

1 JOHN FRIEDEMANN, P.C. (#3607)  
5103 E. Thomas Road  
2 Phoenix, Arizona 85018  
(602) 840-0314  
3 e-mail: john@friedeman.com  
Attorney for Exeter Trinity Properties

4 **IN THE UNITED STATES DISTRICT COURT**  
5 **DISTRICT OF ARIZONA**

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| <p>7 UNITED STATES OF AMERICA,</p> <p>8 Plaintiffs,</p> <p>9 vs.</p> <p>10 JOSEPH J. LIPARI, EILEEN H. LIPARI<br/>and EXETER TRINITY PROPERTIES,<br/>L.L.C.,</p> <p>11 Defendants.</p> | <p>No. 3:10-CV-08142 JWS</p> <p>SUPPLEMENT TO STATEMENT OF<br/>FACTS BY DEFENDANT EXETER<br/>TRINITY PROPERTIES, LLC</p> <p>Honorable John W. Sedwick</p> |
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13 Exeter respectfully submits the following Supplement to its Statement of Facts filed on  
14 December 20, 2011. This Supplement is necessary to respond to the United States' Response  
15 to Exeter's Cross-Motion for Summary Judgment. This Supplement references only records  
16 and evidence already before the Court.

17 1. The Liparis transferred their house to the Ponderosa Trust on the advice of Mr.  
18 Chisum. See Eileen Lipari depo at **51:11 - 52:4**, in which she testified that she did not fully  
19 understand what Mr. Chisum was doing with the residence and the Trust. See Joseph Liparis  
20 depo at **5:10 - 15**, in which he testified that he put the residence into trust because he trusted  
21 Mr. Chisum.

22 2. The Liparis believed that through the Trust the residence would eventually pass to  
23 charity. See Exeter Facts, ¶ 4, and Affidavit of Joseph Lipari, last two paragraphs of page 2  
24 and first two paragraphs of page 3.

25 3. The Liparis put the residence in trust, among other reasons, to avoid probate. See  
26 Eileen Lipari depo at **14:1 - 15:11**; and the Affidavit of Joseph Lipari, page 1, third paragraph.

JOHN FRIEDEMANN, P.C.  
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Phoenix, Arizona 85018-7914  
(602) 840-0314

1 4. The Liparis were referred to Mr. Chisum by a mutual friend for the purpose of  
2 creating a trust to avoid probate. See Eileen Lipari depo at **13:14 - 14:11**.

3 5. From 1992 until he went to prison Mr. Chisum directly or indirectly controlled all  
4 finances for the Liparis. All income from their businesses went into entities controlled by  
5 him, the Liparis' business and living expenses had to be paid by those entities. Initially, only  
6 Mr. Chisum - not the Liparis - was signatory on the account for the DD Trust, and the Liparis  
7 could only write checks with the consent of Mr. Chisum, at which point they were permitted  
8 to use his signature stamp. However, when Morningstar International, PLLC, was formed,  
9 Mrs. Lipari was a signatory on its account. See Eileen Lipari depo at **37:18 - 40:22, 42:5 -**  
10 **13, 84:19 - 86:1, 97:21 - 98:2 and 126:18 - 127:12**.

11 6. The Liparis reposed complete faith and trust in Mr. Chisum. See Joseph Lipari  
12 depo at **12: 6 - 19** and Eileen Lipari depo at **13:11 - 12**.

13 7. There did come a time in 1997 when the Liparis lost faith in Mr. Chisum. See  
14 Eileen Lipari depo at **16:9 - 18** and Affidavit of Joseph Lipari, page 2, second paragraph from  
15 bottom. Mr. Chisum's conviction confirmed those views for Dr. Lipari, see his depo at  
16 **5:16 - 6:5**.

17 8. The Liparis were evicted (asked to leave the residence) in November 2007 because  
18 they could no longer afford the "maintenance and protection" of the residence, as originally  
19 required by the Ponderosa Trust. See the Affidavit of Joseph Lipari, page 3, last paragraph,  
20 and Eileen Lipari depo at **100:24 - 101:9 and 104:6 - 15**.

21 9. Each of the Liparis recognized it was a mistake to trust Mr. Chisum and regretted it.  
22 See Eileen Lipari depo at **65:24 - 67:2, 109:2 - 11**, and Joseph Lipari testified that he would  
23 no longer follow Mr. Chisum's advice, see his depo at **15:3 - 15**.

24 10. The Liparis would prefer that the residence be sold and the proceeds be applied to  
25 their taxes. See Joseph Lipari depo at **13:7 - 15**, and Eileen Lipari depo at **90:23 - 91:25**.

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1 However, they know that cannot happen because they do not own the residence. See Exeter  
2 Facts at ¶ 7.

3 11. Eileen Lipari stated in her deposition at **60:20 - 21**, that from the very beginning,  
4 in 1992: “Well, the Chisums were controlling the property in '92.” Dr. Lipari stated in his  
5 Affidavit on page 2: “We had no control when it came to decisions that were made  
6 concerning the house and grounds. Everything we did regarding the house had to be  
7 approved by Donna and JC Chisum and later in 2006 approved by Phillip O'Neil.”

8 Dated: February 15, 2012.

9 RESPECTFULLY SUBMITTED,

10 /s/ John Friedeman

11 John Friedeman  
12 5103 E. Thomas Road  
13 Phoenix, AZ 85018  
14 Attorney for Exeter Trinity Properties, LLC

JOHN FRIEDEMANN, P.C.  
5103 East Thomas Road  
Phoenix, Arizona 85018-7914  
(602) 840-0314

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this February 15, 2012, I electronically filed the foregoing with the Clerk of Court and served the following attorney of record using the CM/ECF system:

Charles M. Duffy  
P.O. Box 683  
Ben Franklin Station  
Washington, D.C. 20044-0683

I further certify that on the same day I mailed by U.S. Postal Service the foregoing to the following party who is not represented by counsel.

Joseph Lipari  
156 Johnson Hill Drive  
Waynesville, NC 28786  
Defendant, pro per

/s/ John Friedeman

\_\_\_\_\_  
John Friedeman

JOHN FRIEDEMANN, P.C.  
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Phoenix, Arizona 85018-7914  
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