

1 KATHRYN KENEALLY  
Assistant Attorney General

2 CHARLES M. DUFFY  
3 Trial Attorney, Tax Division  
4 U.S. Department of Justice  
5 P.O. Box 683  
6 Ben Franklin Station  
7 Washington, D.C. 20044-0683  
8 Telephone: (202) 307-6406  
9 Email: [charles.m.duffy@usdoj.gov](mailto:charles.m.duffy@usdoj.gov)  
10 [Western.taxcivil@usdoj.gov](mailto:Western.taxcivil@usdoj.gov)  
11 *Attorneys for the United States of America*

12 ANN SCHEEL  
13 Acting United States Attorney  
14 District of Arizona  
15 *Of Counsel*

16 IN THE UNITED STATES DISTRICT COURT  
17 DISTRICT OF ARIZONA

18 UNITED STATES OF AMERICA,

19 Plaintiff,

20 v.

21 JOSEPH J. LIPARI, EILEEN H. LIPARI and  
22 EXETER TRINITY PROPERTIES, L.L.C.,

23 Defendants.

Civ. No. 10-CV-08142-JWS

**UNITED STATES' STATUS REPORT**

24 **I.**

25 **INTRODUCTION**

26 The Court entered an Order on May 18, 2012 that directed the parties to confer and advise  
27 regarding the future course of this case. The undersigned Government attorney sent a proposed joint  
28 status report to the other parties on June 6, 2012. *See* Exhibit A filed herewith. *Pro se* defendant  
Joseph Lipari has not responded to the proposed joint status report. Also, Counsel for defendant  
Exeter Trinity Properties (“Exeter”) has not informed the undersigned whether the proposed joint  
status report is satisfactory. *See e.g.*, Exhibit C herewith (copy of a June 8, 2012 e-mail from  
Counsel for Exeter). Counsel for Exeter earlier indicated in a May 25, 2012 e-mail message that he

1 might be withdrawing as counsel. *See* Exhibit B filed herewith.

2 Based on the above and the fact that the Court set a 28 day deadline in its May 18, 2012 order,  
3 the United States hereby files its own status report.

4 **II.**

5 **STATUS REPORT**

6 On March 12, 2012, the Court entered an order which granted the United States' summary  
7 judgment motion as to all of the tax assessments at issue in the complaint except for the 1997 tax  
8 year. In the order, the Court also denied the United States' summary judgment motion on the  
9 foreclosure claim relating to the residence that is at issue in the complaint and denied the cross-  
10 motion for summary judgment filed by defendant Exeter Trinity Properties, L.L.C. ("Exeter") on that  
11 claim.

12 The parties have not been able to settle or otherwise resolve the remaining issues that were  
13 not decided by the Court's March 12, 2012 order. Thus, the United States requests the Court to set  
14 the remaining issues for trial and also set dates for pre-trial matters, such as the filing of a proposed  
15 pre-trial order. The United States estimates that the trial will likely take two days.

16 The undersigned Government Counsel is scheduled to be out of the office during the week  
17 of August 6, 2012 and also from September 6, 2012 to September 14, 2012. Also, the undersigned  
18 has a three (3) day trial scheduled starting on October 16, 2012 in *United States v. Reading*, Civil  
19 Number 11-698 (D. Arizona) and respectfully requests that the trial herein be set thereafter, if

1 possible.

2 DATED this 14th day of June, 2012.

3

4

KATHRYN KENEALLY  
Assistant Attorney General, Tax Division  
U.S. Department of Justice

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6

By: /s/ Charles M. Duffy  
CHARLES M. DUFFY  
Trial Attorney, Tax Division

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Of Counsel:

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ANN SCHEEL  
Acting United States Attorney  
(Attorneys for the United States)

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 14th day of June, 2012, I served the following attorney of record using the Court's CM/ECF system:

John Friedeman, P.C.  
5103 E. Thomas Road  
Phoenix, Arizona 85018

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 J. Lipari  
156 Johnson Hill Drive  
Waynesville, NC 28786

/s/ Charles M. Duffy  
Charles M. Duffy  
Trial Attorney, Tax Division  
U.S. Department of Justice



U.S. Department of Justice

Tax Division

Facsimile No. (202) 307-0054  
Trial Attorney: Charles M. Duffy  
Attorney's Direct Line: (202) 307-6406

