

**SECOND DUFFY DECLARATION
EXHIBIT E**

CALENDAR YEAR 2008		PAYER'S Federal identification number [REDACTED]	RECIPIENT'S identification number 8531	Account number (see instructions) [REDACTED]	2nd TIN Not. <input type="checkbox"/>
PAYER'S name, street address, city, state, and ZIP code COLONIAL CLAIMS CORP 2200 BAYSHORE BLVD DUNEDIN FL 34698		RECIPIENT'S name, street address, city, state, and ZIP code JAMES L READING 2425 E. FOX STREET MESA AZ 85213		COPY C, FOR PAYER - DO NOT FILE. For Paperwork Reduction Act Notice and instructions for completing this form, see instructions for Forms 1099, 1098, 5498, and W-2G.	
1 Rents \$	2 Royalties \$	3 Other income \$		4 Federal income tax withheld \$	
5 Fishing boat proceeds \$	6 Medical and health care payments \$	7 Nonemployee compensation \$ 23858.11		8 Substitute payments in lieu of dividends or interest \$	
9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$	11	12	13 Excess golden parachute payments \$	14 Gross proceeds paid to an attorney \$
15a Section 409A deferrals \$	15b Section 409A income \$	16 State tax withheld \$	17 State/Payer's state no.		18 State income \$



COLONIAL CLAIMS CORP
2200 BAYSHORE BLVD
DUNEDIN, FL 34698

0441-T266-DIRDEP
100
779

66-79B
531 NC

12/26/2008	Direct Deposit
DATE	CHECK NO.

Payroll by Paychex, Inc.

Payroll by Paychex, Inc.

PAY TO THE
ORDER OF

JAMES L READING
2425 E. FOX STREET
MESA AZ 85213

Total Net Direct Deposit(s)
****\$3493.75****

AMOUNT

VOID THIS IS NOT A CHECK

BANK OF AMERICA

****NON-NEGOTIABLE****
AUTHORIZED SIGNATURE(S)

TO VERIFY AUTHENTICITY OF THIS DOCUMENT THE BACK CONTAINS HEAT SENSITIVE INK THAT CHANGES FROM BLUE TO CLEAR AND ALSO CONTAINS AN ARTIFICIAL WATERMARK WHICH CAN BE VIEWED WHEN HELD AT AN ANGLE

FOLD AND REMOVE

FOLD AND REMOVE

PERSONAL AND CHECK INFORMATION

JAMES L READING
2425 E. FOX STREET
MESA, AZ 85213

Soc Sec #: [REDACTED] XXXX Employee ID: [REDACTED]

Status:
Filing Status:
Federal: Single, 1
State: FL, Single, 1
Dept: 100

Pay Period: 12/16/08 to 12/31/08
Check Date: 12/26/08 Check #: Direct Deposit

NET PAY ALLOCATIONS

DESCRIPTION	CURRENT (\$)	YTD (\$)
Check Amount	0.00	4390.00
CHK1 DD - 2222	3493.75	19468.11
Net Pay	3493.75	23858.11

EARNINGS

DESCRIPTION	HOURS	RATE	CURRENT (\$)	YTD HOURS	YTD (\$)
1099			3493.75		23858.11
GROSS			3493.75		23858.11

WITHHOLDINGS

DESCRIPTION	CURRENT (\$)	YTD (\$)
TOTAL	0.00	0.00

NET PAY	CURRENT (\$)	YTD (\$)
	3493.75	23858.11

Payroll by Paychex, Inc.

0441-T266 COLONIAL CLAIMS CORP


CERTIFICATE OF CUSTODIAN OF BUSINESS RECORDS

TO WHOM IT MAY CONCERN:

1. I am over 18 years of age and a resident of Florida and competent to make this Certificate.
2. In response to a subpoena dated March 20, 2012 and issued by Trial Attorney Charles M. Duffy on behalf of the United States of America in case captioned, *United States v. James Leslie Reading et al.*, Civ. No. 11-698-PHX-FJM, I have transmitted to Mr. Duffy true and accurate copies of documents requested in the subpoena, to the extent that the documents have been located in records maintained by Colonial Claims Corporation.
3. I certify that the attached records are records of regularly conducted activity or are business records of Colonial Claims Corporation.
4. I am a custodian of records of Colonial Claims Corporation and or can otherwise attest to the process of maintaining the records of Colonial Claims Corporation and the records being produced have been properly and accurately maintained and stored.
5. The records attached to this certificate are true and correct copies of documents found in the files of Colonial Claims Corporation.
6. I have supervised and/or participated in the collection of these records, which are maintained by Colonial Claims Corporation.
7. Each entry in the attached records constitutes a report reflects regularly kept and stored information maintained by Colonial Claims Corporation as part of the process of, among other things, reporting information to the IRS.

I executed this Certificate at Dunedin, Florida on March 21, 2012 (Date)

I declare and certify under penalty of perjury that the statements made by me in this Certificate are true and correct.


Doug Branham

**SECOND DUFFY DECLARATION
EXHIBIT F**

CERTIFICATE OF CUSTODIAN OF BUSINESS RECORDS



TO WHOM IT MAY CONCERN:

1. I am over 18 years of age and a resident of Alabama and competent to make this Certificate.
2. In response to a subpoena dated March 20, 2012 and issued by Trial Attorney Charles M. Duffy on behalf of the United States of America in case captioned, *United States v. James Leslie Reading et al.*, Civ. No. 11-698-PHX-FJM, I have transmitted to Mr. Duffy true and accurate copies of documents requested in the subpoena, to the extent that the documents have been located in records maintained by Pilot Catastrophe Services, Inc. and or related companies.
3. I certify that the attached records are records of regularly conducted activity or are business records of Pilot Catastrophe Services, Inc. and or related companies.
4. I am a custodian of records of Pilot Catastrophe Services, Inc. and related companies and or can otherwise attest to the process of maintaining the records of Pilot Catastrophe Services, Inc. and related companies and the records being produced have been properly and accurately maintained and stored.
5. The records attached to this certificate are true and correct copies of documents found in the files of Pilot Catastrophe Services, Inc. and or related companies.
6. Each entry in the attached records constitutes a report reflects regularly kept and stored information maintained by Pilot Catastrophe Services, Inc. and or related companies as part of the process of, among other things, reporting information to the IRS.

I executed this Certificate at Mobile, Alabama on 3-21-12 (Date)

I declare and certify under penalty of perjury that the statements made by me in this Certificate are true and correct.


Michael Baty

VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code PILOT AIRCRAFT SERVICE 708 OAK CIRCLE DR. W. MOBILE, AL 36689		1 Rents \$	OMB No. 1545-0115		1993	Miscellaneous Income
PAYER'S Federal identification number [REDACTED]		2 Royalties \$	4 Federal income tax withheld \$			
RECIPIENT'S identification number [REDACTED]		3 Prizes, awards, etc. \$	5 Fishing boat proceeds \$			
RECIPIENT'S name (first, middle, last) street address, city, state, and ZIP code READING, JAMES 2405 E FOX MESA AZ 85215		6 Medical and health care payments \$	7 Nonemployee compensation \$ 44,925.24	Copy C For Payer For Paperwork Reduction Act Notice and instructions for completing this form, see Instructions for Forms 1099, 1098, 5498, and W-2G.		
Account number (optional)		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>			
2nd TIN Not <input type="checkbox"/>		10 Crop insurance proceeds \$	11 State income tax withheld \$			
		12 State/Payer's state number [REDACTED]				

Form **1099-MISC**

Department of the Treasury - Internal Revenue Service

VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code PILOT AND ASSOCIATES INC. 708 OAK CIRCLE DR. W. MOBILE, AL 36689		1 Rents \$	OMB No. 1545-0115		1993	Miscellaneous Income
PAYER'S Federal identification number [REDACTED]		2 Royalties \$	4 Federal income tax withheld \$			
RECIPIENT'S identification number [REDACTED]		3 Prizes, awards, etc. \$	5 Fishing boat proceeds \$			
RECIPIENT'S name (first, middle, last) street address, city, state, and ZIP code READING, JAMES 2405 E FOX MESA AZ 85215		6 Medical and health care payments \$	7 Nonemployee compensation \$ 25,625.00	Copy C For Payer For Paperwork Reduction Act Notice and instructions for completing this form, see Instructions for Forms 1099, 1098, 5498, and W-2G.		
Account number (optional)		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>			
2nd TIN Not <input type="checkbox"/>		10 Crop insurance proceeds \$	11 State income tax withheld \$			
		12 State/Payer's state number [REDACTED]				

Form **1099-MISC**

Department of the Treasury - Internal Revenue Service

COPY

a. Control number		Void	
b. Employer's identification number		1 Wages, tips, other compensation \$6700.00	2 Federal income tax withheld \$017.96
c. Employer's name, address, and ZIP code PILOT WINGCHANG SERVICES, INC 708 OAK CIRCLE DRIVE WEST P O BOX 92199 MOBILE AL 366911209		3 Social security wages \$6700.00	4 Social security tax withheld 2281.37
		5 Medicare wages and tips \$6700.00	6 Medicare tax withheld \$33.95
		7 Social security tips	8 Allocated tips
d. Employee's social security number		9 Advance EIC payment	10 Dependent care benefits
e. Employee's name, address, and ZIP code JAMES READING 4908 N W 97TH PLACE MIAMI FL 33178-1973		11 Nonqualified plans	12 Benefits included in Box 1
		13 See Instrs. for Form W-2	14 Other
		15 Statutory employee <input type="checkbox"/>	Deceased <input type="checkbox"/>
		Pension plan <input type="checkbox"/>	Legal rep. <input type="checkbox"/>
		942 emp. <input type="checkbox"/>	Subtotal <input type="checkbox"/>
		Deferred compensation <input type="checkbox"/>	
16 State	Employer's state I.D. No.	17 State wages, tips, etc.	18 State income tax
		19 Locality name	20 Local wages, tips, etc.
			21 Local income tax

Department of the Treasury—Internal Revenue Service

Form **W-2** Wage and Tax **1993** Statement
Copy D For Employer

For Paperwork Reduction Act Notice, see separate instructions.

OMB No. 1545-0008

COPY

VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code PILOT AND ASSOCIATES INC. 708 OAK CIRCLE DR. W. MOBILE, AL 36609		1 Rents \$	1994	Miscellaneous Income
		2 Royalties \$		
		3 Other income \$		
PAYER'S Federal identification number [REDACTED]	RECIPIENT'S identification number [REDACTED]	4 Federal income tax withheld \$	5 Fishing boat proceeds \$	Copy C For Payer For Paperwork Reduction Act Notice and instructions for completing this form, see Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code READING, JAMES 2425 E FOX NEEN AL 36611		6 Medical and health care payments \$	7 Nonemployee compensation \$ 44,374.00	
		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	
		10 Crop insurance proceeds \$	11 State income tax withheld \$	
Account number (optional)	2nd TIN Not <input type="checkbox"/>	12 State/Payer's state number [REDACTED]		

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

VOID CORRECTED

PAYER'S name, street address, city, state, and ZIP code PILOT CATASTROPHE SERVICES 708 OAK CIRCLE DR. W. MOBILE, AL 36609		1 Rents \$	1994	Miscellaneous Income
		2 Royalties \$		
		3 Other income \$		
PAYER'S Federal identification number [REDACTED]	RECIPIENT'S identification number [REDACTED]	4 Federal income tax withheld \$	5 Fishing boat proceeds \$	Copy C For Payer For Paperwork Reduction Act Notice and instructions for completing this form, see Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code READING, JAMES 2425 E FOX NEEN AL 36611		6 Medical and health care payments \$	7 Nonemployee compensation \$ 44,374.00	
		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	
		10 Crop insurance proceeds \$	11 State income tax withheld \$	
Account number (optional)	2nd TIN Not <input type="checkbox"/>	12 State/Payer's state number [REDACTED]		

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

COPY

PAYER'S name, street address, city, state, and ZIP code PILOT CATASTROPHE SERVICES 708 OAK CIRCLE DR, WL MOBILE, AL 36689		1 \$	1995 Miscellaneous Income Form 1099-MISC	
PAYER'S Federal identification number [REDACTED]	RECIPIENT'S identification number [REDACTED]	2 Royalties \$	3 Other income \$	4 Federal income tax withheld \$
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code REARDON, JAMES 2405 E FOX MEGA AZ 85014		5 Fishing boat proceeds \$	6 Medical and health care payments \$	7 Nonemployee compensation \$ 117,048.15
Account number (optional)		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds \$
		11 State income tax withheld \$	12 State/Payer's state number [REDACTED]	

State Copy
or Extra
File Copy

Form 1099-MISC

Department of the Treasury - Internal Revenue Service

 COPY

PAYER'S name, street address, city, state, and ZIP code PILOT CATASTROPHE SERVICES 708 OAK CIRCLE DR. W. MOBILE, AL 36609		1 Rents \$	1996 Miscellaneous Income Form 1099-MISC		
PAYER'S federal identification number [REDACTED]		2 Royalties \$			
RECIPIENT'S identification number [REDACTED]		3 Other income \$			
RECIPIENT'S name, street address (including apt. no.), city, state, and ZIP code READING, JAMES 1427 E MAIN #108-112 MESA AZ 85203		4 Federal income tax withheld \$	5 Fishing boat proceeds \$	Copy C For Payer For Paperwork Reduction Act Notice and instructions for completing this form; see Instructions for Forms 1099, 1098, 5498, and W-2G.	
Account number (optional)		6 Medical and health care payments \$	7 Nonemployee compensation \$ 1,716.45		
2nd TIN No. [REDACTED]		8 Substitute payments in lieu of dividends or interest \$	9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>		
		10 Crop insurance proceeds \$	11 State income tax withheld \$		
		12 State/Payer's state number 350491			

a Control number [REDACTED]		INFORMATION RETURN For State, City or Employer File Copy D			
b Employer's identification number [REDACTED]		OMB No. 1545-0008		1 Wages, tips, other compensation \$ 6,274.35	2 Federal income tax withheld \$ 1,731.37
c Employer's name, address, and ZIP code PILOT TEMPORARY SERVICES, INC P O BOX 91599 MOBILE AL 36681-1599		3 Social security wages \$ 6,274.35	4 Social security tax withheld \$ 979.67	5 Medicare wages and tips \$ 6,274.35	6 Medicare tax withheld \$ 140.27
d Employee's social security number [REDACTED]		7 Social security tips	8 Allocated tips	9 Advance EIC payment	10 Dependent care benefits
e Employee's name, address, and ZIP code JAMES L READING 2425 E FOX ST MESA AZ 85213		11 Nonqualified plans	12 Benefits included in box 1	13 See Instrs for Form W-2	14 Other \$ 17.39
16 State Employer's state I.D. No. CA 403 6575 5		17 State wages, tips, etc. \$ 6,274.35	18 State income tax \$ 542.85	19 Locality name	20 Local wages, tips, etc.
					21 Local income tax

COPY

**SECOND DUFFY DECLARATION
EXHIBIT G**

Clare Louise Reading
James Leslie Reading
2425 East Fox Street
Mesa, Arizona PC: 85213



Jonnie L. Melendez
Internal Revenue Service
173 East 100 North
Provo, UT 84601

Certified Mail # 7007 1490 0004 4757 1222

Mach Ngo
Internal Revenue Service
333 Market Street, Suite 1400
San Francisco, California 94105-2115

Certified Mail # 7007 1490 0004 4757 1239

Debra Vahe / 86-16766 / 86-18008
Internal Revenue Service
1818 E. Southern Ave., Ste. 14
Mesa, AZ 85204

Certified Mail # 7007 1490 0004 47757 1246

Patricia D Blancarte / 86-16773
Internal Revenue Service Appeals Office
210 East Earll Drive / MS 8000 PX
Phoenix, AZ 85012

Certified Mail # 7007 1490 0004 4757 1253

Angela M. Carmouche / 86-16575
Internal Revenue Service Appeals Office
210 East Earll Drive / MS 8000 PX
Phoenix, AZ 85012

Certified Mail # 7007 1490 0004 4757 1277

Notice: 30-day Response Required

November 26, 2008

To: Jonnie L. Melendez, Mach Ngo, Debra Vahe, Patricia D. Blancarte and
Angela M. Carmouche:

This lawful notification to you is sent pursuant to the federal Constitution, specifically, the Bill of Rights, in particular, the First, Fourth, Fifth, Sixth, Seventh and Ninth Amendments, pursuant to your oath, and requires your written response specific to the subject matter within 30 days. You failure to respond, within 30 days, as stipulated, and rebut, with particularity, that in this letter with which you disagree, is your lawful legal and binding agreement with and admission to the fact that everything in this letter is true, correct, legal, lawful and binding upon you in any court in America, without your protest or objection or that of those who represent you. Your silence is your acquiescence. See: *Connally v. General Construction Co.*, 269 U. S. 385, 391

notice and demand ...

Property subject to seizure and particularly described presently exists at the premises sought to be searched and that said property either belongs to the taxpayer or is property upon which a lien exists for the payment of the taxes; and

Facts establishing that probable cause exists to believe **that the taxpayer is liable** for the tax assessed.

We have never seen a proper 23C Assessment and we have never received a proper Form 17 or Form 17A "Notice and Demand". In these two instances, the IRS is not following the law as written by Congress. The IRS has taken it upon itself to make up its own "law".

Congress has never voted Titles 26 and 27 into positive law, thus, it can convey no lawful authority, under color of those titles, to any entity, to act against us or our property. Pursuant to 1 USCS § 204, "United States Code is not enacted as statute, nor can it be construed as such, it being only prima facie statement of statute law." *Murrell v. Western Union Tel. Co.*, CA 5 Fla 160 F 2d 787 (1947). "Official source for United States laws is Statutes at Large and United States Code is only prima facie evidence of such laws." *Royer's v. United States*, CA 3 Pa. 265 F 2d 615, 59-1 USTC § 9371, 3 AFTR 2d 1137 (1959). Title 26 and Title 27 have not been enacted into positive law, and, as shown above, the sections listed from Title 26 either have no implementing regulations, and, therefore, have no force or effect of law upon us as a private American Citizens, or have regulations implementing Title 27, Alcohol, Tobacco and Firearms statutes. Furthermore, 1 USC § 112 further confirms that the United States Statutes at Large shall be legal evidence of the law. In addition, "Unless Congress affirmatively enacts a title of the United States Code into law, that title is only 'prima facie' evidence of the law." *Preston v. Heckler*, 734 F 2d 1359, CA 9 Alaska (1984). "...that the Code establishes 'prima facie' the laws of the United States, the very meaning of 'prima facie' being that the Code cannot prevail over the Statutes at Large when the two are inconsistent." *Stephan v. United States*, 319 U.S. 423 (1943); *United States v. Welden*, 377 U.S. 95 (1964). Therefore, reference must be made to the Statutes at Large, and **the Statutes at Large only allow liens or levies on the excise taxable activities involving cotton or distilled spirits**. Therefore, any presumed authority which the IRS assumes by quoting section 6321, 6331, 6332 through 34, has no lawful force or effect upon us, as private American Citizens, who are not now nor ever have been involved in any excise taxable activity.

If filing an income tax return is not compelled by law, then paying estimated income tax must also be the same. Title 26, Subtitle f, Chapter 68, Subchapter A, Part 1, Section 6654 of the IRC states; Failure by individual to pay estimated income tax (e) **Exceptions** (1) Where tax is small amount (2) **Where there is no tax liability for preceding year** (2c) **If the individual was a citizen or resident of the United States throughout the preceding year**. [See Exhibit A attached. See also 26 U.S.C. § 7701(b) Definition of resident alien and nonresident alien - the only place in the IRC where "individual" is "defined"].

The U.S. Supreme Court stated; "A fundamental requirement of due process is "the opportunity to be heard. *Grannis v. Ordean*, 234 U.S. 385, 394. It is an opportunity which must be granted

All rights retained.

Clare Louise Reading James Leslie Reading / CL - POA
 Clare Louise Reading and by Power of Attorney attached: James Leslie Reading

ACKNOWLEDGMENT

I declare under penalty of perjury under the laws of the United States of America pursuant to Title 28 § 1746(1) that the foregoing is true and correct to the best of my knowledge, understanding and belief and that this is my true and correct signature.

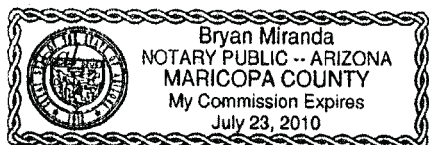
All rights retained without recourse.

Clare Louise Reading
 Clare Louise Reading

Arizona State, a Republic)
) ss.
 Maricopa County)

The foregoing instrument was acknowledged before me this 26th day of
November, 2008, by Clare Louise Reading, who is personally known to me.

Bryan Miranda My Commission expires: July 23, 2010
 Signature of Notary Public



CC: Hon. Joe Arpaio Delivery Confirmation # 0307 3330 0001 8305 5414
 Maricopa County Sheriff
 100 West Washington, Suite 1900
 Phoenix, AZ 85003

- enc.: Exhibit 1 - 9 pages: 7 "liability" amounts \$78,985.94 - 2,336,833.95 within 53 weeks
- Exhibit D - 1 page: FOIA response "No Substitute for return filed for 1994"
- Exhibit B - 6 pages: Certified Financial Planner verifies stick market loss, 1993-1994
- Exhibit A - 8 pages: Mistakes by File Examiner, Rebecca Sexton
- 4 Pages: Durable Power of Attorney and Recorded Power of Attorney

**SECOND DUFFY DECLARATION
EXHIBIT H**

In The Matter Of:
United States of America v
Reading



James L. Reading
April 17, 2012

Griffin & Associates Court Reporters
3030 N. Central Avenue, Suite 1102, Phoenix, AZ 85012
www.griffinreporters.com
602.264.2230

Original File jr041712.txt

Min-U-Script® with Word Index

UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

UNITED STATES OF AMERICA,)
Plaintiff,)
vs.) Civ. No. 11-0698-PHX-FJM
JAMES LESLIE READING, CLARE L.)
READING, FOX GROUP TRUST,)
MIDFIRST BANK, CHASE,)
FINANCIAL LEGAL SERVICES,)
STATE OF ARIZONA,)
Defendants.)

