Q. Paul. Yes, sir. 04:15:24

2 What you have in front of you, that exhibit,
3 taxpayers frequently write on these letters that the IRS sends
4 them and sends it back to the IRS; correct? You've gotten
5 letters back on your own forms from taxpayers who handwrite 04:15:37
6 messages back to you?

7 A. Yes.

8 Q. And if you received this note, you would read it, would
9 you not?

10 A. Sure. 04:15:50

11 Q. And you can gather from this note that is now in your
12 hands -- would you pick it up, please.

13 A. I will.

14 Q. And it's now in your hands --

15 A. Yes. 04:16:05

16 Q. -- and it answers one of the questions that you have
17 brought up in this case about what Mr. Parker -- was going
18 through Mr. Parker's mind, does it not?

19 MR. SEXTON: Objection to the form of the question.

20 THE COURT: Well, I'm going to allow that. It's 04:16:16
21 introductory at this point because you haven't said --

22 So you can answer that yes or no.

23 THE WITNESS: Could you ask the question again?

24 BY MR. MINNS:

25 Q. It answers a question that you brought up during the 04:16:33

PAUL WEDEPOHL - Cross

1 direct testimony about what Mr. Parker's communication was with 04:16:35
2 his lawyer; correct?

3 A. I guess so.

4 Q. Okay.

5 MR. MINNS: We offer it into evidence, Your Honor. 04:16:45

6 THE COURT: I'm not sure what it is. Is there an
7 objection?

8 MR. SEXTON: Sure. There's no evidence that this was
9 sent to the IRS. There's no evidence that he's ever seen this
10 document. 04:16:55

11 THE COURT: Well, and let me talk to counsel at the
12 sidebar. Let me see the document.

13 (At sidebar.)

14 THE COURT: The problem, Mr. Minns, is I presume you
15 mean this is your client? 04:17:19

16 MR. MINNS: Yes.

17 THE COURT: Well, he's got to be able to identify
18 that as his handwriting or it doesn't come in.

19 MR. MINNS: And I thought -- and if we're wrong, the
20 government can correct me now. I thought we had an agreement 04:17:30
21 that it was going to be identified and we were identifying
22 their handwriting samples. If they are breaking their
23 agreement, I need to know now.

24 MR. SEXTON: No. What I am expecting to have is the
25 person who testifies about this isn't a person who has never 04:17:44

PAUL WEDEPOHL - Cross

1 seen this document and it never ever was sent to the IRS. I 04:17:46
2 was expecting either Mr. Robinson, Mr. Parker, or Mr. Liggett,
3 whose files I think this came from, would be testifying that
4 this comes from my files. But this gentleman here has no
5 knowledge of this letter. It was never sent back to the IRS. 04:17:58
6 He has no knowledge of this. So this is not --

7 THE COURT: Let me stop you for a second.

8 Is this a document you have never seen before?

9 MR. SEXTON: No. I've seen this document before.

10 THE COURT: Is this a document -- if it didn't have 04:18:13
11 this on it, is this a document that you would claim is not --
12 there is no foundation for it and you would not -- you would
13 not admit this document?

14 MR. SEXTON: No. I probably would say this is a form 04:18:26
15 letter and probably could come in through this witness as being
16 recognized as a typical form letter. It's the additional
17 information that was never seen by this guy, never sent to the
18 IRS that should not come through this witness. It should come
19 through one of three other witnesses: Mr. Liggett,
20 Mr. Robinson, or Mr. Parker but note through this witness. 04:18:40

21 THE COURT: But you don't deny that that is
22 Mr. Parker's handwriting?

23 MR. SEXTON: That we've talked that looks like his
24 handwriting and we don't have an issue with it probably being
25 his handwriting at this point. But we don't think this is the 04:19:05

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PAUL WEDEPOHL - Cross

1 proper witness to get this document in through that because it 04:19:07
2 was never sent to the IRS. It has never been seen by this
3 gentleman.

4 THE COURT: By Mr. Wedepohl?

5 MR. SEXTON: Correct. 04:19:17

6 THE COURT: So you're saying with another witness it
7 comes in?

8 MR. SEXTON: I would say the three witnesses I've
9 listed: Liggett, Robinson, or Mr. Parker himself.

10 THE COURT: I'm not sure what he said so far but he 04:19:27
11 said he recognized this kind of document.

12 MR. SEXTON: Right.

13 THE COURT: But he can't recognize the handwriting.
14 So we're not going to allow it at this point even though the
15 government may eventually agree that's his handwriting. 04:19:42

16 (End sidebar.)