Please reply to: Civil Trial Section, Western Region  
P.O. Box 683  
Ben Franklin Station  
Washington, D.C. 20044

KK:RRW:CMDuffy  
5-8-12673  
CMN 2010102005

June 6, 2012

FEDERAL EXPRESS MAIL

Joseph J. Lipari  
156 Johnson Hill Drive  
Waynesville, NC 28786



ELECTRONIC MAIL

John Friedeman, P.C.  
5103 E. Thomas Road  
Phoenix, Arizona 85018  
john@friedeman.com

Re: United States of America v. Joseph and Eileen Lipari et al.  
Case No. 10-cv-08142-JWS (USDC Arizona)

Dear Counsel and Mr. Lipari:

Enclosed is a **DRAFT of a JOINT STATUS REPORT** that was ordered by the Court on May 18, 2012. The Report is due by June 15, 2012. If the Status Report is satisfactory, please sign it and send it back to me.

Thank you for your courtesy in this matter. I can be reached at (202) 307-6406.

Sincerely yours,

/s/ Charles M. Duffy

CHARLES M. DUFFY  
Trial Attorney  
Civil Trial Section, Western Region

1 KATHRYN KENEALLY  
Assistant Attorney General

2 CHARLES M. DUFFY  
3 Trial Attorney, Tax Division  
4 U.S. Department of Justice  
5 P.O. Box 683  
6 Ben Franklin Station  
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10 [Western.taxcivil@usdoj.gov](mailto:Western.taxcivil@usdoj.gov)  
11 *Attorneys for the United States of America*

12 ANN SCHEEL  
13 Acting United States Attorney  
14 District of Arizona  
15 *Of Counsel*

16 IN THE UNITED STATES DISTRICT COURT  
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18 UNITED STATES OF AMERICA,

19 Plaintiff,

20 v.

21 JOSEPH J. LIPARI, EILEEN H. LIPARI and  
22 EXETER TRINITY PROPERTIES, L.L.C.,

23 Defendants.

Civ. No. 10-CV-08142-JWS

**JOINT STATUS REPORT**

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25 regarding the future course of this case.

26 On March 12, 2012, the Court entered an order which granted the United States' summary  
27 judgment motion as to all of the tax assessments at issue in the complaint except for the 1997 tax  
28 year. In the order, the Court also denied the United States' summary judgment motion on the  
foreclosure claim relating to the residence that is at issue in the complaint and denied the cross-  
motion for summary judgment filed by defendant Exeter Trinity Properties, L.L.C. ("Exeter") on that  
claim.

The parties have not been able to settle or otherwise resolve the remaining issues that were

1 not decided by the Court's March 12, 2012 order. Thus, the parties request the Court to set the  
2 remaining issues for trial and also set dates for pre-trial matters, such as the filing of a pre-trial order.  
3 The parties estimate that the trial will likely take two days.

4 The undersigned Government counsel has a three (3) day trial scheduled starting on October  
5 16, 2012 in *United States v. Reading*, Civil Number 11-698 (D. Arizona) and respectfully requests  
6 that the trial herein be set thereafter, if possible. The undersigned Government Counsel is also  
7 scheduled to be out of the office during the week of August 6, 2012 and also from September 6, 2012  
8 to September 14, 2012.

9 DATED this \_\_\_ day of June, 2012.

10  
11 KATHRYN KENEALLY  
12 Assistant Attorney General, Tax Division  
13 U.S. Department of Justice

14 By:

15 \_\_\_\_\_  
16 CHARLES M. DUFFY  
17 Trial Attorney, Tax Division

18 Of Counsel:

19 ANN SCHEEL  
20 Acting United States Attorney  
21 (Attorneys for the United States)

22 \_\_\_\_\_  
23 JOHN FRIEDEMANN, ESQUIRE  
24 5103 E. Thomas Road  
25 Phoenix, Arizona 85018  
26 Telephone: (602) 840-0314  
27 (Attorneys for Exeter Trinity Properties)

28 \_\_\_\_\_  
JOSEPH J. LIPARI  
156 Johnson Hill Drive  
Waynesville, NC 28786  
Telephone: (828) 246-0977  
(Defendant)