THE DEPOSITION OF JAMES L. READING

Phoenix, Arizona
April 17, 2012
1:11 p.m.

PREPARED BY:
DOREEN C. BORGMANN, RMR, CRR
Certified Reporter
Certificate No. 50644

PREPARED FOR:
ASCII
(Copy)

Page 3

E X H I B I T S (CONTINUED)		
EXHIBIT NO.	DESCRIPTION	PAGE
1]		
2]		
3]	35 Form 1040, U. S. Individual Income	
4]	Tax Return, 1998 (98 pages)	35
5]	Bates Nos. US03751 - 03848,	
6]	Prod1200 - 1297	
7]	36 Form 1040, U. S. Individual Income	
8]	Tax Return, 1999 (90 pages)	36
9]	Bates Nos. US04036 - 04125,	
10]	Prod1298 - 1387	
11]	37 Form 1040, U. S. Individual Income	
12]	Tax Return, 2000 (90 pages)	36
13]	Bates Nos. US05874 - 05963,	
14]	Prod1388 - 1477	
15]	38 Form 1040, U. S. Individual Income	
16]	Tax Return, 2002 (91 pages)	37
17]	Bates Nos. US04809 - 04899,	
18]	Prod1478 - 1568	
19]	39 Form 1040, U. S. Individual Income	
20]	Tax Return, 2003 (91 pages)	37
21]	Bates Nos. US04319 - 004409,	
22]	Prod1569 - 1659	
23]		
24]		
25]		

Page 2

I N D E X		
WITNESS		PAGE
1]		
2]		
3]	JAMES L. READING	
4]	Examination by Mr. Duffy	6
5]	Examination by Mr. Ventrella	40
6]		
7]		
8]		
E X H I B I T S		
EXHIBIT NO.	DESCRIPTION	PAGE
9]		
10]	32 Form 1040, U. S. Individual Income	
11]	Tax Return, 1997 (88 pages)	16
12]	Bates Nos. US03262 - 03349,	
13]	Prod1112 - 1199	
14]	33 Form 1099 from Colonial Claims Corp.	
15]	for \$23,858.11, check for \$3,493.75,	
16]	and Certificate of Custodian of	
17]	Business Records by Doug Branham	
18]	(3 pages)	19
19]	No Bates numbers	
20]	34 Certificate of Custodian of Business	
21]	Records by Michael Baty and attached	
22]	Form 1099s and W-2s for 1993, 1994,	
23]	1995, and 1996 (6 pages)	22
24]	No Bates numbers	
25]		

Page 4

E X H I B I T S (CONTINUED)		
EXHIBIT NO.	DESCRIPTION	PAGE
1]		
2]		
3]	40 Form 1040, U. S. Individual Income	
4]	Tax Return, 2004 (90 pages)	38
5]	Bates Nos. US02959 - 03048,	
6]	Prod1660 - 1749	
7]	41 Form 1040, U. S. Individual Income	
8]	Tax Return, 2005 (90 pages)	38
9]	Bates Nos. US03462 - 03551,	
10]	Prod1750 - 1839	
11]	42 Form 1040, U. S. Individual Income	
12]	Tax Return, 2006 (88 pages)	39
13]	Bates Nos. US04617 - 04704,	
14]	Prod1840 - 1927	
15]		
16]		
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19]		
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23]		
24]		
25]		

Page 5

1] THE DEPOSITION OF JAMES L. READING,
 2] a defendant herein, was taken upon oral examination by
 3] the parties through their respective attorneys before
 4] DOREEN C. BORGMANN, RMR, CRR, and a Certified Reporter
 5] in and for the County of Maricopa, State of Arizona, at
 6] Two Renaissance Square, 40 North Central Avenue, Suite
 7] 1200, Phoenix, Arizona, on the 17th day of April, 2012,
 8] commencing at the hour of 1:11 p.m. of the said day.
 9]
 10] COUNSEL APPEARING:
 11] For the Plaintiff:
 12] U. S. DEPARTMENT OF JUSTICE
 13] TAX DIVISION
 14] BY: CHARLES M. DUFFY, ESQ.
 15] P. O. Box 683
 16] Ben Franklin Station
 17] Washington, D.C. 20044-0683
 18] (202) 307-6406
 19]
 20] For the Defendants:
 21] TOMMY K. CRYER, ESQ.
 22] 7330 Fern Avenue
 23] Shreveport, Louisiana 71105
 24] (318) 865-3392
 25] ALSO PRESENT:
 CLARE L. READING
 DEBBIE VAHE

Page 6

1] JAMES L. READING,
 2] called as a witness herein, having been first duly
 3] sworn, was examined and testified as follows:
 4]
 5] EXAMINATION
 6] BY MR. DUFFY:
 7] Q. You want to state your name?
 8] A. James Leslie Reading.
 9] Q. And where do you live, sir?
 10] A. 2425 East Fox, Mesa.
 11] Q. I'm going to refer to that property as the
 12] real property in this case.
 13] Have you ever had your deposition taken
 14] before?
 15] A. Yes.
 16] Q. When was your deposition taken?
 17] A. Oh, boy, years and years ago. And it had
 18] to do with an insurance case where I was the adjuster
 19] involved in it.
 20] Q. So you understand the process?
 21] A. Oh, I can always use a refresher.
 22] Q. I'm going to ask you questions. If you
 23] don't understand the questions, let me know, and I'll
 24] repeat them. And if it's yes and no, please say "yes"
 25] and "no" so the record is clear.

Page 7

1] If you need a break, let me know, and I'll
 2] try to accommodate you.
 3] A. Thank you.
 4] Q. You sat here when your wife was deposed
 5] this morning. But was there anything that she said in
 6] her testimony that you thought was not accurate?
 7] A. We were nodding back and forth that Chase
 8] Bank was ac -- formerly was Valley National Bank. That
 9] was one that came to mind. And was there any payments
 10] to Arizona Department of Revenue, and there was \$5,000
 11] that was -- had been paid to the Arizona Department of
 12] Revenue. I forget what year that was.
 13] Q. Is that the only payment to the State then?
 14] A. To the best of my knowledge, yes, sir.
 15] Q. Were there any other statements she made
 16] that you thought were not correct?
 17] A. No.
 18] Q. Now, the Chase equity loan, so that was
 19] originally made by the Valley Bank?
 20] A. That was a line of credit that was
 21] established with, at that time, Valley National Bank.
 22] Q. When was that?
 23] A. They used the house as the credit -- you
 24] know, the -- it was a secured loan.
 25] Q. When was that? Do you recall?

Page 8

1] A. No, I don't really.
 2] Q. And how much is owed on that as far as you
 3] know?
 4] A. I'm guessing about 11,000. But that's just
 5] a guess on my part right now.
 6] Q. Are you involved in the payment of the
 7] mortgage and the equity line and that type of thing?
 8] A. Yes.
 9] Q. What's your involvement?
 10] A. I provide the money.
 11] Q. When you say money, is it the cash? Do you
 12] physically hand cash to your -- let me finish my
 13] question just so the record is clear. You keep the
 14] cash; you give the cash to your wife; she goes and pays
 15] the mortgage?
 16] A. Correct, yes.
 17] Q. And is the cash to pay the bills and the
 18] mortgage and the equity line, is that derived from your
 19] compensation?
 20] A. Money I receive from my work, yes.
 21] Q. Do you both have access to the cash, or
 22] just you?
 23] A. Both of us.
 24] Q. And the cash is basically money you've
 25] saved up over the years from your work?

<p style="text-align: right;">Page 9</p> <p>1] A. Well, I'm still working now. Not as an 2] adjuster, but I work now. 3] Q. Where do you work? 4] A. I estimate roofs. 5] Q. Do you get paid for that? 6] A. Sure. 7] Q. Who pays you? 8] A. Sometimes the homeowner. But mostly, it's 9] the contractor that gets the job. 10] Q. So you work for a general contractor? 11] A. Yes. 12] Q. Do you have a roofing company? 13] A. No. 14] Q. So what's your role basically? 15] A. Estimator. 16] Q. And that's it? You estimate for the 17] general contractor? 18] A. Correct. 19] Q. Which contractors have you worked for in 20] the last couple of years? 21] A. Better Roofing Company and Sonoran Peak 22] Construction and Roofing. 23] Q. How do you spell that? 24] A. Sonoran, like the desert, S-O-N-O-R-A-N, 25] second word, Peak, P-E-A-K, Construction.</p>	<p style="text-align: right;">Page 11</p> <p>1] not quite Glendale. 2] Q. How about Better Roofing? 3] A. I -- that's -- yeah, right. That's -- 4] they're the same outfit. 5] Q. Oh, that's the same outfit? 6] A. Correct. Two names for the same outfit. 7] Q. And how many hours a week do you work 8] there? 9] A. Well, not actually there. I'm out in the 10] field a lot. And it's, like, all kinds of hours. 11] Q. So you're basically full time? 12] A. Well, I -- I go out and solicit myself. So 13] as an independent rep, I go out to neighborhoods where I 14] know that they need some help and introduce myself to 15] the homeowners. 16] Q. And so you get paid a commission for the 17] work that you bring in? 18] A. That's correct. 19] Q. And the commission, is that paid by these 20] companies, or does the actual homeowner pay it to you? 21] A. The companies pay it. 22] Q. And they pay it to you by check? 23] A. Yes. 24] Q. And who are the individuals that you work 25] with at that company? Who's your boss?</p>
<p style="text-align: right;">Page 10</p> <p>1] Q. So they basically call you up and say, "Mr. 2] Reading, can you go estimate this roof for us?" 3] A. Sure. 4] Q. And how long have you been working for 5] those companies? 6] A. A year. 7] Q. How did you get into that business? 8] A. Oh, I received an e-mail from a friend of 9] mine out of Houston who was an insurance adjuster and 10] knew that I was down and out, hardly any work. And he'd 11] received a notice that there was a company, Sonoran Peak 12] in this case, that was looking for former adjusters or 13] adjusters that were out of work and were interested in 14] helping to estimate roofs and solicit roofing work. 15] Q. Do they pay you by check or in cash? 16] A. Check. 17] Q. Have they issued you 1099's? 18] A. I don't -- I don't know. 19] Q. You've not seen any 1099's? 20] A. No, sir. 21] Q. And you did work for them in 2011? 22] A. Correct. 23] Q. And they're both located in Mesa? 24] A. No. Sonoran Peak was on Northern Avenue 25] in -- I'm pretty sure that's Phoenix right there. It's</p>	<p style="text-align: right;">Page 12</p> <p>1] A. Well, as an independent, I don't really 2] have a boss. There's been several guys that are -- 3] like, when I bring in a job that I've sold, then I'll 4] present it to the guy, whoever is acting general manager 5] at the time. So there was the general manager -- last 6] general manager was Theron Cook. 7] Q. And he doesn't work there anymore? 8] A. No. 9] Q. Who's the new general manager? 10] A. It will come to me in a second. Hang on. 11] Curtis Halliburton. 12] Q. When you receive a check, how do you turn 13] it into the cash to pay the bills? 14] A. Deposit it. 15] Q. Into where? 16] A. Into the bank account. 17] Q. You have a bank account? 18] A. Yeah. Oh, yeah. 19] Q. What's the name under? Is the under the 20] Readings, or is it under your individual name, James 21] Reading, or is it under your wife's name? 22] A. It's under a DBA. 23] Q. What's the DBA? 24] A. Comtoe River Group. 25] Q. How do you spell that?</p>

Page 13

1] A. C-O-M-T-O-E River.
 2] Q. Which bank?
 3] A. At the Wells Fargo.
 4] Q. And what's Comtoe River Group?
 5] A. It's Comtoe River. It's a river over on
 6] the East Coast.
 7] Q. Is that a company? Who owns this group?
 8] A. It's the -- it's the -- I suppose I own it.
 9] Q. So the checks from Sonoran Peak Contractor
 10] is made out to Comtoe River Group?
 11] A. Correct.
 12] Q. It's not made out to James Reading then; is
 13] that right?
 14] A. Correct.
 15] Q. Are there other employees of Comtoe River
 16] Group?
 17] A. No.
 18] Q. In 2011, how much did Sonoran Peak pay you
 19] approximately?
 20] A. Boy, that's -- I don't have a handle on
 21] that.
 22] Q. Whatever they pay you, you don't consider
 23] that taxable; correct? Or subject to tax?
 24] A. I have a hard time deriving the --
 25] separating income from the cost of it.

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1] Q. So you don't pay tax on whatever you
 2] receive from Sonoran Peak Contractor; correct?
 3] A. I haven't.
 4] Q. Either to the federal government or to the
 5] State government?
 6] A. I haven't.
 7] Q. Do you plan to?
 8] A. Speculation about the future is up to a
 9] higher pay grade than mine.
 10] Q. Did you file a tax return for 2011?
 11] A. No.
 12] Q. Are you on an extension?
 13] A. No.
 14] Q. What's your educational background?
 15] A. Let's see. Graduated from Seaholm High
 16] School in Birmingham, Michigan, in 1966. Then went to
 17] the community college, Oakland Community College, for
 18] about a year and a half. Then I went to Western
 19] Michigan University in Kalamazoo and was there until
 20] 1969. And then I resumed my college education at
 21] Michigan State and graduated with a Bachelor of Science
 22] degree in '75.
 23] Q. Any post-Bachelor education?
 24] A. No.
 25] Q. But your main occupation is an insurance

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1] adjuster?
 2] A. For the -- for the good -- I started out in
 3] construction management immediately after college. And
 4] then when the building business crashed in '79, then I
 5] came out here. And then the building business crashed
 6] out here. And that's when I started drifting into other
 7] things, sales.
 8] And then eventually I got to insurance
 9] adjusting when a friend of mine, an adjuster at the
 10] time, asked me to write up estimates for him for a big
 11] storm. That's when I started into insurance adjusting.
 12] Q. The Comtoe River Group, that's not a
 13] corporation, is it?
 14] A. No.
 15] Q. Now, you've heard discussed this last day
 16] or two the Legal Research Society. Are you a member of
 17] that?
 18] A. I don't know if it has any members. It's
 19] just people that show up. But I'm not a member of that,
 20] no.
 21] Q. Do you know a fellow by the name of Jimmy
 22] Chisum?
 23] A. I've heard of him. Never met him.
 24] Q. How about John Wilde?
 25] A. I've heard of him. Never met him.

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1] Q. Let me start with Exhibit 19. I'm sorry.
 2] Tab 19. That would be binder 3.
 3] What are we on now, Doreen?
 4] THE REPORTER: Next one is 32.
 5] (Whereupon, the Reporter marked Deposition
 6] Exhibit 32.)
 7] Q. BY MR. DUFFY: What is Exhibit 32?
 8] A. It's a 1997 individual tax return.
 9] Q. And is that the return that you filed for
 10] that year?
 11] A. Yes, sir.
 12] Q. And your signature is on that document?
 13] A. Yes.
 14] Q. You signed that under penalty of perjury;
 15] correct?
 16] A. Yes.
 17] Q. Did you do work during that year as an
 18] insurance adjuster?
 19] A. That was an awful long time ago. I
 20] don't -- I don't recall.
 21] Q. You've never gone a year without working,
 22] though; right?
 23] A. Yes, I have.
 24] Q. Which year?
 25] A. Recently.

<p style="text-align: right;">Page 17</p> <p>1] Q. Recently?</p> <p>2] A. Yeah. I mean, the big crash that happened</p> <p>3] in 2008 really affected everybody. Well, no. Let me</p> <p>4] back up on that. Because there's a lot of times where I</p> <p>5] would -- I have done, you know, jobs for local</p> <p>6] homeowners, fix a window here, a door there, roof</p> <p>7] repairs.</p> <p>8] Q. You actually received compensation in 2008,</p> <p>9] from Colonial Claims, didn't you?</p> <p>10] A. I believe so.</p> <p>11] Q. We can get to that.</p> <p>12] A. Okay.</p> <p>13] Q. There's a document attached. And this</p> <p>14] whole exhibit -- I think it's 80 or 90 pages -- I mean,</p> <p>15] that's actually a true and correct copy of the document</p> <p>16] you filed with the Internal Revenue Service; correct?</p> <p>17] A. Well, it appears so.</p> <p>18] Q. And did you prepare that document?</p> <p>19] A. I sent it in.</p> <p>20] Q. There's a document attached to the actual</p> <p>21] return that's about 19 pages. It's called a Verified</p> <p>22] Notice of Completing and Filing the Attached Return. Do</p> <p>23] you see that? It's right behind the return. 19 pages?</p> <p>24] A. Correct, yes.</p> <p>25] Q. You signed that document; correct?</p>	<p style="text-align: right;">Page 19</p> <p>1] hour is not subject to tax. Is that your current view?</p> <p>2] A. That --</p> <p>3] Q. Why don't you read that example and tell me</p> <p>4] if that's your current view.</p> <p>5] A. The taxpayer example?</p> <p>6] Q. Yeah.</p> <p>7] A. (The witness complied.)</p> <p>8] Yes.</p> <p>9] Q. It is your view?</p> <p>10] A. Yes, it is.</p> <p>11] Q. So, basically, money that you get paid for</p> <p>12] your work, you don't believe is taxable, subject to tax;</p> <p>13] correct?</p> <p>14] A. Correct.</p> <p>15] Q. Why don't we go to Exhibit 4. I'm sorry.</p> <p>16] Tab 40. Mark that as Exhibit 33.</p> <p>17] A. Which book?</p> <p>18] Q. Binder 5.</p> <p>19] (Whereupon, the Reporter marked Deposition</p> <p>20] Exhibit 33.)</p> <p>21] Q. BY MR. DUFFY: Now, is this a true and</p> <p>22] correct copy of a 1099 that Colonial Claims Corporation</p> <p>23] issued to you for 2008?</p> <p>24] A. It appears so.</p> <p>25] Q. You have no reason to doubt that; correct?</p>
<p style="text-align: right;">Page 18</p> <p>1] A. Yes.</p> <p>2] Q. And the views set forth in that 19-page</p> <p>3] document are your views?</p> <p>4] A. My views at the time, that's for sure.</p> <p>5] Q. And are your views different today?</p> <p>6] A. Yes, sir.</p> <p>7] Q. How so?</p> <p>8] A. Well, I'd have to review this document to</p> <p>9] explain it in detail. But --</p> <p>10] Q. Why don't you browse through it, and we'll</p> <p>11] get into how your views are different. I'd like to know</p> <p>12] how your views are different today.</p> <p>13] A. (The witness complied.)</p> <p>14] Q. Do you see anything on that first page that</p> <p>15] your views are different?</p> <p>16] A. Oh, I see that here I'm making a statement</p> <p>17] about the -- the reason why I'm submitting this report</p> <p>18] in '97 was because of the duress that I felt from the --</p> <p>19] the authorities.</p> <p>20] Q. Is that accurate?</p> <p>21] A. I'd say that's accurate.</p> <p>22] Q. Why don't we go to page 14, maybe. There's</p> <p>23] an example up there that I went through with your wife.</p> <p>24] Basically, if somebody receives \$25 an hour for working,</p> <p>25] as far as I can tell from this example, that the \$25 an</p>	<p style="text-align: right;">Page 20</p> <p>1] A. That's correct.</p> <p>2] Q. And did you do work for Colonial Claims in</p> <p>3] 2008?</p> <p>4] A. Yes.</p> <p>5] Q. Do you recall what that work was?</p> <p>6] A. No. Well, I mean, it was insurance</p> <p>7] adjusting. But that's about as close as I can get to</p> <p>8] the details of it.</p> <p>9] Q. So Colonial Claims Corporation paid you</p> <p>10] \$23,858 for that work in 2008; correct?</p> <p>11] A. Yes, sir.</p> <p>12] Q. And did you pay tax on that amount?</p> <p>13] A. Did we -- do we have a form on that?</p> <p>14] Q. Sure. Why don't we look at -- do you think</p> <p>15] you paid tax on that? Do you think it's possible you</p> <p>16] paid tax on that?</p> <p>17] A. I want to look at the form.</p> <p>18] Q. It's tab 28, Deposition Exhibit 27. No.</p> <p>19] Deposition Exhibit 27, that's the 2008 tax return that</p> <p>20] you and your wife filed?</p> <p>21] A. Yes.</p> <p>22] Q. And you did not report money that Colonial</p> <p>23] Claims paid you on that tax return?</p> <p>24] A. Let's see.</p> <p>25] Q. Is that correct?</p>