17 THE COURT: Okay. The objection is sustained.

18 MR. MINNS: I had one more question, Your Honor, with
19 the Court's permission, and then I'll turn this back over to
20 Ms. Arnett. 04:20:06

21 BY MR. MINNS:

22 Q. You've taken no training on title; is that correct?

23 A. Yes, I've had training on title.

24 Q. So you're an expert on real estate title?

25 A. I'm not going to proclaim to be an expert, but I've had 04:20:19

PAUL WEDEPOHL - Cross

1 title training and I've done it for 27 years. 04:20:22

2 Q. So you're saying that a chain of title can vest in someone

3 who has never been in the chain of title?

4 A. Repeat, that please.

5 Q. Yes, sir. Mr. Parker was never in the chain of title. 04:20:37

6 You've put him in the chain of title by your legal opinion?

7 A. I'm not a lawyer but my opinion is yes.

8 Q. You've put him in the chain of title?

9 A. Absolutely. Have you ever heard of a fraudulent

10 conveyance? 04:20:54

11 Q. In 1994, 10 years before you began your investigation,

12 you're claiming a fraudulent conveyance took place?

13 A. I'm not saying that was fraudulent.

14 Q. Are you claiming Mr. Robinson conveyed it falsely using

15 the people whose names were on the deeds? 04:21:08

16 A. I'm not saying that at all. I'm saying there was a

17 fraudulent conveyance.

18 Q. Explain how someone can sign a deed over when they are not

19 in the chain of title? Explain how they can legally do that?

20 A. How much did Cornerstone get paid from Sunlight? 04:21:22

21 Q. Are you going to refuse to answer the question how someone

22 can legally sign a deed --

23 A. No, I'm not.

24 Q. -- when they are not in the chain of title?

25 A. No. Anybody can sign any deed they want. It doesn't make 04:21:34

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PAUL WEDEPOHL - Cross

1 it legitimate or valid.

04:21:37

2 Q. That's correct. They have to be in the chain of title;
3 right? Right?

4 A. No.

5 Q. Oh. So you can sign a deed over to this courthouse if you
6 want? 04:21:44

7 A. I can sign anything I would like to sign offer. It
8 depends on the intent.

9 Q. So assuming the truth of the matter, that in 1994, before
10 you were on this case, this title was vested for probate and 04:22:02
11 estate planning in the Parker children, that Mr. Parker and
12 Mrs. Parker had no signing rights on it, assuming that
13 Mr. Robinson then conveyed it using the children's signatures,
14 how can you interpose Jim Parker's even right to sign on the
15 title? 04:22:30

16 MR. SEXTON: Objection to the form of the question.
17 Foundation. Argumentative. Hearsay.

18 THE COURT: I'm going to overrule the objection based
19 upon the answer of this witness concerning fraudulent
20 conveyances, so overruled. 04:22:40

21 MR. MINNS: Thank you, Your Honor.

22 THE WITNESS: And your question, sir?

23 BY MR. MINNS:

24 Q. How can you give someone the power to sign title when they
25 are not in the chain of title and have no legal right to do so? 04:22:55

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PAUL WEDEPOHL - Cross

1 A. I don't understand what you mean when how do you give 04:22:59
2 somebody power. I don't understand what you are saying.

3 Q. Well, you were a very powerful man and you had the power
4 to seize homes. You had the power to seize cars but you did
5 not have the power to write title opinions; correct? 04:23:11

6 A. I do not write title opinions. I write recommendations.

7 Q. And you were not empowered -- Jim Parker was not empowered
8 if he had agreed to give you that house, he didn't have the
9 legal right to do it?

10 A. Maybe not technically but he called the shots. 04:23:34

11 Q. Well, as you have testified under oath and admitted that
12 you were mistaken, first you testified that Mr. Robinson told
13 you 100 percent of the time that his clients only owed 10
14 percent. Now I'm asking you --

15 MR. SEXTON: Objection. He's testifying and he's not 04:23:57
16 asking a question.

17 THE COURT: All right. Sustained. Foundation.

18 BY MR. MINNS:

19 Q. I'm asking you, if Mr. Parker wrote a deed right now,
20 signed a deed, you've said you've had evidence that it would be 04:24:12
21 good. How could it possibly be good if it's not -- if he's not
22 in the chain of title?