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this \_\_\_ day of June, 2012, I served the following attorney of record using the Court's CM/ECF system:

John Friedeman, P.C.  
5103 E. Thomas Road  
Phoenix, Arizona 85018

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 J. Lipari  
156 Johnson Hill Drive  
Waynesville, NC 28786

/s/ Charles M. Duffy  
Charles M. Duffy  
Trial Attorney, Tax Division  
U.S. Department of Justice

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Duffy, Charles M. (TAX)

**Government  
Exhibit**  
Exhibit B

**From:** John Friedeman [john@friedeman.com]  
**Sent:** Friday, May 25, 2012 5:20 PM  
**To:** Duffy, Charles M. (TAX)  
**Subject:** Re: FW: Activity in Case 3:10-cv-08142-JWS United States of America v. Lipari et al Order

I have met with my clients.  
Their intention is to go to trial.  
I will still withdraw, but they believe there is a way they can represent the defendant.

On 5/21/2012 6:14 AM, Duffy, Charles M. (TAX) wrote:

John, can you pls call this week. I assume your clients are not willing to offer the money that I suggested. Thus, I think we need to jointly advise the Court to set the case for trial. Thanks, Charles.

---

**From:** [azddb\\_responses@azd.uscourts.gov](mailto:azddb_responses@azd.uscourts.gov) [[mailto:azddb\\_responses@azd.uscourts.gov](mailto:azddb_responses@azd.uscourts.gov)]  
**Sent:** Friday, May 18, 2012 5:01 PM  
**To:** [azddb\\_nefs@azd.uscourts.gov](mailto:azddb_nefs@azd.uscourts.gov)  
**Subject:** Activity in Case 3:10-cv-08142-JWS United States of America v. Lipari et al Order

**This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.**

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U.S. District Court

DISTRICT OF ARIZONA

### Notice of Electronic Filing

The following transaction was entered on 5/18/2012 at 2:00 PM MST and filed on 5/18/2012

**Case Name:** United States of America v. Lipari et al

**Case Number:** [3:10-cv-08142-JWS](#)

**Filer:**

**Document Number:** [63](#)

### Docket Text:

**ORDER FROM CHAMBERS - The parties are directed to confer and to advise the court within 28 days whether this case may now be dismissed, and if so shall file either a stipulation for dismissal or suggest an appropriate form of judgment. If the parties believe the case should**

**remain open, they shall advise the court of what additional actions the parties need to take to conclude this litigation and suggest a schedule for completion of those activities. (KMG)**

**3:10-cv-08142-JWS Notice has been electronically mailed to:**

John W Friedeman [john@friedeman.com](mailto:john@friedeman.com)

Charles M Duffy [Charles.M.Duffy@usdoj.gov](mailto:Charles.M.Duffy@usdoj.gov), [western.taxcivil@usdoj.gov](mailto:western.taxcivil@usdoj.gov)

**3:10-cv-08142-JWS Notice will be sent by other means to those listed below if they are affected by this filing:**

Eileen H Lipari  
156 Johnson Hill Dr.  
Waynesville, NC 28786

Joseph J Lipari  
156 Johnson Hill Dr.  
Waynesville, NC 28786

The following document(s) are associated with this transaction:

**Document description:**Main Document

**Original filename:**n/a

**Electronic document Stamp:**

[STAMP dcecfStamp\_ID=1096393563 [Date=5/18/2012] [FileNumber=8775323-0  
] [524387e73b9158ee0c121acfaf7731aa443734f3cb614e8c133ff8db64dbf855610  
f949096d49a41ad65c0d3e8c918c6f33f1b0b1bc9fb1e890ea27db69679a9]]

**Duffy, Charles M. (TAX)**

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**From:** John Friedeman [john@friedeman.com]  
**Sent:** Friday, June 08, 2012 7:42 PM  
**To:** Duffy, Charles M. (TAX)  
**Subject:** Re: Please call



I should know what will happen in the next day or two.

On 6/8/2012 7:43 AM, Duffy, Charles M. (TAX) wrote:

John is the status report that I sent to you ok to file. Please call and let me know. I would like to get it files. Thanks, Charles.

Charles M. Duffy

Trial Attorney,

U.S. Department of Justice

Tax Division

Washington D.C.

(202) 307-6406