<p style="text-align: right;">Page 21</p> <p>1] A. That's correct. 2] Q. When is the last time you paid taxes to the 3] IRS? 4] A. When they seized my property. 5] Q. When you say "property," you mean the 6] truck? 7] A. Yeah. 8] Q. How about other than that? 9] A. They seized a car. 10] Q. When was that? 11] A. Boy, it was some years ago. Probably 12] decades ago. 13] Q. Other than the seizures, when is the last 14] time you voluntarily made a payment to the Internal 15] Revenue Service? 16] A. I'm guessing probably 1989. 17] Q. So about 22 years ago or so, 23 years ago? 18] Is there something that happened at that point where you 19] stopped voluntarily paying money to the IRS? 20] A. Certainly a change of thinking. 21] Q. What triggered that change of thinking? 22] A. Becoming aware of the -- through studies of 23] the income tax cases, Supreme Court cases, and related 24] to those in relation to taxes. 25] Q. Who helped you do that study? Was there a</p>	<p style="text-align: right;">Page 23</p> <p>1] A. Correct. 2] Q. And you received various amounts from Pilot 3] Catastrophe or its related companies? 4] A. Correct. 5] Q. And these 1099's that are in Exhibit 34, do 6] you have any reason to doubt their accuracy for 7] correctness? 8] A. No, I do not. 9] Q. So, for instance, you received \$14,935.24 10] in 1993 from Pilot Catastrophe Services; is that 11] accurate? 12] A. That's the way I see it, yes. 13] Q. And on the next page, Pilot Temporary 14] Services paid you, looks like, \$36,796. Do you see 15] that, 1993? 16] A. Yeah. Yes. 17] Q. And you also worked for Pilot & Associates 18] and Pilot Catastrophe in 1994? 19] A. Yes. 20] Q. And Pilot Catastrophe Services paid you 21] \$112,000 and some change there in 1994. Do you see 22] that? 23] A. Yes, I do. 24] Q. And in 1995, Pilot Catastrophe Services 25] paid you \$117,648?</p>
<p style="text-align: right;">Page 22</p> <p>1] teacher? Was it self-teaching? 2] A. Well, self -- self-taught. Self-teaching. 3] Q. Was there one thing that you saw where you 4] decided, "Hey, I'm not going to pay the IRS voluntarily 5] any longer?" Was there some one thing or something 6] somebody told you? 7] A. No, I wouldn't say just one thing. It was 8] an accumulation. 9] Q. Now, let's go to tab 41. 10] MR. DUFFY: What's the next exhibit? 11] THE REPORTER: 34. 12] (Whereupon, the Reporter marked Deposition 13] Exhibit 34.) 14] Q. BY MR. DUFFY: I'd represent to you that 15] these are documents that were produced in this case by 16] Pilot Catastrophe Services, Inc. And some of the 17] documents are light. There's actually a dark copy and a 18] light copy. But maybe we can go through these 1099's. 19] Do you know what Pilot Catastrophe Services, Inc. is? 20] A. Yes. 21] Q. What is it? 22] A. It's a company that hires independent 23] adjusters. It's a vendor for various insurance 24] companies to provide adjusters. 25] Q. You worked for Pilot Catastrophe in 1993?</p>	<p style="text-align: right;">Page 24</p> <p>1] A. Yes. 2] Q. And you did not pay federal income taxes on 3] any of those amounts that I just mentioned, in all the 4] amounts that I mentioned in Deposition Exhibit 34? 5] A. That's correct. 6] Q. And why is that? 7] A. I was unable to derive the income and 8] separate the income from the amount that I received for 9] my work. 10] Q. So you believe that those amounts were not 11] taxable, basically? 12] A. That's correct. 13] Q. Let's go to tab 1A, which is Deposition 14] Exhibit 13. I guess binder 1. 15] A. Say again, please. Which tab? 16] Q. Tab 1A. Deposition Exhibit 13. That's the 17] federal income tax return that you and your wife filed 18] for 1993. 19] A. That's correct. 20] Q. And there's a 1099 there for Pilot 21] Temporary Services. Do you see that? 22] A. Yes. 23] Q. You actually received a good bit of money 24] from Pilot Temporary Services, didn't you, for that 25] year?</p>

<p style="text-align: right;">Page 25</p> <p>1] A. Yes. 2] Q. But you did not report it on this tax 3] return, did you? 4] A. This was a corrected return. You notice 5] that -- see there at the top where it's -- 6] Q. That's not the actual 1099 that was issued 7] by Pilot Temporary Services, is it? 8] A. That's correct. It is not. 9] Q. And we heard that your wife prepared that 10] document? 11] A. We did it. I see my signature down there 12] at the bottom. 13] Q. So you both prepared the document? 14] A. Yes. 15] Q. So it looks like you received from Pilot 16] Temporary Services -- and I'm looking at Deposition 17] Exhibit 34. Looks like you received \$36,796. But you 18] and your wife changed that amount in box 7 to 0; is that 19] right? 20] A. That's correct. 21] Q. And these other 1099's from Pilot & 22] Associates and also Pilot Catastrophe Services, these 23] are also documents that you and your wife prepared? 24] A. Are you talking about the following pages? 25] Q. Yes.</p>	<p style="text-align: right;">Page 27</p> <p>1] this document with your wife. Do you recall that? 2] A. A little bit, yes. 3] Q. And we talked about a lot of correspondence 4] going back and forth between you and the Internal 5] Revenue Service. 6] A. Uh-huh. 7] Q. Do you send a lot of correspondence, or is 8] it your wife, or is it both of you? 9] A. It's both of us. 10] Q. You sit down, and you prepare the documents 11] together? 12] A. In a lot of cases. 13] Q. And are you in the loop regarding all the 14] documents that the Internal Revenue Service sends to 15] you? 16] A. Not totally. 17] Q. What do you mean, "not totally"? Would 18] that be your wife's department? 19] A. Yeah. 20] Q. And volumes of documents go back and forth? 21] A. Yes. 22] Q. And is it hundreds of FOIA requests to the 23] Internal Revenue Service? FOIA is FOIA. 24] A. Freedom of Information Act requests, yes. 25] Q. Is it hundreds?</p>
<p style="text-align: right;">Page 26</p> <p>1] A. Yes. 2] Q. Why don't we locate 1C, which is Deposition 3] Exhibit 14. 1C. 4] A. Sorry. 5] Q. And that's the 1994 federal income tax 6] return that you and your wife filed? 7] A. That's correct. 8] Q. And that's your signature on that document? 9] A. Yes, it is. 10] Q. And there's 1099's attached to that return? 11] A. Yes, there are. 12] Q. And you and your wife prepared those Form 13] 1099's? 14] A. That's correct. 15] Q. And you put the 0's in box 7? 16] A. Yes. 17] Q. The document 1B, which is Deposition 18] Exhibit 15, is that also a return that you and your wife 19] filed for 1995? 20] A. Yes. 21] Q. And the 1099 that's attached, you and your 22] wife prepared that document? 23] A. Yes. 24] Q. Let's go to tab 42, Deposition Exhibit 10, 25] binder 5. Now, you were present when I went through</p>	<p style="text-align: right;">Page 28</p> <p>1] A. Yes. 2] Q. Have you seen all the documents that the 3] IRS has sent to you and your wife? 4] A. Probably. 5] Q. How many powers of attorneys do you recall 6] representing you and your wife before the Internal 7] Revenue Service? 8] A. I don't know. 9] Q. Five or six or seven? 10] A. Probably -- probably like that, five or 11] six. 12] Q. And were you in contact with these powers 13] of attorney? 14] A. Yeah. 15] Q. And they kept you abreast of all the 16] documents that you received? 17] A. I don't know about that. They may have, 18] but there's a lot of times that I may have missed what 19] they were talking about. 20] Q. So how many boxes of IRS documents do you 21] think you have? 22] A. A living room full of them. 23] Q. Living room? Do you keep documents other 24] places, too, outside the house? 25] A. No.</p>

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1] Q. So you keep all the documents the IRS sends
2] to you in your living room?
3] A. Pretty much.
4] Q. There's boxes all over the place?
5] A. Yeah.
6] Q. Where does your mail go when you're out of
7] town? When you're an insurance adjuster, you go out of
8] town for long stretches?
9] A. Uh-huh.
10] Q. And your wife goes with you?
11] A. Uh-huh.
12] Q. Where does your mail go?
13] A. There's a lot of times that it gets --
14] well, now, that -- sometimes we did have the address
15] forwarded. When we worked in Florida, we did that.
16] Q. Did you lose a lot of mail that way, by
17] forwarding?
18] A. I have -- now you're asking me to speculate
19] there. And I -- I don't know.
20] Q. Other than the forwarding, how else would
21] you deal with your mail when you were away for long
22] stretches?
23] A. Well, there was a time that we had a
24] neighbor pick it up from the mailbox and then save it up
25] in a box and then ship us the box. So that was another

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1] method that we used to receive our mail.
2] Q. And do you recall that the IRS seized a
3] truck from your real property? Is that what happened?
4] A. Correct.
5] Q. Were you present that day?
6] A. Yes, I was.
7] Q. You objected to that?
8] A. Sure did.
9] Q. You challenged it in court?
10] A. Yes.
11] Q. You did not prevail in that, I assume.
12] A. Yes.
13] Q. Let's go to Deposition Exhibit 2. Again,
14] you and your wife purchased the real property in 1979?
15] A. That's correct.
16] Q. For \$68,000?
17] A. Does it say that here?
18] Q. It doesn't say that. But do you recall
19] what it was for?
20] A. It was probably about that.
21] Q. What do you think it's worth today?
22] A. I -- I speculate probably about 120.
23] Q. 120?
24] A. That's just a guess on my part.
25] Q. How about in 2005? Let's see. When you

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1] transferred it to the Fox Group Trust, how much was it
2] worth then? About 120,000 or so?
3] A. Probably a little bit less.
4] Q. Maybe 110,000?
5] A. Might have been about that.
6] Q. And you didn't receive anything in return
7] for the transfer, did you?
8] A. Well, no, I can't say that. Because the
9] trustees were selected, and their performance was to
10] insure that either upon our demise or our incapacity,
11] that the property get transferred to my nephew.
12] Q. And we've gone through the documents. Your
13] nephew is not mentioned in any of the documents. But
14] that's your understanding?
15] A. Yes, that's my understanding.
16] Q. Now, you took out a mortgage on the
17] property? That's your recollection?
18] A. Yes.
19] Q. And what's the Venture Financial Services?
20] A. Where are we now?
21] Q. Exhibit 3.
22] A. Venture Financial Services. Yes.
23] Q. And that loan's now held by Midland
24] Mortgage Company?
25] A. Yes.

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1] Q. Now, let's look at Exhibit 4. That's a
2] quitclaim deed to the Fox Group Trust regarding the real
3] property. Is that your understanding?
4] A. Yes.
5] Q. That's your signature on the document?
6] A. Yes, it is.
7] Q. And you've lived on the property ever since
8] June 10, 2005, with your wife; correct?
9] A. Say it again now.
10] Q. You and your wife have lived on this real
11] property that we've discussed, 2425 East Fox Street,
12] ever since June 10, 2005?
13] A. Yes.
14] Q. And you've not paid rent to live on the
15] property; correct?
16] A. Correct.
17] Q. Your wife referred to a Mr. Nost today.
18] Did you also meet with Mr. Nost?
19] A. No.
20] Q. So your wife kind of set up the Fox Group
21] Trust, or did both of you do that?
22] A. Well, we did it together. I mean, she was
23] instructed to do that. We wanted -- I wanted to make
24] sure that the legacy was transferred over to my nephew
25] on my demise -- on our demise.

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11 Q. As of June, 2005, you had long since
 12 stopped filing federal income tax returns; correct?
 13 A. Correct.
 14 Q. And the last time I think you said you paid
 15 federal taxes voluntarily was 1989?
 16 A. Correct.
 17 Q. But this transfer to the Fox Group Trust
 18 had nothing to do with the IRS or your federal tax
 19 liabilities?
 20 A. That's correct.
 21 Q. Now, Exhibit 5. You signed this document?
 22 A. Say it again, please.
 23 MR. DUFFY: Is there something wrong?
 24 MR. CRYER: I was about to doze off.
 25 Q. BY MR. DUFFY: Exhibit 5, is that your
 signature on that document?
 A. Yes.
 Q. And do you know Mr. Pastorkey and Mr.
 Baird?
 A. I know Mr. Pastorkey.
 Q. You never talked to Mr. Baird?
 A. I don't recall.
 Q. How often do you talk to your nephew,
 Austin Reading?
 A. Oh, holidays. Like last Thanksgiving.

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11 Q. Did you call him up?
 12 A. Yes.
 13 Q. Is he your only nephew or niece?
 14 A. No. No. He's the -- he's my nephew on my
 15 bro -- well, my family's side, my brother's son. And he
 16 has a daughter, my brother, deceased brother.
 17 Q. Do you have other nephews and nieces?
 18 A. Yes. On Clare's side.
 19 Q. I think there was some testimony that he's
 20 the beneficiary, although his name is not set forth in
 21 these documents. But why did you pick him to be
 22 beneficiary and not the others?
 23 A. He's the first son of the first son of the
 24 first son.
 25 Q. Does he know he's beneficiary?
 A. Yes.
 Q. Have you talked to him about it?
 A. Yeah.
 Q. What did he say?
 A. He was grateful.
 Q. Now, you're listed as an exchanger. What's
 an exchanger? Do you have any idea?
 A. No.
 Q. You have no idea?
 A. No. I depended on the -- I relied on the

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11 people that created this to do it proper.
 12 Q. And who's that?
 13 A. The creator. Who is that? Mr. Nost,
 14 wasn't it? Well, I mean, the guy that wrote this up. I
 15 think it's N-O-S-T, isn't it?
 16 Q. You understood that he was an estate
 17 planner?
 18 A. Yes.
 19 Q. How did you understand that?
 20 A. Through Clare.
 21 Q. He wasn't a lawyer, though, was he?
 22 A. No.
 23 Q. Did you instruct Clare to check out his
 24 references?
 25 A. I rely on Clare and her good judgment.
 Q. Exhibit 6. Is that your signature on
 Exhibit 6?
 A. Yes.
 Q. Let's look at Exhibit 7. Is your signature
 on Exhibit 7?
 A. Yes.
 MR. DUFFY: Let's go to tab 20.
 (Whereupon, the Reporter marked Deposition
 Exhibit 35.)
 Q. BY MR. DUFFY: Deposition Exhibit 35, is

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11 that a true and correct copy of the 1998 tax return that
 12 you filed with the Internal Revenue Service?
 13 A. To the best of my knowledge, yes.
 14 Q. Is that your signature on the second page?
 15 A. Yes.
 16 MR. DUFFY: Let's go to tab 21. Mark that as
 17 Deposition Exhibit 36.
 18 (Whereupon, the Reporter marked Deposition
 19 Exhibit 36.)
 20 Q. BY MR. DUFFY: Is Deposition Exhibit 36 a
 21 true and correct copy of the 1999 tax return you filed
 22 with the Internal Revenue Service?
 23 A. To the best of my knowledge, yes.
 24 Q. Is that your signature on that document?
 25 A. Yes.
 Q. And the document's 80 or 90 pages long. Do
 you recall filing that number of pages with the Internal
 Revenue Service?
 A. Yes.
 Q. Let's go to tab 22. I guess that's in
 binder 4.
 (Whereupon, the Reporter marked Deposition
 Exhibit 37.)
 Q. BY MR. DUFFY: Deposition Exhibit 37, is
 that a true and correct copy of a 2000 federal income

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11 tax return that you filed with the Internal Revenue
21 Service?
31 A. To the best of my knowledge, yes.
41 Q. And is that your signature on that
51 document?
61 A. Page 2?
71 Q. Yes.
81 A. Yes.
91 MR. DUFFY: Let's go to tab 23. Deposition
101 Exhibit 38.
111 (Whereupon, the Reporter marked Deposition
121 Exhibit 38.)
131 Q. BY MR. DUFFY: Is that the 2002 federal
141 income tax return that you filed with the Internal
151 Revenue Service?
161 A. To the best of my knowledge, yes.
171 Q. Is that your signature on page 2?
181 A. Yes.
191 MR. DUFFY: Let's go to tab 24. Mark that as
201 Deposition Exhibit 39.
211 (Whereupon, the Reporter marked Deposition
221 Exhibit 39.)
231 Q. BY MR. DUFFY: Is that the federal income
241 tax return that you filed for your 2003 year?
251 A. Yes. To the best of my knowledge, yes.

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11 Q. And that's your signature on page 2?
21 A. Yes.
31 MR. DUFFY: Go to tab 25. Mark that as
41 Deposition Exhibit 40.
51 (Whereupon, the Reporter marked Deposition
61 Exhibit 40.)
71 Q. BY MR. DUFFY: Is Deposition Exhibit 40 a
81 true and correct copy of your 2004 federal income tax
91 return?
101 A. To the best of my knowledge, yes.
111 Q. You filed that document with the Internal
121 Revenue Service?
131 A. Yes.
141 Q. And that's your signature on that document
151 on page 2?
161 A. Yes.
171 MR. DUFFY: Let's go to tab 26, binder 5.
181 Deposition Exhibit 41.
191 (Whereupon, the Reporter marked Deposition
201 Exhibit 41.)
211 Q. BY MR. DUFFY: Is Deposition Exhibit 41 a
221 true and correct copy of the 2005 federal income tax
231 return that you filed with the IRS?
241 A. To the best of my knowledge, yes.
251 Q. Is that your signature at the bottom of

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11 page 2?
21 A. That's correct, yes.
31 MR. DUFFY: And tab 27, let's mark that as
41 Exhibit 42.
51 (Whereupon, the Reporter marked Deposition
61 Exhibit 42.)
71 Q. BY MR. DUFFY: Is Deposition Exhibit 42 a
81 true and correct copy of your 2006 federal income tax
91 return?
101 A. Yes. To the best of my knowledge.
111 Q. And is that your signature on the bottom of
121 page 2?
131 A. Yes.
141 Q. You mentioned earlier, I guess, Comtoe
151 River Group has an account at Wells Fargo. Is that a
161 checking account or a savings account?
171 A. Both.
181 Q. With regard to the checking account, who do
191 you pay with checks out of the checking account? Do you
201 write checks out of that checking account?
211 A. Oh, I haven't.
221 Q. You haven't?
231 A. To the best of my knowledge, I haven't.
241 Q. Why do you have it?
251 A. Just to convert the checks into cash.

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11 Q. But do you have an account there that you
21 can actually write checks out of?
31 A. Yeah.
41 Q. And you've never written a check out of
51 that account?
61 A. Correct.
71 MR. DUFFY: Pass the witness.
81
91 EXAMINATION
101 BY MR. VENTRELLA:
111 Q. Mr. Reading, your wife referred to a couple
121 of companies you had done work for and received 1099's
131 from. And she did not know the names of those. Did you
141 hear her testimony on that score?
151 A. Refresh my memory, please.
161 Q. You said you were still working for a
171 couple companies. You weren't an employee, but you were
181 receiving 1099's. Are you receiving 1099's from
191 anybody?
201 A. I probably will be.
211 Q. From whom?
221 A. The Better Roofing and Sonoran Peak.
231 Q. So the companies that you're doing sales
241 work for, basically?
251 A. Correct, yes.

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1] Q. Any other companies in the last three to
2] four years?
3] A. I can't think of any. Colonial, maybe.
4] Q. Colonial? Are you receiving residuals at
5] all from a company?
6] A. No.
7] Q. So you have done work for them in the last
8] three to four years?
9] A. You know, it's not likely. It's been
10] really dry for --
11] Q. I'm sorry?
12] A. It's been really dry, that kind of work,
13] the adjusting work. Dried right up.
14] Q. Now, you said you're basically soliciting
15] work to do roof repair. But you also mentioned --
16] sounded like you actually did some repairs; is that
17] correct?
18] A. Yeah.
19] Q. Do you hold a license with the Registrar of
20] Contractors in the State of Arizona?
21] A. No.
22] Q. What's the highest value of repair work
23] that you've done on a house?
24] A. Oh, couple hundred bucks.
25] Q. So when you say repairing a roof, you're

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1] not talking about replacing a roof, just minor repairs?
2] A. Yeah. Patch work.
3] Q. And when you receive money from that, do
4] you receive it in cash?
5] A. Yes.
6] Q. And have you reported any of that to the
7] State of Arizona?
8] A. No.
9] Q. Now, when I asked your wife about some
10] liens that the State of Arizona had that predated the
11] creation of Fox Group Trust, did you hear her testimony
12] on that score?
13] A. I did.
14] Q. Did you have any additions, corrections, or
15] deletions to what she testified to?
16] A. No.
17] Q. So you heard my discussion with her about
18] the liens and whether or not they would remain attached
19] to the property; is that correct? I'm specifically
20] talking about the Arizona Department of Revenue liens
21] and the judgment in 2008. You heard her testimony on
22] that score; is that correct?
23] A. Yes.
24] Q. Do you have any additions, corrections, or
25] disagreements with that testimony?

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1] A. No.
2] Q. And you said that you made a \$5,000 payment
3] of some sort to the Arizona Department of Revenue?
4] A. Correct.
5] Q. How long ago was that?
6] A. Oh, man, that was -- I think that happened
7] in the late '90's.
8] Q. And I think your wife said the last time
9] you filed a State tax return was in 1987. Is that
10] accurate?
11] A. Probably pretty close.
12] Q. And when the Fox Group Trust was executed,
13] you are aware of the preexisting liens from the State of
14] Arizona; is that correct?
15] A. That's correct.
16] Q. And you're aware that they had been filed
17] in the Recorder's Office for Maricopa County; is that
18] correct?
19] A. That's correct, yes.
20] Q. With regard to Exhibit 5, the Fox Group
21] Trust, do you have that in front of you?
22] A. Exhibit 5. Thank you.
23] Q. You didn't have anything to do with
24] actually writing this or drawing this up; is that
25] correct?

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1] A. That's correct.
2] Q. Did you read the whole document?
3] A. No.
4] Q. Okay. So you signed it without reading it?
5] A. I had full faith in the people that put
6] this together.
7] Q. And that would be who?
8] A. Mr. Nost.
9] Q. Did you also discuss it with your wife?
10] A. Oh, of course.
11] Q. And did she advise you to go ahead and sign
12] this?
13] A. We agreed to, yes.
14] Q. On page 2, it says a TIN 981320086,
15] meaning, I guess, tax identification number.
16] A. I really don't know what that is.
17] Q. Okay. So you don't know if anybody ever
18] actually applied for that number?
19] A. I don't know what that is.
20] Q. You don't know what a taxpayer
21] identification number is?
22] A. I do.
23] Q. Did anybody ever apply for a taxpayer
24] identification number for the Fox Group Trust, to your
25] knowledge?