23 A. Your example makes no sense to me, sir, because we're not
24 dealing with facts. You're talking about a what-if, a
25 for-example, and I can't relate to that in this case. 04:24:31

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PAUL WEDEPOHL - Cross

1 Q. Relate to the facts. The title is -- 04:24:33
2 A. I'm trying to.
3 Q. The title is in the children's trust.
4 A. Right.
5 Q. The title is moved to another trust that is owned by the 04:24:40
6 children, by the children by instruments drawn up by
7 Mr. Robinson.
8 A. M'hum.
9 Q. Mr. Parker, Jim Parker, is not in that chain of title.
10 You've said you had evidence that he could have 04:24:55
11 signed that over. Where is it?
12 A. The evidence I have is based on my nominee investigation
13 and that evidence revealed that Mr. Parker made all decisions,
14 communicated with lenders personally and the children never
15 did. Now, they signed some documents. But I also found that 04:25:13
16 the Parkers maintained their residence, lived in the residence,
17 used the residence for their personal home because, remember,
18 the kids don't even live in this city.
19 Q. Isn't that --
20 A. All facts point to reality that we have a nominee 04:25:31
21 situation, and I can't break that situation with the facts that
22 I uncovered showing that the true owner is the Parkers.
23 Q. Isn't that the fact with every single home in Arizona and
24 the United States where it is put in a trust and the parents
25 still live in it but it is left for the children to avoid 04:25:55

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PAUL WEDEPOHL - Cross

1 probate? Isn't that the fact with every one of them, the 04:25:59
2 parents maintain it?

3 A. Well, that might be, but most of those other people pay
4 their taxes. They don't put the house beyond reach and then
5 say, "I don't own it. I don't have any right to it," 04:26:12
6 conveniently, legally, "so I can't pay you." You can put any
7 asset you want to in a trust anytime you want to in a trust.
8 Pay your taxes.

9 Q. Isn't that one of the reasons why people set up trusts, to
10 take it out of their reach so that if bad things happen, for 04:26:34
11 example, an argument with the IRS ten years in the future or a
12 lawsuit or other things, that the property is protected for the
13 benefit of the beneficiaries of the trust? Isn't that the only
14 reason trust law even exists in the United States?

15 A. No. I call that tax evasion, sir. 04:26:54

16 Q. So your sworn testimony is that tax evasion committed in
17 1994, 10 years before your investigation culminated?

18 A. No. There's nothing wrong with putting that house in any
19 trust 100 years ago but along -- when the day comes along that
20 there's a tax liability, then assets exclusively controlled by 04:27:18
21 that individual, and it's only in a nominee's name as a facade,
22 then we'll go after that asset.

23 Q. Well, in fact, if you can prove in a court of law that it
24 is a facade, you can take it; correct?

25 A. We have a nominee lien filed now, sir, so I'm pretty sure 04:27:37

PAUL WEDEPOHL - Cross

1 that was approved and not by me. 04:27:41
2 Q. It has never been approved by a court of law.
3 A. Sue us.
4 Q. You got me there. You're too big to sue.
5 MS. ARNETT: I have nothing further. Thank you. 04:28:09
6 THE COURT: All right.
7 How much time are you going to take on redirect?
8 MR. SEXTON: None.
9 THE COURT: Okay. You may step down.
10 THE WITNESS: Thank you. 04:28:19
11 (Witness excused.)
12 (End of excerpted portion.)
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PAUL WEDEPOHL - Cross

C E R T I F I C A T E

04:28:20

I, ELAINE M. CROPPER, do hereby certify that I am
duly appointed and qualified to act as Official Court Reporter
for the United States District Court for the District of
Arizona.

04:28:20

I FURTHER CERTIFY that the foregoing pages constitute
a full, true, and accurate transcript of all of that portion of
the proceedings contained herein, had in the above-entitled
cause on the date specified therein, and that said transcript
was prepared under my direction and control, and to the best of
my ability.

04:28:20

DATED at Phoenix, Arizona, this 12th day of June,
2012.

04:28:20

s/Elaine M. Cropper

04:28:20

Elaine M. Cropper, RDR, CRR, CCP

United States District Court