

1 KATHRYN KENEALLY
Assistant Attorney General

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

8 JOHN S. LEONARDO
United States Attorney
9 District of Arizona
Of Counsel

10
11 IN THE UNITED STATES DISTRICT COURT
12 DISTRICT OF ARIZONA

13 UNITED STATES OF AMERICA,

14 Plaintiff,

15 v.

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

17 Defendants.
18

Civ. No. 10-CV-08142-JWS

UNITED STATES STATUS REPORT

19
20 The United States and defendant Exeter Trinity Properties, L.L.C. (“Exeter”) have not been
21 able to resolve the remaining claims in this case by settlement. Thus, the case should be set for trial.

22 The claims remaining to be tried are whether Exeter is or was the nominee/alter ego of Joseph
23 Lipari and the late Eileen Lipari (the taxpayers in this case) or whether the Court should set aside the
24 alleged transfer of their residence (“the residence”) under the Arizona Uniform Fraudulent Transfer
25 Act, A.R.S. § 44-1001, *et. seq.*, that the Liparis made to the Ponderosa Trust and the subsequent
26 alleged transfer of the residence from the Ponderosa Trust to Exeter. The Court denied the United
27 States’ motion for summary judgment on those claims on March 12, 2012.

28 The trial on the referenced issues would be to the Court. *See* the Court’s August 23, 2012

1 order. The trial should last one or two days.

2 The claims in the complaint relating to the federal tax liabilities owed by the Liparis have
3 already been resolved by the Court. See the Court's March 12, 2012 and July 31, 2012 orders. To
4 the extent that the United States hereafter prevails on nominee/alter ego or fraudulent conveyance
5 claims, the proceeds from the sale of the residence would be credited to the Liparis' outstanding tax
6 liabilities.

7 Regarding trial availability, the undersigned Government attorney has hearings in other cases
8 to which he is assigned in the Federal District Court in Hawaii on June 24, 2013 and in the Federal
9 District Court in Nevada on July 24, 2013. Also, the undersigned Government attorney will be out
10 of the office for personal travel from May 23, 2013 to May 28, 2013, July 2, 2013 to July 5, 2013
11 and during the week of August 12, 2013.

12 DATED this 22nd day of March, 2013.

13
14 KATHRYN KENEALLY
Assistant Attorney General, Tax Division
U.S. Department of Justice

15
16
17 By: /s/ Charles M. Duffy
CHARLES M. DUFFY
Trial Attorney, Tax Division

18
19 Of Counsel:

20 JOHN S. LEONARDO
United States Attorney
21 (Attorneys for the United States)
22
23
24
25
26
27
28

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of March, 2013, I served the subject document through the Court's CM/ECF system and, on the same day, I mailed by U.S. Postal Service the foregoing to the following:

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

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28