1] A. Not to my knowledge.
 2] MR. VENTRELLA: Can you give me a second?
 3] (Brief pause.)
 4] I don't have anything further at this time.
 5] MR. DUFFY: You have the opportunity to read and
 6] sign the deposition. Would you like to do that?
 7] THE WITNESS: Yes, please.
 8] (Whereupon, the deposition then adjourned
 9] at 2:14 p.m.)

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JAMES L. READING

1] STATE OF ARIZONA)
 2] COUNTY OF MARICOPA) SS.
 3] BE IT KNOWN that the foregoing deposition was taken
 4] before me, DOREEN C. BORGMANN, RMR, CRR, Certified
 5] Reporter, Certificate No. 50644, State of Arizona; that
 6] the witness before testifying was duly sworn by me to
 7] testify to the whole truth; that the questions
 8] propounded to the witness and the answers of the witness
 9] thereto were reduced to written form under my direction;
 10] that pursuant to request, notification was provided that
 11] the deposition is available for review and signature;
 12] that the foregoing 45 pages constitute a true and
 13] accurate transcript of all proceedings had upon the
 14] taking of said deposition, all done to the best of my
 15] skill and ability.
 16] I FURTHER CERTIFY that I am in no way related to any
 17] of the parties hereto, nor am I in any way interested in
 18] the outcome hereof.
 19] DATED at Phoenix, Arizona, this 29th day of April,
 20] 2012.

21]
 22]
 23]
 24]
 25]

DOREEN C. BORGMANN, RMR, CRR
 Certified Reporter
 Certificate No. 50644

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			<p>year (9) 7:12;10:6;14:18; 16:10,17,21,24;24:25; 37:24</p> <p>years (9) 6:17,17;8:25;9:20; 21:11,17,17;41:2,8</p>

**SECOND DUFFY DECLARATION
EXHIBIT I**

In The Matter Of:
United States of America v
Reading



Clare L. Reading
April 17, 2012

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UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

UNITED STATES OF AMERICA,)
Plaintiff,)
vs.) Civ. No. 11-0698-PHX-FJM
JAMES LESLIE READING, CLARE L.)
READING, FOX GROUP TRUST,)
MIDFIRST BANK, CHASE,)
FINANCIAL LEGAL SERVICES,)
STATE OF ARIZONA,)
Defendants.)

THE DEPOSITION OF CLARE L. READING

Phoenix, Arizona
April 17, 2012
8:56 a.m.

PREPARED BY:
DOREEN C. BORGMANN, RMR, CRR
Certified Reporter
Certificate No. 50644

PREPARED FOR:
ASCII
(Copy)

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1] THE DEPOSITION OF CLARE L. READING,
2] a defendant herein, was taken upon oral examination by
3] the parties through their respective attorneys before
4] DOREEN C. BORGMANN, RMR, CRR, and a Certified Reporter
5] in and for the County of Maricopa, State of Arizona, at
6] Two Renaissance Square, 40 North Central Avenue, Suite
7] 1200, Phoenix, Arizona, on the 17th day of April, 2012,
8] commencing at the hour of 8:56 a.m. of the said day.
9]
10] COUNSEL APPEARING:
11] For the Plaintiff:
12] U. S. DEPARTMENT OF JUSTICE
13] TAX DIVISION
14] BY: CHARLES M. DUFFY, ESQ.
15] P. O. Box 683
16] Ben Franklin Station
17] Washington, D.C. 20044-0683
18] (202) 307-6406
19]
20] For the Defendants:
21] TOMMY K. CRYER, ESQ.
22] 7330 Fern Avenue
23] Shreveport, Louisiana 71105
24] (318) 865-3392
25] ALSO PRESENT:
JAMES L. READING
DEBBIE VAHE

Page 8

1] CLARE L. READING,
2] called as a witness herein, having been first duly
3] sworn, was examined and testified as follows:
4]
5] EXAMINATION
6] BY MR. DUFFY:
7] Q. Do you want to state your name?
8] A. Clare Louise Reading.
9] Q. Mrs. Reading, have you ever had your
10] deposition taken before?
11] A. Never. Very nerve-wracking.
12] Q. You were here yesterday, so you kind of see
13] how it works. I'm going to ask questions. I'm Charles
14] Duffy from the United States Department of Justice.
15] If you don't understand the questions,
16] please let me know. Then I'll try to clarify them. Do
17] you understand that?
18] A. Yes. Thank you.
19] Q. Please try to state "yes" or "no" instead
20] of saying "uh-huh" or "uh-uh," because the record won't
21] pick that up accurately.
22] A. All right.
23] Q. And if you need a break, let me know.
24] A. All right.
25] Q. What's your educational background starting

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1] from high school?
 2] A. I was graduated from high school in 1966.
 3] Went to Northern Michigan University. I have a Bachelor
 4] of Science degree in health, physical education, and
 5] recreation with a health minor. Took some graduate
 6] classes in education in Illinois and also in Michigan.
 7] And I taught school for about three years.
 8] Q. Any post-college education other than what
 9] you mentioned?
 10] A. Well, when it looked like I wasn't going to
 11] get a teaching job because the market was so flooded, I
 12] took some graduate courses and started a nursing
 13] program, but I never finished it.
 14] Q. Did you ever take any classes in accounting
 15] or tax or anything like that?
 16] A. No.
 17] Q. How about since 1995? Kind of go through
 18] your various occupations if you've had any.
 19] A. I have not had any.
 20] Q. You heard Terry Major yesterday -- first of
 21] all, do you know Terry Major?
 22] A. Yes.
 23] Q. How do you know Terry Major?
 24] A. I -- I can't remember exactly when I met
 25] Terry Major, but I know it was through the Legal

Page 10

1] Research Society meetings.
 2] Q. And what is the Legal Research Society
 3] meetings?
 4] A. It's just a group of individuals who get
 5] together and discuss points of law and different things
 6] that people have going on in their lives that relate.
 7] Q. Do you know Jimmy Chisum?
 8] A. Not real well, but I know who he is.
 9] Q. Have you met Jimmy Chisum?
 10] A. I have.
 11] Q. Have you gone to seminars or classes that
 12] Jimmy Chisum taught at?
 13] A. I didn't know he ever did that.
 14] Q. How did you meet Jimmy Chisum?
 15] A. Just a few months ago at the Legal Research
 16] Society, I met him. Well, the very first time I met him
 17] was at the U. -- at the Arizona Senate. He came to pick
 18] up some library books that were going to be destroyed,
 19] and Senator Stump saved the books for him to pick up.
 20] When he walked in the office that day, I met him.
 21] Q. You were at the office?
 22] A. I was an attache at the Arizona Senate.
 23] Q. When was that?
 24] A. '89 and -- '88, '89, '90.
 25] Q. And that was a paid position?

Page 11

1] A. Yeah, it was.
 2] Q. How about John Wilde, W-I-L-D-E?
 3] A. I met John a couple of times before he
 4] died.
 5] Q. Where did you meet John?
 6] A. I called him as a referral from a friend,
 7] because the Arizona Department of Revenue was calling me
 8] after hours on Friday nights right in the middle of
 9] dinner. And he said, "Let me write a letter for you,
 10] and we'll send it to the State police." And that did
 11] stop the calls.
 12] Q. So the State Department of Revenue was
 13] calling you. Do you know why they were calling you?
 14] A. They were -- they -- I don't know. We had
 15] a dispute over -- they said that money was owed, and I
 16] said it wasn't. And they called me when I had company
 17] on Friday night.
 18] Q. So you called Mr. Wilde, W-I-L-D-E, to help
 19] you out?
 20] A. Yes.
 21] Q. And he did help you?
 22] A. Well, he wrote a letter, and it stopped the
 23] calls.
 24] Q. He wrote a letter and sent the letter to
 25] the State --

Page 12

1] A. To the State police.
 2] Q. To the State police. Do you recall what
 3] the letter said?
 4] A. No.
 5] Q. You never saw the letter?
 6] A. Yeah, I did. But it was too long ago to
 7] say what it was.
 8] Q. What brought you to start going to the
 9] Legal Research Society meetings?
 10] A. The TRIM Committee is a group that has the
 11] voting record of Congressmen on the back. And in the
 12] body of the TRIM bulletin, it shows points in the
 13] Constitution about the votes that are on the back of the
 14] bulletin. And I gave a talk at the Legal Research
 15] Society to the group about the TRIM Committee. And that
 16] was in 1989.
 17] Q. I'm going to refer to the real property in
 18] this deposition, and when I refer to that -- first of
 19] all, where do you live? What's your address?
 20] A. 2425 East Fox Street, Mesa, Arizona.
 21] Q. And I'll refer to that property as the real
 22] property in this deposition.
 23] A. All right.
 24] Q. And there's a trust at issue in this case.
 25] It's called the Fox Group Trust. I'll try to refer to

Page 13

1] that as the Fox Trust or Fox Group Trust. Okay?
 2] A. All right.
 3] Q. Why don't we go to --
 4] What are we on, Doreen? Exhibit 9?
 5] THE REPORTER: Next one is 9.
 6] MR. DUFFY: Let me have the court reporter mark
 7] this as Exhibit 9.
 8] (Whereupon, the Reporter marked Deposition
 9] Exhibit 9.)
 10] Q. BY MR. DUFFY: Take a look at that. If you
 11] could look at page 2 of that document. And there's
 12] actually a Bates number on it. It's Prod0129 at the
 13] bottom right-hand corner. Do you see that?
 14] A. I do.
 15] Q. And is that your signature on that
 16] document?
 17] A. It is.
 18] Q. And what is that document?
 19] A. Well, when the Internal Revenue Service
 20] seized our truck, my husband's truck, we thought that
 21] willful failure to file was going to be the next thing
 22] that they were going to do. So we thought, "Well,
 23] let's" -- "We'd better do that." And so we did that in
 24] the best way that we knew how.
 25] Q. When you say "do that," you mean file tax

Page 14

1] returns?
 2] A. Yeah. Willful failure to file.
 3] Q. So this -- and I don't know how many pages,
 4] maybe 80 or 90 pages. But this document is the tax
 5] return that you filed for 1997; correct?
 6] A. That's right.
 7] Q. It says above your signature, "Under
 8] duress." What do you mean, "under duress"?
 9] A. Well, we had not -- I had not filed,
 10] because the last time that I had a job or had any
 11] earnings of any kind was as of October 31, 1992. But
 12] when the truck was seized, it was in my name, which I
 13] thought was pretty weird. But to avoid any further
 14] entanglements, I thought, well, the best thing probably
 15] to do would be to submit filings so they would know that
 16] I have not had any dealings with any payment or anything
 17] since '92.
 18] But it was -- you know, it -- you don't
 19] know what it's like when people come and steal things
 20] like that from you. You look over your shoulder all the
 21] time, and it's frightening. It was very stressful, and
 22] I was under duress.
 23] Q. So when you say stealing, you're telling me
 24] the IRS stole the truck?
 25] A. They did seize the truck.

Page 15

1] Q. Did they steal the truck? Is that what you
 2] said?
 3] A. Well, it's semantics. I don't know if they
 4] had authority to do it, but they thought they did.
 5] Q. Well, you challenged that in the United
 6] States District Court, District of Columbia, didn't you?
 7] A. Yes.
 8] Q. And you lost the case, didn't you?
 9] A. Yes.
 10] Q. Now, the date on this that your signature
 11] is, what is that? December 6, 2006?
 12] A. Right.
 13] Q. So do you know when you filed this with the
 14] Internal Revenue Service about? Was it about that time?
 15] A. Uh-huh. Yes.
 16] Q. So you filed it in December of 2006. And
 17] you did not file a return before this for your 1997 tax
 18] year; correct?
 19] A. Right.
 20] Q. Who prepared this tax return?
 21] A. Well, my husband and I prepared it
 22] together.
 23] Q. Let me refer your attention to Bates stamp
 24] Prod0131. It's about the fourth or fifth page back.
 25] And it's a document that starts "Clare Reading,

Page 16

1] Non-Federal/Resident Delivery." Do you see that
 2] document?
 3] A. Yes.
 4] Q. Now, it looks like it's a 19-page document.
 5] Who prepared this document?
 6] A. Well, it was a group of people that were --
 7] we were working with to try to figure out the proper way
 8] to get this done.
 9] Q. What people?
 10] A. Well, their name used to be the initials
 11] OCIAA, but I understand they've since changed that, and
 12] I don't know what it is.
 13] Q. Do you know what that stands for?
 14] A. Not anymore. It was some -- I don't know
 15] what it was an acronym for.
 16] Q. Where were they located?
 17] A. We were never certain, but it was somewhere
 18] up in the northwest.
 19] Q. And what individuals were part of this
 20] organization?
 21] A. We never met them. We only spoke on the
 22] phone.
 23] Q. How did you find them?
 24] A. I don't know who made the referral. One of
 25] our friends.

<p style="text-align: right;">Page 17</p> <p>1] Q. So you would call up and talk to OCIAA and 2] ask them about your tax issues? 3] A. Well, we were, in this particular instance, 4] talking about what would be a proper way to file when 5] you never had any receipts. 6] Q. And they gave you advice as to what to do? 7] A. Well, yeah. We -- we consulted with them. 8] Q. Did you assist in writing this document? 9] A. No. Well, we talked about what was going 10] to be in it, but I didn't write it. 11] Q. And you don't know who the individual who 12] wrote it is? 13] A. No. 14] Q. Is that your signature on page 18 of 19 of 15] that document? 16] A. Yes. 17] Q. You signed that under penalty of perjury? 18] A. Yes. 19] Q. All the statements in there, you agree 20] with? 21] A. When I read through it, I agreed with it, 22] yes. 23] Q. Is there anything you disagree with now? 24] A. I would have to reread it now to say that 25] now. On this day that I signed it, I agreed with it.</p>	<p style="text-align: right;">Page 19</p> <p>1] system, depending on where you live, then you might be 2] obligated to pay federal taxes? Is that one of your 3] viewpoints? 4] A. Well, I think it's much more than where you 5] live. 6] Q. But just talk about -- why did you just 7] reference the possessions and the Virgin Islands? Are 8] you saying that people in those areas have to pay taxes, 9] and others do not? 10] A. Well, I think the distinction would be 11] whether you're in the private sector or whether you're 12] in a federal territory that is under the control of the 13] federal government. 14] Q. So anybody working for the federal 15] government has to pay taxes; correct? 16] A. Well, I think each individual case would 17] have to be looked at. I don't think you can say 18] blanketly (sic) that everybody would. 19] Q. But how about in the prementioned "the 20] private sector." Are you saying that people who work in 21] the private sector don't have to pay taxes? 22] A. Under some circumstances, some of them 23] would. 24] Q. What circumstances would that be? 25] A. If they had any income, they would have to</p>
<p style="text-align: right;">Page 18</p> <p>1] Q. On page 11 of 19 of that document, at the 2] bottom, "Notice is hereby given." Here's a reference -- 3] it just say, "NOTICE IS HEREBY GIVEN: that Clare 4] Reading has never received compensation from, or earned 5] income in, the Virgin Islands or any foreign possession 6] of the United States federal corporation." 7] Is that how you refer to as the United 8] States, is the United States Federal Corporation? 9] A. Not all the time. On this -- on this date, 10] I did. 11] Q. What do you mean by that? 12] A. Well, I guess it depends on the context 13] that you're talking about the United States. But it can 14] mean several different things, I guess. 15] Q. In your mind, one of those is that the 16] United States is a corporation? 17] A. Yeah. 18] Q. So are you saying in this paragraph that 19] the only people who need to pay taxes are people who 20] live in a possession such as the Virgin Islands? Please 21] explain what you're saying there. 22] A. Well, I didn't say "only." But people who 23] live in territories, if they fall under certain 24] parameters, then they would have income. 25] Q. Is part of your view of the federal tax</p>	<p style="text-align: right;">Page 20</p> <p>1] pay an income tax. 2] Q. So if they received compensation for 3] working, they would have to pay tax on that 4] compensation? 5] A. I don't know if I would agree with that 6] statement. 7] Q. Do you disagree with it? 8] A. Well, it depends on what they were doing to 9] get the compensation. But you can't just say blanketly 10] (sic). 11] Q. What's the distinction about what they're 12] doing. I don't understand the distinction you're 13] making. 14] A. Well, according to what the Supreme Court 15] says, if you have a profit or a gain in what you're 16] doing, that could be income. Doesn't mean it would be, 17] but it could be. 18] Q. So I'm working paving a street. That's my 19] job, and I get paid for paving a street \$10 an hour. I 20] make \$80 a day. In your mind, do I need to pay taxes on 21] that \$80? 22] A. No. 23] MR. CRYER: Excuse me. Are you suggesting that 24] the Readings are in the paving business and they're paid 25] \$10 an hour? I'm looking for the facts in this</p>

Page 21	Page 23
<p>1] particular case, and I'm just not going to have her 2] speculate as to hypothetical situations, getting into 3] qualifiers. 4] MR. DUFFY: Why don't we go to an example in her 5] document that she had. Maybe that will better clarify. 6] Page 14 of 19. 7] Q. BY MR. DUFFY: Here's an example that you 8] have in your document. "3.1. Example: Tom the 9] Taxpayer was employed by ABC Company, and was 10] compensated at \$25.00 [an] hour" -- and in 11] parenthesis -- "(property transferred for the 12] performance of services), the amount paid for the 13] performance of Tom's services." 14] Again, I'm referring to paragraph 3.1 on 15] page 14 of 19. "The cost and fair market value of Tom 16] the Taxpayer's property in connection with the 17] performance of his services for ABC Company totals 18] \$25.00 [an] hour. Therefore, the amount paid of \$25.00 19] [an] hour is the cost of Tom the Taxpayer's Labor 20] Property and the fair market value exchanged for the 21] same. Accordingly, as provided in 26 U.S.C. Section 83, 22] Tom's cost shall not be included in gross income." 23] So under that example that you have in your 24] document, Tom, the taxpayer in your example, does not 25] have to report \$25 an hour as gross income. Is that</p>	<p>1] Q. And you agree with the statements in this 2] document? 3] A. I did the day I signed it. 4] Q. Are you saying you don't agree with it 5] today? 6] A. I'd have to read it. I -- this is years 7] later. 8] Q. Now, attached thereto seems to be a lot of 9] correspondence between you and IRS. Maybe you could 10] look through those attachments quickly, and I could ask 11] you some questions. 12] A. (The witness complied.) 13] Q. It looks like yourself and the IRS exchange 14] a lot of correspondence; is that fair to say? 15] A. Fair to say. 16] Q. You send a lot of documents to the Internal 17] Revenue Service? 18] A. I respond to what they send to me. 19] Q. And you've also done, I guess, a lot of 20] FOIA requests to the IRS? 21] A. I have. 22] Q. How many if you had to estimate? 23] A. Forests of paperwork. 24] Q. Maybe hundreds? 25] A. Probably.</p>
<p>Page 22</p> <p>1] accurate? 2] A. Yes. 3] Q. Thank you. And all these pages that are 4] attached to your 1997 return, these all go with the 5] return, don't they? They were all filed together with 6] the Internal Revenue Service? 7] A. Yes, they were. 8] Q. Okay. Let's go to Exhibit 40 -- let me 9] see. I guess we have to mark this as Exhibit 10. Tab 10] 42. I guess it's in binder 5. Have the court reporter 11] mark it. 12] MR. CRYER: I'm not finding a binder 5. 13] MR. DUFFY: You had it yesterday. Did you take 14] it with you? 15] MR. CRYER: Oh, is that what we did? 16] MR. DUFFY: Yeah. 17] (Whereupon, the Reporter marked Deposition 18] Exhibit 10.) 19] Q. BY MR. DUFFY: Now, look at page 5 of that 20] document. Is that your signature on that document? 21] A. Yep, it is. 22] Q. And is that a document you filed with U.S. 23] District Court in United States District Court for the 24] District of Columbia? 25] A. Uh-huh. Yes, it is.</p>	<p>Page 24</p> <p>1] Q. Hundreds of requests? 2] A. Probably. 3] Q. Do you keep all the correspondence at the 4] house that you receive from the Internal Revenue 5] Service? 6] A. I've kept most of it. 7] Q. And over the years, how much correspondence 8] have you received from the IRS if you had to describe 9] how many boxes full? 10] A. Oh, 20. 11] Q. Twenty full boxes? 12] A. Yes. 13] Q. How much have you sent to the Internal 14] Revenue Service over the years? 15] A. Well, in response to what they send me, 16] about the same, probably. 17] Q. So you only send something to the IRS if 18] they send something to you; is that what you're saying? 19] A. That's correct. 20] Q. What's the Sutter Group, LLC? 21] A. It was a limited liability company. 22] Q. And were you affiliated with the Sutter 23] Group, LLC? 24] A. Yes. 25] Q. In what way?</p>

<p style="text-align: right;">Page 25</p> <p>1] A. I was a manager. 2] Q. Did the Sutter Group, LLC transact some 3] type of business? 4] A. It never really had much of a chance to, 5] but it was set up to. 6] Q. What was it set up to do? 7] A. Well, because of the nature of my husband's 8] work, he had been named in lawsuits of insureds that 9] were saying that the adjusting company wasn't handling 10] their claims properly. And so he decided -- we decided 11] that it would be a good idea to run the business items 12] through that. But once they -- once it was all set up, 13] it really never had a chance to do anything. 14] Q. What is your husband's work? 15] A. He was a catastrophe insurance adjuster. 16] Q. And can you describe what that is? Could 17] you describe what that is? 18] A. When there's a catastrophe such as an 19] earthquake or hurricane and it's too much damage for the 20] local insurance company to handle, they will call people 21] trained in settling claims from all over the place to 22] help. 23] Q. Now, let me direct your attention to -- 24] well, first of all, I'm looking at Deposition Exhibit 25] 10. Who prepared this document?</p>	<p style="text-align: right;">Page 27</p> <p>1] and try to find it. Okay. Now, it looks like it's page 2] 13 of 45 in the document that Mrs. Reading filed with 3] the U.S. District Court for the District of Columbia 4] dated October 3, 2006. Is that a document you prepared? 5] A. I think OCIAA prepared it. 6] Q. Did you tell them what to put in there? 7] There's a lot of facts in there. Would you relate 8] facts, and they would put the facts in the document? 9] A. Right. Correct. 10] Q. You signed this document; correct? 11] A. I did. 12] Q. You signed it under penalty of perjury? 13] A. Yes. 14] Q. That's your signature on page 7 of 8 of 15] that document? 16] A. Yes, it is. 17] Q. Now, if you could refer to page 2. This 18] court case, I think, had to do with the seizure of your 19] truck by the IRS basically? 20] A. Yes. 21] Q. And these are facts as you saw them 22] relating to the seizure? 23] A. Yes. 24] Q. And paragraph 1 on page 2 of 8 talks about 25] "on September 22, 2006." Was that the date of the</p>
<p style="text-align: right;">Page 26</p> <p>1] A. I'm not certain what you're talking about. 2] Q. The document we're looking at, Deposition 3] Exhibit 10. Who prepared this Verified Affidavit and 4] Exhibits in Support of Complaint? 5] A. That was our friends at OCIAA. 6] Q. Are you still in touch with your friends 7] there? 8] A. No. 9] Q. You still to this day don't know anybody's 10] names who worked there, was affiliated with OCIAA? 11] A. I have no idea if they're even in existence 12] or the same people or anything. 13] Q. When you called them up, how would you 14] refer to them? 15] A. By first names that might have been real 16] names or not. 17] Q. And you have no idea who gave you the phone 18] number to call them? 19] A. I don't remember who that was. 20] Q. Now, there's several attachments to this 21] document, Exhibit 10. One of them is dated October 3, 22] 2006. 23] MR. CRYER: Can you identify that one as to 24] location or describe a little bit better? 25] Q. BY MR. DUFFY: Why don't I just go ahead</p>	<p style="text-align: right;">Page 28</p> <p>1] seizure? 2] A. Yes. 3] Q. And was the truck parked at your residence? 4] A. Yes. 5] Q. And the residence meaning the real property 6] at issue in this lawsuit? 7] A. It's identified in the paragraph. 8] Q. And so paragraph 1, when you say the truck 9] was "secured under a carport located on Claimant's 10] property," I mean, you and your husband are meant to be 11] referred to as the claimants in this document; correct? 12] A. Yes. 13] Q. What's the date that you signed this 14] document? 15] A. October 3, 2006. 16] Q. Let's go to a different exhibit. Tab 36. 17] MR. DUFFY: Number 11. 18] (Whereupon, the Reporter marked Deposition 19] Exhibit 11.) 20] Q. BY MR. DUFFY: Ma'am, when we were talking 21] about exchanging correspondence with the Internal 22] Revenue Service, did you ever refuse to accept documents 23] from the Internal Revenue Service? 24] A. Never. 25] Q. You always accepted it?</p>

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1] A. I -- I know I never have refused ever to
2] accept a document.
3] Q. Is there anybody else who lives at your
4] house other than you and your husband?
5] A. No.
6] Q. Now, Deposition Exhibit 11, what is this
7] document.
8] A. Well, just trying to verify why the IRS
9] does what it does.
10] Q. And on page 11, is that your signature?
11] A. Yes.
12] Q. And you signed that under penalty of
13] perjury?
14] A. Yes, I did.
15] Q. And you agree with the views that are set
16] forth in that document?
17] A. Yes, on the day I signed it, I did.
18] Q. Do you disagree with it today?
19] A. I don't know.
20] Q. There's a statement on page 9 of 11. It
21] says, "Income is not a wage or compensation for any type
22] of labor." What does that mean?
23] A. The way I understand it, if in the case of
24] someone like my husband going to work and getting paid,
25] when he cashes his check, if he can't hold the

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1] compensation for labor in one hand and the amount of
2] income in the other hand, then he didn't have any
3] income. All he had was the compensation for labor.
4] That's my understanding.
5] Q. So when he cashes his check, what does he
6] have? Compensation? In your mind.
7] A. Yes.
8] Q. And so that compensation that he's holding
9] is not subject to federal tax?
10] A. Correct.
11] Q. Let's go to tab 38. We'll mark that as
12] deposition Exhibit 12.
13] (Whereupon, the Reporter marked Deposition
14] Exhibit 12.)
15] Q. BY MR. DUFFY: What is this document?
16] A. (No audible response.)
17] Q. Why don't I strike it. Isn't this a motion
18] that you filed in the United States District Court for
19] the District of Arizona in Case 06-59?
20] A. Yes.
21] Q. And your signature is on that document,
22] isn't it?
23] A. Yes, it is.
24] Q. And you agree with the positions in that
25] document?

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1] A. On the day I signed it, I did.
2] Q. Actually, it looks like your signature is
3] not on that document. Your husband signed for you. Do
4] you see that on page 27?
5] A. I do.
6] Q. And you authorized Mr. Reading to sign for
7] you?
8] A. Yes.
9] Q. Page 7 of 27 of that document, there's a
10] statement I want to read to you and ask you about it at
11] the top of the page. First complete sentence. "Neither
12] James Leslie Reading, Clare Louise Reading, nor the
13] entities known as Sudder Group LLC; Ninety Seventh...
14] Street Trading...LLC; Crown & Thistle, LLC; Crown &
15] Thistle International...; Castle Digs; Roundtable;
16] Spartan...Uranus reside within a judicial district of an
17] internal revenue district where returns are required to
18] be filed."
19] Do you see that?
20] A. Yes.
21] Q. Where do you have to live to be required to
22] file a tax return, in your mind?
23] A. In places where the federal government have
24] exclusive legislative jurisdiction.
25] Q. Like where?

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1] A. Like in any federal area.
2] Q. Like the District of Columbia?
3] A. Right.
4] Q. So people who live in the District of
5] Columbia have to pay federal taxes?
6] A. Well, it depends on what they're doing to
7] earn that.
8] Q. But people outside, say, a place like the
9] District of Columbia don't have to pay federal taxes?
10] A. There could be reasons they would, but
11] probably not.
12] Q. Is Arizona a judicial district where
13] returns are required to be filed?
14] A. Not blanketly (sic).
15] Q. What do you mean, not blanket?
16] A. Not the whole area of Arizona.
17] Q. Well, what parts of Arizona do people live
18] where they have to file tax returns?
19] A. Well, it's not the act of living that makes
20] someone required to file.
21] Q. But you say you don't live "in a judicial
22] district of an internal revenue district where returns
23] are required to be filed." What judicial district are
24] you speaking of?
25] A. Well, I think that in the Federal Register,

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1] I read that somewhere around in the 1980's or '90's or
2] so that the Internal Revenue Service deemed all zip
3] codes to be areas that would be subject to tax. And by
4] virtue of having a zip code I don't believe would make
5] anyone necessarily liable to that. They could say it
6] was a revenue district, but you still have to do
7] something in order to cause a liability to be
8] established, not just having a zip code.
9] Q. Now, you had various powers of attorney,
10] you and your husband, over the years? Do you know what
11] a power of attorney is.
12] A. Yes, I do.
13] Q. And you had these powers of attorney
14] represent you before the IRS; is that correct?
15] A. Yes.
16] Q. Give me the names of some of the powers of
17] attorney that have represented you before the Internal
18] Revenue Service, that you've authorized to represent
19] you.
20] A. Well, Milton Baxley was one. Brian
21] Malatesta was one.
22] Q. Let's start with Mr. Baxley. Where does he
23] live?
24] A. In Florida.
25] Q. And what was the second fellow's name?

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1] A. Brian Malatesta.
2] Q. How do you tell that last name?
3] A. M-A-L-A-T-E-S-T-A, I believe.
4] Q. And where is he from?
5] A. In Texas.
6] Q. Texas. Anyone else?
7] A. There were a couple of others. I'm not
8] thinking of their names right now.
9] Q. How about Ray Pope?
10] A. Ray Pope was one.
11] Q. Where is he from?
12] A. Somewhere in the Midwest.
13] Q. How about Thomas Roberts?
14] A. Right. Thomas Roberts. I'm not sure what
15] state he's from.
16] Q. How about Michael Bigley?
17] A. Michael Bigley is in Gilbert, Arizona.
18] Q. Are any of these people affiliated with the
19] OCIAA?
20] A. No.
21] Q. And, basically, you authorized these. Were
22] there others, do you think, or was this the extent of
23] the list?
24] A. That's all I recall.
25] Q. And you authorized them to represent you

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1] before the Internal Revenue Service?
2] A. Yes.
3] Q. And you also authorized them to receive
4] mail from the Internal Revenue Service?
5] A. Yes.
6] Q. And do you stay in close contact with them
7] to see what they receive from the Internal Revenue
8] Service?
9] A. Yes.
10] Q. Let's go to tab 1A in binder 1.
11] MR. DUFFY: Mark that.
12] (Whereupon, the Reporter marked Deposition
13] Exhibit 13.)
14] Q. BY MR. DUFFY: Ma'am, before we talk about
15] Exhibit 13, is it your view that the authority of the
16] United States is confined to the District of Columbia?
17] A. Not necessarily.
18] Q. Is it your opinion that no statutory
19] authority exists for imposing an income tax on
20] individuals?
21] A. No.
22] Q. You don't believe there's a statutory
23] authority?
24] A. Well, maybe I didn't understand the
25] question. Could you say that again.

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1] Q. Do you believe that no statutory authority
2] exists for imposing an income tax on individuals?
3] A. No, I don't believe that.
4] MR. VENTRELLA: I think I saw a double negative
5] there. Maybe you need to ask that differently.
6] Q. BY MR. DUFFY: Do you believe that there is
7] a statutory authority that exists for imposing an income
8] tax on individuals?
9] A. Yes.
10] Q. The Anti-Injunction Act is invalid? Do you
11] agree with that?
12] A. Well, it kind of makes an advantage for one
13] side and ties the hands for the other guy.
14] Q. So you believe it's invalid?
15] A. Well, it's not very American.
16] Q. Let's go to Exhibit 13. Is your signature
17] on Exhibit 13?
18] A. Yes, it is.
19] Q. Who prepared Exhibit 13?
20] A. My husband and I.
21] Q. And in 1993, correct me if I'm wrong, but
22] your husband received compensation, but it's your
23] viewpoint that compensation was not taxable?
24] A. That's correct.
25] Q. And that's why that there's zeros on this

<p style="text-align: right;">Page 37</p> <p>1] tax return; is that correct? 2] A. Yes, it is. 3] Q. Now, there's a 1099 attached to the return. 4] And who prepared that document? 5] A. I did. 6] Q. So walk me through how you prepared that. 7] You and your husband actually received a 1099 from the 8] Pilot Temporary Services, Inc.; correct? 9] A. Yes. 10] Q. And it set forth the amount of compensation 11] that Pilot Temporary Services paid your husband? 12] A. Yes. 13] Q. And then what did you do? You came up and 14] did your own 1099? 15] A. Well, they didn't -- we couldn't reach them 16] to get them to make the correction, so we felt that we 17] had to. 18] Q. Because your viewpoint was that 19] compensation is not taxable, so you wanted that number 20] in box 7 to be 0? 21] A. Yes. It needed correction. 22] Q. So you corrected, quote, unquote, this 23] document that was originally sent to you by Pilot 24] Temporary Services, Inc.? 25] A. Yes. Box for "Corrected" is checked at the</p>	<p style="text-align: right;">Page 39</p> <p>1] A. Yes, it is. 2] Q. And Pilot Catastrophe Services sent a 1099 3] to you and your husband? 4] A. Well, they sent it to my husband. 5] Q. And you didn't like the 1099 that the Pilot 6] Catastrophe Services sent? 7] A. Well, it's not that we didn't like it, but 8] it was semantically incorrect. 9] Q. It was incorrect because they actually had 10] the amount of compensation that they paid your husband 11] in box 7; correct? 12] A. Yes. 13] Q. Okay. And you thought that that number 14] should be 0? 15] A. We did, yes. 16] Q. So you corrected it to make it 0? 17] A. Yes, we corrected it. 18] Q. And then you sent that in to the Internal 19] Revenue Service? 20] A. Yes. 21] Q. And did you prepare these corrected, quote, 22] unquote, 1099's that are attached to Exhibit 14? 23] A. Yes. 24] Q. Did your husband know you did this? 25] A. Yes.</p>
<p style="text-align: right;">Page 38</p> <p>1] top. 2] Q. And that's the same case for these other 3] 1099's that are attached to Exhibit 13? 4] A. Yes. 5] MR. DUFFY: Let's mark 1C as Exhibit 14. 6] (Whereupon, the Reporter marked Deposition 7] Exhibit 14.) 8] Q. BY MR. DUFFY: Is Exhibit 14 a document 9] that you prepared and sent to the Internal Revenue 10] Service? 11] A. Yes, it is. 12] Q. And also, backing up a step, Exhibit 13 is 13] a copy of the document that you sent to the Internal 14] Revenue Service also; correct? 15] A. It is. 16] Q. Now, in 1994 Mr. Reading received 17] compensation; correct? 18] A. Yes. 19] Q. But you deemed it not to be taxable? 20] A. Yes. 21] Q. And you received compensation from Pilot 22] Catastrophe Services, Inc.? 23] A. Yes. 24] Q. And that's for his work with natural 25] disasters, as you said?</p>	<p style="text-align: right;">Page 40</p> <p>1] Q. He was on board with that? 2] A. Yes. 3] MR. DUFFY: Let's go to tab 1B. Mark that as 4] Exhibit 15. 5] (Whereupon, the Reporter marked Deposition 6] Exhibit 15.) 7] Q. BY MR. DUFFY: Exhibit 15, that's a 8] document that you and your husband signed? 9] A. Yes. 10] Q. That's a document that you sent to the 11] Internal Revenue Service? 12] A. Yes. 13] Q. And you signed this document in 2008; 14] correct? 15] A. Yes. 16] Q. And you also signed Exhibits 13 and 14 in 17] 2008; correct? 18] A. Yes. They were on the same day. 19] Q. You did not originally submit a Form 1040 20] to the Internal Revenue Service for 1993, 1994, 1995 21] prior to these returns that we've marked as Exhibits 13, 22] 14, and 15? 23] A. Yes, we did. 24] Q. For those years? 25] A. The ones that we just went over previously</p>

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1] that had 80 pages of exhibits.
 2] Q. Right. But I'm talking about -- let me
 3] just go back. For instance, for Deposition Exhibit 15,
 4] your 1995 1040, do you see that?
 5] A. Yes.
 6] Q. Did you previously submit a 1995 1040 to
 7] the Internal Revenue Service?
 8] A. I believe we did.
 9] Q. You believe you did?
 10] A. Yeah. In 2006.
 11] Q. 2006. How about for 1993 and 1994?
 12] A. Yes.
 13] Q. Okay. Why did you go ahead and do these
 14] returns?
 15] A. Well, because the first returns garnered
 16] \$500 penalties for frivolous filings. We didn't believe
 17] they were frivolous. We thought it was very serious.
 18] And then we found out about making a correction for what
 19] was sent in for the internal matching system. And so we
 20] thought, well, maybe we need to clarify it that way. So
 21] we refiled.
 22] MR. DUFFY: Why don't we take a break for a
 23] second, find the exhibits we marked yesterday.
 24] (Brief pause.)
 25] Q. BY MR. DUFFY: Let me hand you what was

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1] marked as Exhibit 2 yesterday. Now, you bought the real
 2] property at 2425 East Fox Street in Mesa, the real
 3] property at issue in this case. You and your husband
 4] purchased it in, looks like, October of '79; is that
 5] correct?
 6] A. That is correct.
 7] Q. And that's your signature on that document?
 8] A. Yes, it is.
 9] Q. And you and your husband bought it as
 10] tenants in common?
 11] A. Yes.
 12] Q. How much did you purchase the property for?
 13] A. Oh, 60 -- around 68,000.
 14] Q. What is it worth today?
 15] A. Probably not much. I don't know.
 16] Q. Are you currently paying real estate taxes
 17] to the county?
 18] A. Yes.
 19] Q. Now, let's look at Exhibit 3. Is Exhibit 3
 20] the note that represents what you borrowed to purchase
 21] the house?
 22] A. Yes.
 23] Q. Why is it dated March 4, 1993, rather than
 24] 1979 when you bought it? Do you recall?
 25] A. Well, it's probably a refinance.

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1] Q. And the mortgage company in this document,
 2] Exhibit 3, is Venture Financial Services, Inc. Were
 3] there other mortgage companies that this mortgage was
 4] assigned to?
 5] A. Yes.
 6] Q. Did that include Chase?
 7] A. No.
 8] Q. What is Chase? Did Chase have a lien or
 9] mortgage on your property?
 10] A. It was an equity loan, a revolving loan.
 11] Q. Did you pay that off?
 12] A. We are in process of paying it off.
 13] Q. How much is owed on that?
 14] A. My guess is about 11,000.
 15] Q. And that's owed to Chase?
 16] A. Yes.
 17] Q. And do you make monthly payments on that?
 18] A. I do.
 19] Q. Now, it looks like you borrowed \$68,000 in
 20] Exhibit 3.
 21] A. 68,092.
 22] Q. And did you put a down payment on the
 23] house, or was it all borrowed?
 24] A. I don't recall.
 25] Q. But your name's on this note, isn't it?

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1] A. Yes.
 2] Q. And you and your husband are still
 3] obligated to pay this note?
 4] A. Yes, we are.
 5] Q. And no one else is obligated other than you
 6] and your husband?
 7] A. That's correct.
 8] Q. That's your signature on the document?
 9] A. Yes.
 10] Q. When did you take the second loan out?
 11] What did you call it? A refi?
 12] A. An equity loan. Home -- home improvement,
 13] equity loan, revolving account.
 14] Q. When did you take that out?
 15] A. I can't remember the year.
 16] Q. And did you take it out from Chase, or was
 17] it assigned to Chase?
 18] A. I don't know what you mean.
 19] Q. You applied to Chase for the equity loan?
 20] A. Yes.
 21] Q. But that's not your mortgage company?
 22] A. No.
 23] Q. And how much did you borrow from Chase?
 24] A. I think it was about 18,000.
 25] Q. And you have it paid down to 11,000?

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1] A. Yes.
 2] Q. Can you still take amounts out on that
 3] equity loan?
 4] A. No.
 5] Q. Why is that?
 6] A. When -- whenever it was we wrote them and
 7] asked -- told them that we didn't want our Social
 8] Security numbers affiliated with the account, and they
 9] said, "Okay. Fine. Then you can't have any more loan."
 10] So we are paying off what we did borrow.
 11] Q. How much do you pay per month on that Chase
 12] equity?
 13] A. Whatever the minimum is.
 14] Q. What is the minimum? Do you know?
 15] A. It's around 130. Sometimes it's 136.
 16] Q. How many years do you have to pay it off?
 17] A. I don't know. Till it's done.
 18] Q. Let's go to tab 29. I think that's --
 19] MR. CRYER: Excuse me. If we're in between
 20] exhibits, would this be a convenient time to take a
 21] brief break?
 22] MR. DUFFY: Sure. Absolutely.
 23] (Whereupon, a recess was taken from 9:57
 24] a.m. to 10:13 a.m.)
 25] Q. BY MR. DUFFY: Let me hand you what's been

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1] marked as Deposition Exhibit 4. Now, is that your
 2] signature on Exhibit 4?
 3] A. Yes, it is.
 4] Q. Can you tell me what's going on here in
 5] this document?
 6] A. Well, it was kind of a reiteration. It was
 7] a clarification, just making sure that everything was
 8] transferred properly.
 9] Q. Okay. So --
 10] A. I wanted to also show that it was subject
 11] to the existing mortgage and --
 12] Q. But not subject to your taxes that you
 13] owed?
 14] A. Well, I am not convinced that I owe that.
 15] Q. Well, prior to this date that the quit
 16] claim deed was filed, June 10, 2005, you knew there were
 17] tax liens filed against you?
 18] A. Well, I knew they were filed. But --
 19] Q. You knew that the IRS's position was that
 20] you owe taxes; correct?
 21] A. Their position.
 22] Q. That was prior to June 10, 2005?
 23] A. Right.
 24] Q. You disagreed with their position?
 25] A. Yes, I do.

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1] Q. Now, this document, again, was filed June
 2] 10, 2005. So this is a transfer, alleged transfer of
 3] the real property; correct?
 4] A. Yes.
 5] Q. From you and your husband; correct?
 6] A. Yes.
 7] Q. To the Fox Group Trust?
 8] A. That's right.
 9] Q. At this point in time, did you have any
 10] affiliation with the Fox Group Trust?
 11] A. Well, the Fox Group Trust had already been
 12] created. I -- I guess. I'm not real sure of the date
 13] that it was created.
 14] Q. Who created it?
 15] A. That would be Mr. Nost.
 16] Q. When's the last time you talked to Mr.
 17] Nost?
 18] A. Oh, years ago.
 19] Q. And how did you come to know Mr. Nost?
 20] A. He had a radio show in Tucson, and he
 21] talked about health and nutrition and so forth. And a
 22] friend recommended to call him, that he was creating
 23] trusts.
 24] Q. And was he some type of an estate attorney?
 25] A. No.

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1] Q. Was he an attorney?
 2] A. No.
 3] Q. And on his show, he talked about nutrition?
 4] A. Yes.
 5] Q. And you called him to set up a trust?
 6] A. Uh-huh.
 7] Q. And why was that?
 8] A. A friend recommended it.
 9] Q. Who's the friend?
 10] A. I don't recall.
 11] Q. Did Mr. Nost also talk about trusts on his
 12] radio show?
 13] A. I'd only heard his show a couple of times.
 14] So I don't know.
 15] Q. By the way, do you know if Mr. Nost is in
 16] jail?
 17] A. I have heard that.
 18] Q. What's he in jail for? Do you know?
 19] A. I have no idea. I don't think it's about
 20] trusts, though.
 21] Q. So you met Mr. Nost?
 22] A. I have met him.
 23] Q. How often have you met him?
 24] A. Once or twice.
 25] Q. So your friend said, "Hey, this fellow can

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1] set up trusts"; is that what basically occurred? Did
 2] you say to the friend, "Hey, I'm looking to set up a
 3] trust"?
 4] A. Not -- not in so many words. But I'm -- I
 5] don't really know how it happened.
 6] Q. Who was the friend that you talked to?
 7] A. I don't know who recommended him.
 8] Q. So you don't know if it was your idea or
 9] the friend's idea to set up a trust?
 10] A. Well, it was our idea.
 11] Q. Our meaning you and your husband's idea?
 12] A. Yes.
 13] Q. Do you know if Mr. Nost had views
 14] concerning the Internal Revenue Service?
 15] A. I don't know his views on the Internal
 16] Revenue Service.
 17] Q. So did you call him up and say, "Hey, I
 18] want to come down to Tucson and see if you can set up a
 19] trust for me"? Is that what happened?
 20] A. Pretty much. I don't know exactly how it
 21] happened. But I contacted him.
 22] Q. And you drove down to Tucson?
 23] A. No. We were -- we were in Florida when we
 24] first made the contact.
 25] Q. So you lived in Florida at the time?

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1] A. We were working in Florida.
 2] Q. Working? What were you working and doing
 3] in Florida?
 4] A. Adjusting hurricanes.
 5] Q. Were you involved or just your husband?
 6] A. I was my husband's clerical assistant.
 7] Q. Did you receive compensation for that?
 8] A. Everything he has.
 9] Q. So when he would have a job on the road
 10] being an adjuster, you would go with him?
 11] A. Yes.
 12] Q. And you would help him do the work?
 13] A. Yes.
 14] Q. Did Mr. Nost do this through the mail, or
 15] did you meet in person? Or how did this trust get set
 16] up?
 17] A. It was through the mail.
 18] Q. And what was the discussion about when you
 19] talked to him? Why was the trust set up? What did you
 20] tell Mr. Nost? What did he tell you?
 21] A. Well, Jamie and I were together all the
 22] time on the road and in the office. The only time we
 23] weren't together was when he was out on an inspection.
 24] And we just thought, you know, there could be a time
 25] that one of us would die, but being together, there was

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1] a great chance it would happen to both of us at the same
 2] time. And we were thinking about what was going to
 3] become of any property that we had.
 4] And what happened was, when my grandfather
 5] died and I spent the night with my grandmother on her
 6] first night alone, and she made the statement that --
 7] she said, "Now I'm going to have to pay a hefty tax on
 8] things that I've owned for 50 years."
 9] And I was just in early grad school then,
 10] fresh out of college, and it kind of stuck in my mind.
 11] But my grandfather had created a trust. And when he
 12] died, I remember my father telling the bank repeatedly
 13] not to buy more National Bank of Detroit blue chip
 14] stocks. And he would try to direct them on what they
 15] were supposed to be doing.
 16] And when my father died, the bank started
 17] buying blue chip stocks anyway. And they crashed the
 18] value of the trust.
 19] Q. So it had nothing to do with the taxes that
 20] the IRS said you owed in the State of Arizona?
 21] A. Oh, no, not at all. Because I didn't
 22] believe I owed it.
 23] Q. The State and IRS believed you owed it, but
 24] you disagreed?
 25] A. That's correct.

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1] Q. So the trust had nothing to do, you're
 2] saying, with the amounts the IRS said you owed?
 3] A. That's correct. Had nothing to do with it.
 4] Q. So did Mr. Nost say he's an expert in
 5] drawing up trust agreements?
 6] A. I don't know if he used the word "expert."
 7] Q. What did he say exactly then?
 8] A. Well, he sent me the documents to look over
 9] the main body of what it was, and I thought it looked
 10] pretty good.
 11] Q. Did you suggest any changes?
 12] A. We talked about some of the details.
 13] Q. Now, I'm looking at Exhibit 4 again. What
 14] did the Fox Group Trust transfer to you in return for
 15] the alleged transfer of the real estate to the Fox Group
 16] Trust?
 17] A. Well, if we would maintain the property and
 18] keep current with the property taxes, then we didn't
 19] have to pay rent.
 20] Q. But you already didn't pay rent. So what
 21] did you get? What was the consideration that they gave
 22] to you? I mean, you were already not paying rent before
 23] the transfer; right?
 24] A. Well, it was for them to hold the property
 25] for the benefit of our nephew.

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1] Q. So the Fox Group Trust gave you and your
2] husband nothing in return for the transfer of the house?
3] They gave you no money?
4] A. Well, they gave us assurance that if
5] something happened to one of us, they'd take care of it,
6] and if something happened to both of us, they'd transfer
7] it, you know, make sure that our nephew knew about it.
8] And if one or both of us were incapacitated, they'd be
9] there to step in. That's quite a lot of compensation,
10] whatever.
11] Q. But they gave you no compensation in terms
12] of dollars in return for the transfer of the property?
13] A. Well, there's a lot more things valuable
14] than money.
15] Q. They gave you no money, though, in the
16] transfer; correct?
17] A. No.
18] Q. When you say "they," who's "they"?
19] A. They, Terry and Sylvia.
20] Q. Terry just got involved in 2011?
21] A. Well, yeah, they -- originally, "they" --
22] excuse me. Originally, "they" was Chuck Baird and David
23] Pastorkey.
24] Q. Did you ever meet with them?
25] A. Yes.

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1] Q. And Mr. Baird lives where?
2] A. Well, he's passed away now. But he did
3] live in Lincoln, Nebraska, area.
4] Q. Did you travel up there to meet with him?
5] A. No. But he came here, and I met with him.
6] Q. Was he a member of the OCIAA?
7] A. No.
8] Q. How about Mr. Pastorkey?
9] A. He was in an Avatar Group that we went to.
10] Q. And how did he become a trustee? Was it
11] because he was in that group?
12] A. Because he was trustworthy. We liked him
13] and got to know him. And he agreed.
14] Q. Okay. Let's go to Exhibit 5. Now, Exhibit
15] 5 is a document that Mr. Nost prepared?
16] A. Yes, it is.
17] Q. And what's his first name?
18] A. I think it's Aage. It's Norwegian.
19] Q. A-G-E?
20] A. A-A-G-E.
21] Q. A-A-G-E; is that what it is?
22] A. Yes.
23] Q. Now, who was the beneficiary of this trust
24] at the point in time where Exhibit 5 was signed?
25] A. It was our nephew.

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1] Q. Why isn't his name in this document?
2] A. Because the paperwork is incomplete.
3] Didn't have a boilerplate paragraph that had it. So it
4] got missed.
5] Q. And this is done for estate planning
6] purposes?
7] A. Right.
8] Q. Is there any reference to estate planning
9] in this document?
10] A. Well, I don't know if that was a popular
11] term at that time in history. But that was the idea.
12] Q. What's this address of 4448 East Main
13] Street? Have you ever been to that building?
14] A. Yes.
15] Q. Whose office is that?
16] A. It's a mail -- it's a PostNet.
17] Q. It's place with a lot of post office boxes?
18] A. Yeah. PostNet.
19] Q. And who set that up?
20] A. I did.
21] Q. So you set up the post office box for the
22] Fox Group Trust?
23] A. Yes.
24] Q. Who authorized you to do that?
25] A. The trustees.

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1] Q. Where did they authorize you to do that?
2] A. Well, this is not the entire notebook.
3] This is only the part that the public gets to see. It's
4] a private.
5] Q. So you would call up the trustee and say,
6] "Hey, can I open a post office box"?
7] A. Well, or they would suggest, you know,
8] since you're out of town a lot, you might" -- "and we're
9] a separate entity from what you are, it might be good to
10] have a post office box." So we did that.
11] Q. And you were administrative trustees of the
12] trust?
13] A. Right.
14] Q. What did you understand an administrative
15] trustee to be of the Fox Group Trust?
16] A. Well, it would be somebody that could
17] handle the daily affairs, keep the place up, sweep, mow,
18] paint when it needed it. You know, if something was
19] broken, we had the authority to go ahead and fix it
20] without going to them and writing a big letter about it
21] or something.
22] Q. And there was no restrictions on what the
23] Fox Group Trust can now do with the property?
24] A. No.
25] Q. They could evict you from the property?

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1] A. They could.
 2] Q. Under what conditions?
 3] A. Well, if we fell behind on the mortgage
 4] payment, which included the property tax, if it ever
 5] went into foreclosure, then that would adversely affect
 6] them, and they would need to get rid of us and find
 7] someone else who could pay.
 8] Q. Are you still in contact with Mr.
 9] Pastorkey?
 10] A. Yes.
 11] Q. How often do you speak to him?
 12] A. Very often. He's quite a dear friend.
 13] Q. And is he with the Scottsdale Symphony?
 14] A. Not anymore.
 15] Q. So both you and your husband are
 16] administrative trustees for the Fox Group Trust?
 17] A. That's correct.
 18] Q. You're also an exchanger. What's an
 19] exchanger?
 20] A. Well, it was just a formality in the
 21] paperwork. They had a grantor and a protector and an
 22] exchanger. I don't know what all the titles are. I
 23] left it up to the people who knew what they were doing
 24] on that.
 25] Q. Now, do you recall signing Exhibit 4 (sic)?

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1] A. Yes.
 2] Q. And is that date correct?
 3] A. Yes.
 4] Q. You signed on what? September 21, 2004?
 5] A. Yes, it was.
 6] Q. You've never backdated a document, have
 7] you?
 8] A. No.
 9] Q. Now, the next page, it says Affidavit of
 10] Truth.
 11] MR. VENTRELLA: Just one clarification. You were
 12] referring to Exhibit 5; correct? You said 4.
 13] MR. DUFFY: I'm sorry. Exhibit 5. I am
 14] referring to Exhibit 5.
 15] Q. BY MR. DUFFY: Now, the Affidavit of Truth
 16] attached to Exhibit 5, was that page somehow added onto
 17] Exhibit 5 at some point?
 18] A. It is. Because, as you notice, the notary
 19] was never completed. And we thought it would be a good
 20] idea to complete that since it was called for. So we
 21] did it and said we're having it notarized today, but it
 22] was our intention to do it that day.
 23] Q. Do you know Ellen K. Smith?
 24] A. Yes.
 25] Q. Are you still in touch with her?

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1] A. No. She moved away.
 2] Q. Did she lose her license to be a notary?
 3] A. I heard she did, but I don't know why.
 4] Q. And is that date accurate, May 6, 2005, or
 5] was that a backdated?
 6] A. No. It was at her little awning shop on
 7] Main Street in Mesa.
 8] Right?
 9] Q. Now, did Mr. Pastorkey and Mr. Baird
 10] receive compensation for being trustees?
 11] A. No, they didn't.
 12] Q. How about Mr. Nost?
 13] A. No.
 14] Q. They never received any moneys from you?
 15] A. No.
 16] Q. And you never talked about the IRS with any
 17] of those three people?
 18] A. Not in their capacity as trustees.
 19] Q. How about in another capacity? Were they
 20] in some type of group with you?
 21] A. No.
 22] Q. What were their views about the IRS
 23] generally?
 24] A. Well, I guess you'd have to ask them.
 25] Q. Let's go on to Exhibit 6. There's a

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1] reference to Charles J. Frentheway, F-R-E-N-T-H-E-W-A-Y?
 2] MR. READING: We don't have 6.
 3] THE WITNESS: Is that in that same one?
 4] Q. BY MR. DUFFY: Referring to Exhibit 6.
 5] A. Yes. Uh-huh.
 6] Q. Did you ever meet Mr. Frentheway?
 7] A. Yes, I did.
 8] Q. Was he part of these groups that you met
 9] with?
 10] A. He was an emergency doctor, surgeon, in the
 11] trauma center in Globe.
 12] Q. What is Exhibit 6?
 13] A. Well, let me see here. This was, looks
 14] like, May 16, 2005. No. This is -- I can't read that
 15] date. Yeah. May 16, 2005. Chuck Baird was a diabetic,
 16] and he had had three heart attacks. And I didn't think
 17] that the horizon looked too good for Chuck being there
 18] as a trustee much longer.
 19] And David Pastorkey had had a bad turn of
 20] events and wound up being homeless. All of his teeth
 21] fell out from a health problem. And it was very
 22] difficult for him to get a job because he wasn't
 23] presentable. And he's still homeless.
 24] And so to -- for the continuity of being
 25] able to pass this property along to our nephew, I met

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11 Chuck Frentheway and told him I was having a little bit
21 of a problem with this. And he said, "Well, I would
31 love to help." So we arranged for him to be appointed
41 as a third trustee.
51 And then shortly thereafter, he went onto
61 his break and laid down on a cot in the break room, and
71 they went to wake him up for his shift, and he was gone.
81 So even though he was the healthiest man of the three,
91 he was the first one to go.
101 Q. Is there any reference to your nephew in
111 this document?
121 A. Not in this document.
131 Q. Is there any reference to estate planning?
141 A. Not in those many words, but the idea was
151 put across.
161 Q. And is that your signature on the document
171 there?
181 A. Yes.
191 Q. You're listed as an administrative trustee?
201 A. Well, it's just a title.
211 Q. Why don't we go to Exhibit 7. Now, what is
221 Exhibit 7?
231 A. Well, this is when Chuck was very ill.
241 David was homeless. Chuck Frentheway was already gone.
251 And we decided that it would be a good idea to turn this

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11 over to other trustees. And so David and Chuck wrote
21 letters of resignation and appointing Sylvia Boutilier
31 and Terry Major to be trustees in their stead.
41 Q. So you called Mr. Baird and Mr. Pastorkey,
51 and you said, "Hey, let's change trustees"? Is that
61 what you said basically? Was it your decision?
71 A. Well, it was theirs, too. They realized
81 they did not have the capacity to continue.
91 Q. So you called them up and said, "Hey,
101 listen, we'd like to change trustees"?
111 A. Well, it wasn't like that. It was a
121 discussion of what do you think we could do about it.
131 The recommendation was that David and Chuck should
141 resign and didn't want to stop the continuity in the
151 transition. So they appointed the new trustees.
161 Q. Now, Terry Major, you met Terry? You're
171 friends of Terry?
181 A. Yes.
191 Q. And you're part of the Legal Research
201 Society?
211 A. That's correct.
221 Q. And Terry, does he run those meetings?
231 A. He's kind of a moderator.
241 Q. And part of the meetings, it's about the
251 IRS and, you know, cases concerning the IRS and things

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11 like that?
21 A. If someone has a case they want to discuss,
31 they bring it. But we've had credit card and
41 foreclosure matters lately.
51 Q. Did Terry talk about his tax court case at
61 one of the meetings?
71 A. No, not that I recall.
81 Q. You don't recall he had a tax court case?
91 A. I do. I've read it.
101 Q. What do you think about it? Do you
111 disagree with the tax court?
121 A. Well, I have no opinions of Terry's case.
131 But everybody operating on what they think is the best
141 information they have at the time.
151 Q. Mike Macek. Have you ever met Mike Macek?
161 A. I may have, but I wouldn't recognize if he
171 -- I saw him. He may have been at a meeting that I
181 attended. But I -- I've heard his name before, but I
191 wouldn't recognize him.
201 Q. How about Elmer Vild, V-I-L-D. Have you
211 ever met him?
221 A. As Phil O'Neil.
231 Q. So you know Mr. Vild, also known as Phillip
241 O'Neil?
251 A. I didn't hear that name of him till

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11 yesterday.
21 Q. So you know Phil O'Neil?
31 A. I've met him.
41 Q. In what context?
51 A. The day that we met all these guys to do
61 the signing on the transfer of the trustees.
71 Q. You're talking about Exhibit 7?
81 A. Yes.
91 Q. And is he involved, too, with the Fox Group
101 Trust?
111 A. Not really, uh-uh.
121 Q. Now, did you understand what are the
131 restrictions on the trust? Was there any restrictions
141 on what the Fox Group Trust can do with the property?
151 A. It's theirs. They can do whatever they
161 want.
171 Q. So they don't have to give it to your
181 nephew?
191 A. Well, that's the thing about trusts. You
201 find someone that you trust. And we believe they will.
211 But if we are incapacitated or die, they could not do
221 it, I suppose. We trust that they will. That's why
231 they're trustees.
241 Q. Where does it say in any of these
251 documents, 5, 6, and 7, that they're required to give it

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1] to your nephew?
 2] A. It's in an addendum that is somewhere and
 3] not included in these papers. Like I said, the original
 4] body didn't have a boiler plate paragraph for that, it
 5] got missed.
 6] MR. DUFFY: I assume that's going to be produced
 7] to the government.
 8] MR. CRYER: If you wish a supplement with that,
 9] if you want to make a request for it --
 10] MR. DUFFY: Well, I'm sure we've requested it
 11] already, but, yeah, I'd like to see that.
 12] MR. CRYER: You requested documents creating the
 13] trust. But if you want trust --
 14] MR. DUFFY: I can go through my notes.
 15] MR. CRYER: I'll be happy to provide that for
 16] you.
 17] MR. DUFFY: Yeah, I appreciate it.
 18] MR. CRYER: As soon as it's located.
 19] Q. BY MR. DUFFY: Let's go to tab 29.
 20] (Whereupon, the Reporter marked Deposition
 21] Exhibit 16.)
 22] Q. BY MR. DUFFY: Exhibit 16 looks like
 23] mortgage payments that you and your husband make on the
 24] real property.
 25] A. Midland Mortgage, yes.

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1] Q. And the payments are made through money
 2] orders?
 3] A. I prefer money orders.
 4] Q. Do you have a checking account?
 5] A. I do, but I've never used it.
 6] Q. So it seems like a lot of these payments
 7] are in two payments, \$500, and then there's an
 8] additional amount like \$197. Is there a reason why it's
 9] in two different money orders as opposed to one?
 10] A. When you get money orders, there's a stupid
 11] rule that is 500 is the top amount that you can get. So
 12] if you have a payment that's over that, you have to get
 13] two.
 14] Q. So it looks like you're the one. Clare
 15] Reading, you're the one that always goes and gets the
 16] money order?
 17] A. I'm the secretary. I'm that one, yeah.
 18] Q. And what do you purchase the money order
 19] with?
 20] A. With cash.
 21] Q. So you carry, like, \$700 of cash to
 22] wherever, the Albertson's, Safeway, Basha's? Is that
 23] what you do?
 24] A. Yeah.
 25] Q. Where do you get the cash from?

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1] A. Well, over time, I save it, and when the
 2] bill is due, I go get the money order and pay it.
 3] Q. Where do you save it from? Is it from Mr.
 4] Reading's compensation?
 5] A. I haven't had a job since 1992.
 6] Q. So all the cash comes from his
 7] compensation?
 8] A. That's correct.
 9] Q. Do you have other sources of income other
 10] than his compensation?
 11] A. No. Not really. Wish I did.
 12] Q. So all the utilities are paid out of Mr.
 13] Reading's compensation?
 14] A. Yes.
 15] Q. All the utilities on the real property?
 16] A. Yes.
 17] Q. So that's how it works? You take the cash
 18] down there, and you buy money orders, and that's how you
 19] pay the mortgage?
 20] A. I'm one of those old-fashioned people with
 21] envelopes, like the mothers would do it in the old days.
 22] It works for me.
 23] Q. You must have a lot of cash at the house
 24] then.
 25] A. Well, not really. Because bills are due

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1] all the time.
 2] Q. And Mr. Reading's still working?
 3] A. When he can find jobs to do.
 4] Q. But he doesn't get paid in cash, does he?
 5] A. I don't think so.
 6] Q. Now, all these money orders in Exhibit 16,
 7] I mean, these are true and correct copies of money
 8] orders that you've obtained to pay the mortgage;
 9] correct?
 10] A. Yeah. Wherever I happen to be going to the
 11] grocery, it works out.
 12] Q. And do you then mail these money orders to
 13] the mortgage company?
 14] A. Well, sometimes I do. Sometimes I drop
 15] them off if there's a place close to do it, and I don't
 16] have to mail it. Sometimes I'm too late to mail it.
 17] Q. Does Midland Mortgage have a local branch?
 18] A. I don't think so.
 19] Q. So where do you drop it off?
 20] A. Well, there's a kiosk I discovered for SRP
 21] at the grocery. So I don't even have to get a money
 22] order for them. Just go to the machine.
 23] Q. What's SRP?
 24] A. Salt River Project.
 25] Q. How does that relate to your mortgage?

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1] A. Well, it doesn't. I'm just saying mortgage
2] isn't local.
3] Q. So you always mail your mortgage?
4] A. I always mail it.
5] Q. But your utilities, do you sometimes pay
6] those in cash?
7] A. I have.
8] Q. And you go to the utilities, and you bring
9] cash, and you pay them?
10] A. Right.
11] Q. And that cash comes from your husband's
12] compensation?
13] A. Yes, it does.
14] Q. How about the real estate taxes on the real
15] property?
16] A. Those are included in the mortgage payment.
17] Q. So anything relating to the real property,
18] you pay in cash; is that right?
19] A. Or money order.
20] Q. What other expenses other than insurance,
21] utilities, mortgage? What other expenses are there?
22] A. For the real estate? Well, upkeep.
23] Q. You always pay in cash?
24] A. I -- I prefer cash.
25] Q. But upkeep, what kind of upkeep do you

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1] have?
2] A. Well, you have to buy gas and oil for the
3] lawn mower and stuff like that sometimes.
4] Q. But the Fox Group Trust is not paying any
5] of this?
6] A. No, they don't. They leave it to us to
7] maintain the property. They don't leave it to us. They
8] instructed us.
9] Q. Are those oral instructions, or is it
10] written instructions?
11] A. It's in the trust documents that we're the
12] administrative trustees, and we take care of the
13] property.
14] Q. Show me where that is in Exhibits 5, 6, and
15] 7 so I know.
16] A. Okay. On page 2 of 9 in Exhibit 5.
17] Q. Okay.
18] A. That paragraph 2, Administrative Trustees/
19] Exchangers. That paragraph describes what we're
20] supposed to do.
21] Q. So "The Administrative Trustee is hired by
22] Private Contract to execute all needful work...." So
23] you've actually been hired?
24] A. Not hired.
25] Q. So that's not correct?

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1] A. No. We have not been hired.
2] Q. And who determines what the needful work
3] is?
4] A. Well, if Jamie and I see that something
5] needs to be done, we can do it. But if Terry stops by
6] and notices that something needs fixing, he could notice
7] it as well.
8] Q. Have you ever paid any amounts to the
9] Internal Revenue Service, say, since 1993 other than the
10] seizure of your truck?
11] A. No.
12] Q. How about the State of Arizona?
13] A. No.
14] Q. And how much did the seizure of your truck
15] bring? Do you recall?
16] A. To them?
17] Q. To the IRS.
18] A. What was it? About a \$35,000 truck, and I
19] think they got 12,000 for it.
20] Q. How often do you meet with the trustees?
21] A. Oh, every couple of months or so.
22] Q. Let's go to Exhibit 8. What is that
23] document?
24] A. Well, I thought it was a land patent. And
25] I thought it would be a document that would add further

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1] protections to the property. But I could be wrong.
2] Q. You decided to file that document?
3] A. I did.
4] Q. Did you talk to anybody about it?
5] A. Well, I talked to a fellow, and I read a
6] Supreme Court case that looked pretty interesting about
7] it.
8] Q. You don't know what fellow you talked to?
9] A. I have not been able to contact him.
10] Q. Who is he?
11] A. I can't even think of his name.
12] Q. So you wanted to make sure that the
13] property got a homestead exemption? Is that what you
14] were doing here?
15] A. Well, I wanted to make sure it had all the
16] protections that could possibly be afforded to it.
17] Q. So you were acting on behalf of the Fox
18] Group Trust?
19] A. No.
20] Q. Up here it says at the top of Exhibit 8,
21] "When recorded mail to: Fox Group Trust." So you're
22] saying you were not acting on --
23] A. Well, I was not acting on their behalf. I
24] was an administrative trustee. I wasn't trying to take
25] the place of --

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11 Q. So you were just carrying out your duties
12 as administrative trustee as you saw them?
13 A. Yes.
14 MR. DUFFY: Let's go to tab 34. What number are
15 we on, Doreen?
16 THE REPORTER: It will be Number 17.
17 (Whereupon, the Reporter marked Deposition
18 Exhibit 17.)
19 Q. BY MR. DUFFY: Is that your signature on
20 this document?
21 A. Yes.
22 Q. Is this another instance where you were
23 acting on behalf of the Fox Group Trust?
24 A. It's the same as the other one.
25 Q. It's the same document?
26 A. Uh-huh.
27 MR. DUFFY: Let's go to tab 10. I guess that's
28 in binder 1.
29 (Whereupon, the Reporter marked Deposition
30 Exhibit 18.)
31 Q. BY MR. DUFFY: What is Deposition Exhibit
32 18?
33 A. Well, it's the same thing we've already
34 discussed, only for 1998.
35 Q. And that's a true and correct copy of your

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1 1998 return that you filed with the IRS?
2 A. Yes.
3 Q. You want to look through all the pages to
4 make sure that that's a true and accurate copy, or are
5 you just going to say that it is?
6 A. Well, I presume it is.
7 Q. And that's your signature on the document?
8 A. Yes, it is.
9 MR. DUFFY: Let's move on to tab 11. Mark that
10 as Deposition Exhibit 19.
11 (Whereupon, the Reporter marked Deposition
12 Exhibit 19.)
13 Q. BY MR. DUFFY: And is Exhibit 19 the
14 federal income tax return that you and your husband
15 filed for 1999?
16 A. Yes, it is.
17 Q. Actually, it's a return that you filed;
18 correct?
19 A. Right. Yes.
20 Q. That's your signature on that document?
21 A. Yes.
22 MR. DUFFY: Why don't we go to tab 12, binder 2.
23 Mark that as Deposition Exhibit 20.
24 (Whereupon, the Reporter marked Deposition
25 Exhibit 20.)

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11 Q. BY MR. DUFFY: Is Exhibit 20 a true and
12 correct copy of the 2000 federal income tax return that
13 you filed with the Internal Revenue Service?
14 A. Yes, it is.
15 MR. DUFFY: Let's go to tab 13. Mark that as
16 Deposition Exhibit 21.
17 (Whereupon, the Reporter marked Deposition
18 Exhibit 21.)
19 Q. BY MR. DUFFY: Is that a true and correct
20 copy of the 2001 federal income tax return that you
21 filed with the Internal Revenue Service?
22 A. Yes.
23 MR. DUFFY: Let's go to tab 14. Mark that as
24 Deposition Exhibit 22.
25 (Whereupon, the Reporter marked Deposition
26 Exhibit 22.)
27 Q. BY MR. DUFFY: Is that a true and correct
28 copy of the 2002 federal income tax return that you
29 filed with the Internal Revenue Service?
30 A. Yes.
31 MR. DUFFY: Let's go to tab 15 and mark that as
32 Deposition Exhibit 23.
33 (Whereupon, the Reporter marked Deposition
34 Exhibit 23.)
35 Q. BY MR. DUFFY: Is that a true and correct

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1 copy of the 2003 federal income tax return that you
2 filed with the Internal Revenue Service?
3 A. Yes, it is.
4 MR. DUFFY: Let's go to tab 16. Mark that as
5 Deposition Exhibit 24.
6 (Whereupon, the Reporter marked Deposition
7 Exhibit 24.)
8 Q. BY MR. DUFFY: Is that a true and correct
9 copy of the 2004 federal income tax return that you
10 filed with the Internal Revenue Service?
11 A. Yes, it is.
12 MR. DUFFY: Go to tab 17. It's in book 3. Let's
13 mark that as Deposition Exhibit 25.
14 (Whereupon, the Reporter marked Deposition
15 Exhibit 25.)
16 Q. BY MR. DUFFY: Is Deposition Exhibit 25 a
17 true and correct copy of the 2005 federal income tax
18 return that you filed with the Internal Revenue Service?
19 A. Yes, it is.
20 MR. DUFFY: Okay. Let's go to tab 18. Mark that
21 as Deposition Exhibit 26.
22 (Whereupon, the Reporter marked Deposition
23 Exhibit 26.)
24 Q. BY MR. DUFFY: Is Deposition Exhibit 26 a
25 true and correct copy of the 2006 federal income tax

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1] return that you filed with the Internal Revenue Service?
 2] A. Yes, it is.
 3] MR. DUFFY: Let's go to tab 28.
 4] MR. VENTRELLA: What book is that?
 5] MR. DUFFY: Binder 5.
 6] Q. BY MR. DUFFY: Let's mark tab 28 as
 7] Deposition Exhibit 27.
 8] (Whereupon, the Reporter marked Deposition
 9] Exhibit 27.)
 10] Q. BY MR. DUFFY: Why were you filing separate
 11] income tax returns?
 12] A. Because the IRS was coming after us
 13] separately.
 14] Q. Why did you then in 2008 -- I'm looking at
 15] Deposition Exhibit 27 -- file a joint tax return?
 16] A. Because we should have been as a couple all
 17] along.
 18] Q. So is Deposition Exhibit 27 a true and
 19] correct copy of a 2008 income tax return that you filed
 20] with the Internal Revenue Service?
 21] A. Yes, it is.
 22] Q. And there's a 1099 attached to that
 23] document. Did you prepare that?
 24] A. Yes.
 25] Q. Looks like the payor is Colonial Claims

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1] Corporation.
 2] A. Yes.
 3] Q. Have you ever heard of Colonial Claims?
 4] A. Yes.
 5] Q. Did Mr. Reading do work for Colonial
 6] Claims?
 7] A. Yes.
 8] Q. And did Mr. Reading receive compensation
 9] from Colonial Claims?
 10] A. Yes.
 11] Q. But you deemed that not taxable?
 12] A. Yes.
 13] Q. And that's why you put 0 in box 7?
 14] A. That's correct.
 15] Q. Do you know how much compensation he
 16] received from Colonial Claims?
 17] A. Can't recall.
 18] MR. VENTRELLA: I've got to take a break. Can we
 19] go off?
 20] MR. CRYER: You need a --
 21] MR. VENTRELLA: I need a break.
 22] MR. CRYER: We need to take a brief break.
 23] MR. DUFFY: How much do you need? Let's go off
 24] the record.
 25] (Whereupon, a recess was taken from 11:03

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1] a.m. to 11:17 a.m.)
 2] Q. BY MR. DUFFY: By the way, how do you pay
 3] Chase? Is that the same? Is it cash? Or how do you
 4] pay on the equity loan.
 5] A. Sometimes I mail it in. But mostly I stop
 6] by, just go to the bank.
 7] Q. Go to what bank?
 8] A. Chase Bank.
 9] Q. And you pay them in cash?
 10] A. Uh-huh. Yes. I'm sorry.
 11] Q. Okay. And when you mail something to
 12] Chase, is it a money order?
 13] A. Yes.
 14] Q. Money order purchased with cash?
 15] A. Yes.
 16] Q. Maybe your counsel can help you out here.
 17] I'm going to look at Deposition Exhibit Request For
 18] Production that we marked yesterday as Exhibit 1. And
 19] your attorney produced documents. And perhaps he could
 20] see what paragraphs the documents are. Let's look at
 21] Exhibit 1. Exhibit 1, page 4, the production request to
 22] Mr. and Mrs. Reading. My understanding is that no
 23] documents were produced pursuant to paragraphs A through
 24] D.
 25] MR. CRYER: Let me make a correction on that.

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1] Because that was, I think, the way the e-mail did read.
 2] D is a reference to the contracts produced pursuant to
 3] the request of Fox Group. It's just that we didn't
 4] duplicate that.
 5] MR. DUFFY: But no documents have been produced
 6] pursuant to paragraphs A, B, and C?
 7] MR. CRYER: A, B, and C -- oh, C would be all the
 8] all the -- all of the documents in the way of receipts
 9] that were provided you would have been for C. There
 10] were no documents for A. There were no documents for B.
 11] Documents for A was the formation of the
 12] trust, the trust instrument itself, which had been
 13] produced previously.
 14] Q. You just said --
 15] A. B, there are no documents.
 16] C, the documents consist of the array of
 17] receipts, the mortgage company, utilities, and others.
 18] D, a reference to documents already
 19] produced on the same request made of Fox Group Trust.
 20] E, the trust instrument, which had already
 21] been previously produced.
 22] F, the documents relating to the trustees
 23] and the resignation of those trustees and designation of
 24] successor trustees produced by Fox Group previously.
 25] But as far as additional documents, you

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1] know, that were not produced by Fox Group Trust pursuant
2] to an almost identical request would be C, and that
3] would be the receipts. There were quite a few of them.
4] We gave you a hard copy. If you didn't get -- I know
5] that you got those digitally. But we --
6] MR. DUFFY: Why don't we mark -- what are we on,
7] Doreen?
8] THE REPORTER: Next one is 28.
9] MR. DUFFY: I think I gave you a copy of this
10] already.
11] MR. CRYER: Thank you.
12] (Whereupon, the Reporter marked Deposition
13] Exhibit 28.)
14] Q. BY MR. DUFFY: And basically, Exhibit 28, I
15] guess, in 2008 and before, the mortgage company was GMAC
16] Mortgage?
17] A. That's GMAC. General Motors Acceptance
18] Corporation.
19] Q. So GMAC assigned the mortgage to Midland?
20] Is that what happened?
21] A. When the bailout happened.
22] Q. You paid GMAC mortgage the same way you
23] paid Midland?
24] A. That's correct.
25] Q. With mail -- what do you call those? Mail?

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1] A. Money orders.
2] Q. Money orders. And you paid cash for the
3] money orders?
4] A. Yes.
5] MR. DUFFY: All right. Let's just mark these all
6] together, 29.
7] (Whereupon, the Reporter marked Deposition
8] Exhibit 29.)
9] Q. BY MR. DUFFY: Now, Exhibit 29, it looks
10] like you and your husband pay all the utilities. Some
11] of this looks like receipts from the City of Mesa. What
12] is that for?
13] A. The water, waste water, solid waste from
14] the City of Mesa.
15] Q. You pay that in cash?
16] A. Yes. Sometimes money order.
17] Q. And Cox Communication, that's your cable
18] bill?
19] A. Yes.
20] Q. You pay that in cash?
21] A. Yes.
22] Q. And SRP, what is that?
23] A. Salt river project for the electricity.
24] Q. And you pay that in cash also?
25] A. Yes.

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1] Q. Now, again, the Fox Group Trust doesn't pay
2] any of the utilities; correct?
3] A. Correct.
4] Q. They pay none of the mortgage; correct?
5] A. It's not their responsibility.
6] Q. Is that a no?
7] A. They do not pay.
8] Q. And they also do not pay any of the amounts
9] to Chase; correct?
10] A. Correct.
11] MR. DUFFY: All right. That's all.
12] MR. VENTRELLA: You'll have to bear with me.
13]
14] EXAMINATION
15] BY MR. VENTRELLA:
16] Q. The individual Austin Reading, he's related
17] to your husband?
18] A. Yes.
19] Q. He's your nephew; is that correct?
20] A. Yes.
21] Q. How old is he?
22] A. Oh, in his early thirties.
23] Q. Where does he live?
24] A. In Hollywood area, California.
25] Q. Are you in touch with him regularly?

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1] A. No.
2] Q. When was the last time you were in touch
3] with him?
4] A. Oh, around Thanksgiving.
5] Q. Do you ever discuss what you term his
6] beneficial interest in the property with him?
7] A. Yes. We let him know that we wanted to
8] transfer our estate to him.
9] Q. When did you let him know that?
10] A. Oh, boy. Years ago. Right around the time
11] that we were getting the trust formed.
12] Q. Has he ever had a specific property
13] interest in the property that's the subject of this
14] lawsuit on 2425 Fox?
15] A. No.
16] Q. How much is actually owed on the house,
17] mortgage itself, currently?
18] A. Oh, I would say -- my guess is
19] approximately 24,000.
20] Q. Hasn't had any appraisals recently?
21] A. No.
22] Q. And you don't know what the value is; is
23] that correct?
24] A. That's correct.
25] Q. You don't know what the taxable valuation

<p style="text-align: right;">Page 85</p> <p>1] is?</p> <p>2] A. No.</p> <p>3] Q. You also said you took out a home equity</p> <p>4] loan from Chase?</p> <p>5] A. We did. It was originally another bank</p> <p>6] that got switched to Chase.</p> <p>7] Q. What was the original bank?</p> <p>8] A. Valley or something.</p> <p>9] Q. Valley National?</p> <p>10] A. I don't remember.</p> <p>11] Q. Valley National?</p> <p>12] A. Whatever it was before Chase is what it</p> <p>13] was.</p> <p>14] Q. And do you have any idea when you took that</p> <p>15] out?</p> <p>16] A. Well, it was before the -- before the lien</p> <p>17] started. It must have been, or they wouldn't have done</p> <p>18] it. They wouldn't have allowed it. So it had to be in</p> <p>19] the '90's or before.</p> <p>20] Q. But you haven't taken out any home equity</p> <p>21] loans since the 2000?</p> <p>22] A. Well, the IRS has pretty well fixed it so</p> <p>23] we can't.</p> <p>24] Q. So your answer to that is?</p> <p>25] A. No.</p>	<p style="text-align: right;">Page 87</p> <p>1] A. He probably would know.</p> <p>2] Q. When you did the transfer to the Fox Group</p> <p>3] Trust on June 10, 2005, you were aware that the State of</p> <p>4] Arizona felt you and your husband owed them taxes; is</p> <p>5] that correct?</p> <p>6] A. That's what they felt.</p> <p>7] Q. Okay. You are aware that that was their</p> <p>8] position; correct?</p> <p>9] A. That was their position.</p> <p>10] Q. And you were aware that there were liens;</p> <p>11] is that correct?</p> <p>12] A. There were.</p> <p>13] Q. And those are filed with the Recorder's</p> <p>14] Office in Maricopa County?</p> <p>15] A. Yes.</p> <p>16] Q. And when you transferred this, did you</p> <p>17] transfer this with the intent for this property not to</p> <p>18] be subject to the liens any longer?</p> <p>19] A. No. We transferred it with the intent that</p> <p>20] it would be inherited by our nephew.</p> <p>21] Q. Subject to the liens?</p> <p>22] A. Well, they would say yes. I would say no.</p> <p>23] Q. So your intent in doing that was so that it</p> <p>24] not be subject to the liens?</p> <p>25] A. No. I don't recognize the liens. I don't</p>
<p style="text-align: right;">Page 86</p> <p>1] Q. When was the last time you filed a return</p> <p>2] in the State of Arizona for taxes, you or your husband?</p> <p>3] A. Regarding the year 1987, I believe.</p> <p>4] Q. And your husband is still receiving</p> <p>5] compensation; is that correct?</p> <p>6] A. That's correct.</p> <p>7] Q. And I assume the payments are being sent to</p> <p>8] you in Arizona?</p> <p>9] A. Yes.</p> <p>10] Q. Is he still working, or are these residuals</p> <p>11] he's receiving?</p> <p>12] A. He's working.</p> <p>13] Q. What company is he working for?</p> <p>14] A. I don't know the names of the companies,</p> <p>15] but he has various positions when he can find it.</p> <p>16] Q. Is he considered to be an independent</p> <p>17] contractor, or is he actually employed by them?</p> <p>18] A. He's not an employee.</p> <p>19] Q. So he's receiving 1099's?</p> <p>20] A. Yes.</p> <p>21] Q. So he works for more than one company?</p> <p>22] A. I think there are a couple.</p> <p>23] Q. Do you know the names of those?</p> <p>24] A. No, I don't.</p> <p>25] Q. He would though, I assume; correct?</p>	<p style="text-align: right;">Page 88</p> <p>1] think they're true. So that's our dispute. But the</p> <p>2] transfer of the property to our nephew has nothing to do</p> <p>3] with that.</p> <p>4] Q. So it was not intended to avoid the liens;</p> <p>5] is that correct?</p> <p>6] A. No, it's not. And as you see, the liens</p> <p>7] are still there, so even if it had been our intent, it</p> <p>8] didn't work. But that was not our intent.</p> <p>9] Q. So you would agree that they're still</p> <p>10] attached to the property; correct?</p> <p>11] A. I agree.</p> <p>12] Q. And I'm specifically referring to the State</p> <p>13] of Arizona tax liens against you and your husband.</p> <p>14] A. Right.</p> <p>15] Q. And would that include the judgment in</p> <p>16] 2008?</p> <p>17] A. That includes the judgment, which I also</p> <p>18] disagree with.</p> <p>19] Q. I understand. And you appealed that to the</p> <p>20] Court of Appeals and lost.</p> <p>21] A. That's true. That's true.</p> <p>22] Q. And you agree that that still attaches to</p> <p>23] the property; is that correct?</p> <p>24] A. That's what they say.</p> <p>25] Q. So your position is that it does not attach</p>

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1] to the property?
 2] A. My position is I do not believe it was a
 3] valid lien or a valid judgment.
 4] Q. So it does not attach to the property?
 5] A. In my opinion.
 6] Q. But legally, you agree that it does attach;
 7] correct?
 8] A. Yes.
 9] Q. When you transferred this to Fox Group
 10] Trust, did you make the trustees aware of the liens that
 11] were then in existence?
 12] A. Yes.
 13] Q. And when the Fox Group Trust was created,
 14] the actual trust, trust document, that was a private
 15] document; is that correct?
 16] A. That's correct.
 17] Q. And was not intended to be published to the
 18] world; is that correct?
 19] A. That's correct. It was a private
 20] agreement.
 21] Q. And, in fact, it sort of threatens on the
 22] front prosecution if it is, in fact, produced to the
 23] world; correct?
 24] A. That's what it says.
 25] Q. Now, if you need to see Exhibit 6 again --

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1] I'm sorry. Exhibit 6 specifically lays out your duties;
 2] is that correct?
 3] A. That's correct.
 4] Q. And, actually, it lays out the duties of
 5] you and Mr. Reading; is that correct?
 6] A. Yes, it is.
 7] Q. And if you did not do any of these duties,
 8] would that mean that you could be evicted by the
 9] trustees?
 10] A. If we refused to do them or neglected it to
 11] the point of damaging the property, we would be evicted.
 12] Q. And that includes in paragraph D for both
 13] of you to pay lawfully due taxes; is that correct?
 14] A. Yes. "If any," it says.
 15] Q. Well --
 16] A. Yes.
 17] Q. But if they were lawfully due taxes --
 18] A. If they were.
 19] Q. -- your duty would be to pay those taxes to
 20] protect the beneficiary's interests; is that correct?
 21] A. That's correct.
 22] Q. Now, at the time this was executed, you had
 23] not named a beneficiary to the trust; is that correct?
 24] A. As I stated before, there was no
 25] boilerplate paragraph for that in the body of the

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1] original document, and it got missed.
 2] Q. So was it basically a boilerplate document,
 3] or was it actually constructed?
 4] A. Oh, come on. It -- it was not originally
 5] drawn up just for Jamie and I. I'm sure it was a
 6] document that had been used, as people do once they had
 7] computers.
 8] Q. Did you make any changes to it?
 9] A. I didn't see the original, so I don't know.
 10] Q. So you didn't have anything to do with the
 11] drafting of the -- and I'm sorry. So you're not
 12] confused, Number 5.
 13] A. That's right. I did not draft that
 14] document.
 15] Q. Do you need that, Number 5?
 16] A. No, I don't. I can see it from here.
 17] Q. Did you read it?
 18] A. Yes.
 19] Q. Did you understand it?
 20] A. On the day I signed it, I did. I have read
 21] it on several occasions. But not in many years.
 22] Q. And your testimony today is that you
 23] intended at the time you executed this to name Austin
 24] Reading as a beneficiary?
 25] A. Yes.

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1] Q. But you didn't notice that he was missing
 2] as a beneficiary; is that correct?
 3] A. Well, when you -- our purpose was to do
 4] that. It was just a point of missing letters on a page
 5] that it was missed. It wasn't --
 6] Q. Well, there's --
 7] A. We would never have set up the trust if
 8] Jamie didn't have a nephew. Okay? That was the reason
 9] for setting the whole thing up. Just because --
 10] later -- it was like on that notary thing, it didn't get
 11] notarized originally, so we went back and did that. We
 12] don't have all the answers. We weren't the experts.
 13] But we did the best we could at the time.
 14] Q. Okay. So there's no paragraph in the Fox
 15] Group Trust -- and, again, I'm referring to Exhibit 5 --
 16] that lists a beneficiary that's going to be named; is
 17] that correct?
 18] A. That's right. It was added by addendum as
 19] we stated.
 20] Q. And when was it added by addendum?
 21] A. As soon as we get the addendum page, we'll
 22] know the date.
 23] Q. Well, can you give me a time frame?
 24] A. No. It was soon after, but I don't -- I
 25] don't know.

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1] Q. So it was in the time frame of 2004-2005?
 2] A. Yes.
 3] Q. Did both you and Mr. Reading execute it?
 4] A. Yes.
 5] Q. And did the trustees execute it?
 6] A. I'm sure they did.
 7] Q. And was that addendum published anywhere
 8] for the public to view?
 9] A. Not at all.
 10] Q. Did you provide a copy to Austin Reading?
 11] A. I don't think so. We just told him about
 12] it.
 13] MR. VENTRELLA: I'm going to have a couple
 14] documents marked as exhibits. These were provided by
 15] disclosures.
 16] (Whereupon, the Reporter marked Deposition
 17] Exhibits 30 and 31.)
 18] Q. BY MR. VENTRELLA: Have you had a chance to
 19] review Exhibit -- that's 30; correct?
 20] A. Yes, it is.
 21] Q. Have you had an opportunity to review that?
 22] A. Yes.
 23] Q. Do you know what that is?
 24] A. Yes.
 25] Q. What is it?

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1] A. When we were originally trying to find the
 2] way that we could best make sure that Jamie's nephew got
 3] the property, we were in pretty close contact with a
 4] minister who was a friend of ours. And he suggested
 5] that we do a -- have it set up as a Corporation Sole.
 6] And it was very religiously set up. And at the time it
 7] seemed like a good idea.
 8] But it was a pretty confusing way to go
 9] about things. And Austin didn't really understand
 10] anything about being the teacher or head of this thing.
 11] And it turned out that the minister turned out to be a
 12] pretty unstable kind of person and basically kind of an
 13] embarrassment now. But at least it shows our original
 14] intent.
 15] Q. And you signed that document, and also your
 16] husband did; is that correct?
 17] A. Yes.
 18] Q. And Mr. Reading was going to be the
 19] trustee; is that correct?
 20] A. Trustee in trust, yes.
 21] Q. And you were just going to be the
 22] administrative trustee?
 23] A. That's correct.
 24] Q. It does not actually state that Austin is a
 25] beneficiary, does it?

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1] A. Not in that word, no.
 2] Q. What did you mean by "Corporation-sole of
 3] the Regnum Ecclesiasticum"?
 4] A. Well, the minister had been studying about
 5] how there were churches where they were in perpetuity
 6] because the congregations change, but the church remains
 7] the same. And he thought that would be a good idea,
 8] instead of a trust or any other way in a will or
 9] anything, to make sure that if we died or were
 10] incapacitated, that our nephew would already be the top
 11] guy. And, you know, it seemed -- it seemed pretty good,
 12] and it seemed like he knew what he was talking about at
 13] the time.
 14] But, you know, that was then, and later on
 15] we thought it probably wasn't really what we wanted to
 16] do. And Austin didn't want to. So we let it go. And
 17] it is totally dissolved officially.
 18] Q. Did you dissolve it in a document?
 19] A. Yes.
 20] Q. Okay. And I'm sorry. Was that document
 21] also filed with the Recorder's Office?
 22] A. Up in Nevada where it was created.
 23] Q. So the Covenant Group International Land
 24] Trust was actually created in Nevada?
 25] A. Yeah.

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1] Q. Why did you choose Nevada?
 2] A. I didn't choose Nevada. The minister did.
 3] Q. Was it filed in any county or State entity
 4] there?
 5] A. Secretary of State.
 6] Q. Do you have copies of that?
 7] A. No. Well, no. Because once it was
 8] dissolved, I didn't save any of those papers.
 9] Q. So was this the same document? Did you
 10] file this document, this specific document, up in
 11] Nevada?
 12] A. Probably -- probably was the same, was a
 13] duplicate.
 14] Q. But there would also be another document, a
 15] dissolution of this, filed up in Nevada?
 16] A. Right.
 17] Q. Any other documents relating to this filed
 18] either in Nevada, Arizona, or, other than the next
 19] exhibit, anywhere else?
 20] A. Not to my knowledge.
 21] Q. Exhibit 31 is a quit claim deed; is that
 22] correct?
 23] A. Yes.
 24] Q. And do you recognize the signature on that?
 25] A. That's Austin Reading.

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1] Q. And in this, he's giving all of his
2] interests to the Fox Group Trust; is that correct?
3] A. Right. From this.
4] Q. Was this also filed up in Nevada? Do you
5] know?
6] A. No, I don't think so. I don't know. I
7] doubt it.
8] Q. And at the time he did this, what was his
9] right, title, and interest in the property?
10] A. Well, he was the head of the corporation
11] sole.
12] Q. What is the corporation sole?
13] A. I thought I just said that it was a
14] religious corporation where the church would remain the
15] same even if the congregations changed. And this
16] minister friend of ours thought that that would be a
17] really good way to make sure that Austin would be the
18] one to wind up with the property upon our demise,
19] because he would already be the head of the
20] organization.
21] But it was so flowery and confusing, and
22] nobody really understood it, and Austin didn't even have
23] time to learn about it, and he didn't want to.
24] So when we got in touch with Aage and
25] talked about making it simpler in the form of a trust,

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1] we dissolved this corporation sole and had Austin
2] officially quit claim it so that everything would be in
3] order as far as we knew it could be and take it to the
4] Fox Group Trust and take it from there.
5] I don't have all the answers. I just know
6] how the bank and attorneys screwed up my family's trust
7] and made it worth a quarter of its value or less. And I
8] wasn't going to have any of that. So I was looking for
9] a private way to handle our affairs.
10] Q. And when you executed these documents, just
11] as we discussed earlier, you did not intend that they
12] would invalidate any liens, including State tax liens;
13] is that correct?
14] A. No. And as far as I was concerned, they
15] were invalid anyway.
16] Q. But they still attached, as far as you were
17] concerned, to the extent that they were valid; is that
18] correct?
19] A. They're still there, too.
20] Q. So you would agree that they're still
21] valid; correct?
22] A. I agree they're still there.
23] Q. So you don't agree that they're valid?
24] A. No, I don't.
25] Q. So your position is the execution of this

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1] document invalidated those State tax liens?
2] A. I beg your pardon?
3] Q. Your position is the execution of these
4] execution of these documents, 30 and 31, invalidated the
5] State tax lien?
6] A. It didn't have anything to do with the
7] State taxes.
8] Q. So they're still valid then -- correct? --
9] against the property?
10] A. Okay, they are valid.
11] MR. VENTRELLA: You'll have to give me a moment.
12] I'm sorry.
13] (Brief pause.)
14] Q. BY MR. VENTRELLA: So a couple more
15] questions. You indicated that there were no
16] restrictions on Fox Group Trust, that they could do
17] whatever they wanted to, referring to the trustees; is
18] that correct?
19] A. Yes.
20] Q. Meaning they could send it to whoever they
21] wanted to? They could deed it to whoever they felt was
22] appropriate?
23] A. They could.
24] Q. Say you both passed away. They didn't have
25] to necessarily deed it to Austin; is that correct?

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1] A. They don't have to. But we want them to,
2] and we trust them to. We agreed they would. But it's
3] their property, and they may go back on that agreement.
4] We trust them, and that's why they're trustees, and
5] that's why it's a trust.
6] Q. So, basically, Austin's interest in the
7] property as a beneficiary, as you term it, he's at the
8] mercy of the trustees; correct?
9] A. Well, any trust is at the mercy of the
10] trustees.
11] Q. That wasn't my question, ma'am. My
12] question was he's at the mercy of these trustees; is
13] that correct?
14] A. I guess so, yes.
15] Q. So they're not required to deed it to him.
16] They could do whatever they wanted with the property
17] without looking --
18] MR. CRYER: I think you're asking the witness to
19] draw legal --
20] THE WITNESS: People? They would.
21] MR. CRYER: -- conclusions that she's not
22] qualified to draw.
23] MR. VENTRELLA: Well --
24] MR. CRYER: I'm going to object to continuing to
25] press her for legal opinions regarding the powers

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1] conferred on trustees.
 2] MR. VENTRELLA: Well, she's the one that
 3] conferred the powers. For the record, I think she's
 4] answered it, and I think I've got my answer.
 5] Do you have anything further?
 6]
 7] FURTHER EXAMINATION
 8] BY MR. DUFFY:
 9] Q. Exhibit 30. Who is this minister friend
 10] you keep talking about?
 11] A. An embarrassment.
 12] Q. What's his name or her?
 13] A. His name's Merton Pekrul.
 14] Q. How do you spell that?
 15] A. M-E-R-T-O-N, P-E-K-R-U-L.
 16] Q. Where does he live?
 17] A. He lives in Mesa.
 18] Q. Are you still in contact with that person?
 19] A. Not at all.
 20] Q. What's the contact information for Austin
 21] Reading in Hollywood? Do you have a phone number?
 22] A. I don't. I -- I have an e-mail address for
 23] his in-laws.
 24] Q. You don't know the phone number for him?
 25] A. I don't think I have any phone number for

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1] him.
 2] Q. How do you get in contact with Austin?
 3] A. Well, his in-laws were in town visiting him
 4] for Thanksgiving, and his mother-in-law e-mailed me.
 5] And his phone number was in that e-mail, and I called.
 6] I don't think you talked to him, did you?
 7] Q. So you don't have direct contact?
 8] A. No, we don't. Jamie's side of the family
 9] is not very close.
 10] Q. So you'll provide that phone number to me?
 11] A. I can do that.
 12] Q. And the e-mail address also? You have an
 13] e-mail address also?
 14] A. His mother-in-law's e-mail address?
 15] Q. Well, however you contact him, I'd like to
 16] get that.
 17] A. I called him on the phone.
 18] Q. Well, if you can provide me with his
 19] telephone number, I'd like to speak to him.
 20] A. All right.
 21] Q. And you and your husband have not paid rent
 22] to live in the real property since you have transferred
 23] it to the Fox Group Trust; correct?
 24] A. Right. And the Fox Group Trust has not
 25] paid us for maintaining the property.

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1] Q. And you say you go with your husband
 2] whenever he goes on work trips. Have you been on any of
 3] these work trips in 2011, 2012?
 4] A. No.
 5] Q. So he's not in the insurance business
 6] anymore?
 7] A. No.
 8] Q. What does he do? How does he get
 9] compensation now?
 10] A. He's been selling some roof repairs.
 11] Q. What do you mean, selling roof repairs?
 12] He's a roofer?
 13] A. He's not a roofer. He sells the repairs.
 14] Q. So he has roofers working for him?
 15] A. Well, he doesn't have anybody working for
 16] him.
 17] Q. Does he actually make the repairs?
 18] A. He sells them.
 19] Q. What do you mean, "sells them"? Who
 20] actually gets up on the roof?
 21] A. I don't know. The crew.
 22] Q. So he has crews?
 23] A. He does not have crews. He's the person
 24] that arranges the job.
 25] Q. He's a contractor?

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1] A. I don't know what -- I wouldn't call it
 2] that.
 3] Q. Is it residential or commercial?
 4] A. Both.
 5] Q. Where?
 6] A. Around here. Arizona.
 7] Q. Does he advertise?
 8] A. No.
 9] Q. Is it word of mouth?
 10] A. Yeah.
 11] Q. Do you assist him in that work?
 12] A. No.
 13] MR. DUFFY: Okay. I don't have anything further.
 14] Do you have anything further?
 15] MR. VENTRELLA: No.
 16] MR. DUFFY: You have the opportunity to read and
 17] sign your deposition. Would you like to do that?
 18] THE WITNESS: Yes, I would.
 19] MR. DUFFY: Any corrections you make would be,
 20] obviously, known to all the parties.
 21] I think that's it. We're off the record.
 22] (Whereupon, the deposition then adjourned
 23] at 11:52 a.m.)
 24]
 25] CLARE L. READING

1] STATE OF ARIZONA)
2] COUNTY OF MARICOPA) SS.
3] BE IT KNOWN that the foregoing deposition was taken
4] before me, DOREEN C. BORGMANN, RMR, CRR, Certified
5] Reporter, Certificate No. 50644, State of Arizona; that
6] the witness before testifying was duly sworn by me to
7] testify to the whole truth; that the questions
8] propounded to the witness and the answers of the witness
9] thereto were reduced to written form under my direction;
10] that pursuant to request, notification was provided that
11] the deposition is available for review and signature;
12] that the foregoing 104 pages constitute a true and
13] accurate transcript of all proceedings had upon the
14] taking of said deposition, all done to the best of my
15] skill and ability.
16] I FURTHER CERTIFY that I am in no way related to any
17] of the parties hereto, nor am I in any way interested in
18] the outcome hereof.
19] DATED at Phoenix, Arizona, this 29th day of April,
20] 2012.
21]
22]
23]
24] _____
 DOREEN C. BORGMANN, RMR, CRR
 Certified Reporter
 Certificate No. 50644
25]

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**SECOND DUFFY DECLARATION
EXHIBIT J**

19791030_DKT_13995_69

Unofficial Document

STATE OF ARIZONA
COUNTY OF Maricopa

} ss. I hereby certify that the within is

A OCT 30 1979 - 8 99 In DOCKET **13995** page **69**

at the request of USLIPE Title Company of Arizona



When recorded, mail to:
Mr. & Mrs. James L. Reading
2425 E. Fox
Mesa, Az. 85203

Witness my hand

BILL HENRY

By *Henry*

Deputy Recorder

Fee: **5.00**

66232-16

Joint Tenancy Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,
JOHN G. KRAUSE and JANIS C. KRAUSE, his wife

do hereby convey to **JAMES L. READING and CLARE L. READING, his wife**

not as tenants in common and not as community property estate, but as joint tenants with right of survivorship, the following described property situated in the County of Maricopa State of Arizona.

Lot Forty-nine (49), BROWNSORE ESTATES, according to the plat of record in the office of the Maricopa County Recorder in Book 133 of Maps, page 41

Subject to current taxes and assessments, reservations and all easements, rights of way, covenants, conditions, restrictions, liens and encumbrances of record.

And I or we do warrant the title against all persons whomsoever, subject to the matters above set forth.

The grantees by signing the acceptance below evidence their intention to acquire said premises as joint tenants with the right of survivorship, and not as community property or as tenants in common.

Dated this 10 day of October, 19 79

Accepted and approved:

James L. Reading

JAMES L. READING
Clare L. Reading

CLARE L. READING
Grantees

John G. Krause

JOHN G. KRAUSE
Janis C. Krause

JANIS C. KRAUSE
Grantors

STATE OF ARIZONA
County of Maricopa

STATE OF Arizona
County of Maricopa

This instrument was acknowledged before me
this 13 day of Oct., 19 79 by
John G. & Janis C. Krause

Floyd O. Parnay

Notary Public
My commission will expire

This instrument was acknowledged before me
this 11 day of October, 19 79 by
James L. & Clare L. Reading

Floyd O. Parnay

Notary Public
My commission will expire
My Commission Expires Jan. 22, 1983

**SECOND DUFFY DECLARATION
EXHIBIT K**



When Recorded, Return To:)
)
Fox Group Trust)
4448 E. Main St., Ste. 3)
Box 256)
Mesa, AZ 85205)

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2005-0782892 06/10/05 10:19
1 OF 1
PALUMBO

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUIT CLAIM DEED

Grantors: James Leslie Reading and Clare Louise Reading, husband and wife, do by these presents hereby release, convey and assign forever all of their right, title and interest, including all warranties of title to which they are entitled with respect to such interest, in and to that certain real property located in Maricopa County, Arizona State to the Grantee:

FOX GROUP TRUST

being described as the following:

Lot 49, Brownmore Estates, According to Book 133 of Maps, Page 41, Recorder of Maricopa County, Arizona AKA 2425 East Fox Street, Mesa, Arizona 85213

Unofficial Document

SUBJECT TO: Existing Mortgage and Home Equity Loans, Property Taxes, Rights of Way and Easements of Record. EXEMPT PER ARS 11-1134(6)(8)

James Leslie Reading
by: Clare Louise Reading

James Leslie Reading

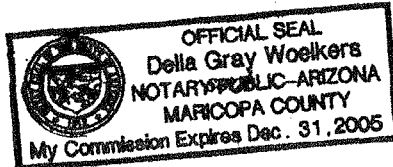
Clare Louise Reading

Clare Louise Reading

Arizona State, a Republic)
) ss.
Maricopa County)

The foregoing instrument was acknowledged before me this 10 day of June, 2005, by Clare Louise Reading, who is personally known to me.

Della Gray Woelkers My Commission Expires: 12/31/2005
Signature of Notary Public



**SECOND DUFFY DECLARATION
EXHIBIT L**

Multistate
AZ

NOTE

FHA Case No.
021-7567337-703

March 4, 1993
[Date]

Loan #93-0291

2425 EAST FOX STREET
MESA, AZ 85213
[Property Address]



1. PARTIES

"Borrower" means each person signing at the end of this Note, and the person's successors and assigns. "Lender" means VENTURE FINANCIAL SERVICES INC.

and its successors and assigns.

2. BORROWER'S PROMISE TO PAY; INTEREST

In return for a loan received from Lender, Borrower promises to pay the principal sum of Sixty Eight Thousand Ninety Two and no/100

Dollars (U.S. \$ 68,092.00), plus interest, to the order of Lender. Interest will be charged on unpaid principal, from the date of disbursement of the loan proceeds by Lender, at the rate of Eight per cent (8.000 %) per year until the full amount of principal has been paid.

3. PROMISE TO PAY SECURED

Borrower's promise to pay is secured by a mortgage, deed of trust or similar security instrument that is dated the same date as this Note and called the "Security Instrument." That Security Instrument protects the Lender from losses which might result if Borrower defaults under this Note.

4. MANNER OF PAYMENT

(A) Time

Borrower shall make a payment of principal and interest to Lender on the first day of each month beginning on May 1st, 1993. Any principal and interest remaining on the first day of April 2023, will be due on that date, which is called the "Maturity Date."

(B) Place

Payment shall be made at 331 E. SOUTHERN AVE, SUITE 106 MESA, AZ 85204

or at such other place as Lender may designate in writing by notice to Borrower.

(C) Amount

Each monthly payment of principal and interest will be in the amount of \$ 499.64. This amount will be part of a larger monthly payment required by the Security Instrument, that shall be applied to principal, interest and other items in the order described in the Security Instrument.

(D) Allonge to this Note for payment adjustments

If an allonge providing for payment adjustments is executed by Borrower together with this Note, the covenants of the allonge shall be incorporated into and shall amend and supplement the covenants of this Note as if the allonge were a part of this Note. [Check applicable box]

Graduated Payment Allonge Growing Equity Allonge Other [specify]

5. BORROWER'S RIGHT TO PREPAY

Borrower has the right to pay the debt evidenced by this Note, in whole or in part, without charge or penalty, on the first day of any month.

6. BORROWER'S FAILURE TO PAY

(A) Late Charge for Overdue Payments

If Lender has not received the full monthly payment required by the Security Instrument, as described in Paragraph 4(C) of this Note by the end of fifteen calendar days after the payment is due, Lender may collect a late charge in the amount of Four per cent (4.00 %) of the overdue amount of each payment.

(B) Default

If Borrower defaults by failing to pay in full any monthly payment, then Lender may, except as limited by regulations of the Secretary in the case of payment defaults, require immediate payment in full of the principal balance remaining due and all accrued interest. Lender may choose not to exercise this option without waiving its rights in the event of any subsequent default. In many circumstances regulations issued by the Secretary will limit Lender's rights to require immediate payment in full in the case of payment defaults. This Note does not authorize acceleration when not permitted by HUD regulations. As used in this Note, "Secretary" means the Secretary of Housing and Urban Development or his or her designee.

(C) Payment of Costs and Expenses

If Lender has required immediate payment in full, as described above, Lender may require Borrower to pay costs and expenses including reasonable and customary attorneys' fees for enforcing this Note. Such fees and costs shall bear interest from the date of disbursement at the same rate as the principal of this Note.

7. WAIVERS

Borrower and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor. "Presentment" means the right to require Lender to demand payment of amounts due. "Notice of dishonor" means the right to require Lender to give notice to other persons that amounts due have not been paid.

8. GIVING OF NOTICES

Unless applicable law requires a different method, any notice that must be given to Borrower under this Note will be given by delivering it or by mailing it by first class mail to Borrower at the property address above or at a different address if Borrower has given Lender a notice of Borrower's different address.

Any notice that must be given to Lender under this Note will be given by first class mail to Lender at the address stated in Paragraph 4(B) or at a different address if Borrower is given a notice of that different address.

9. OBLIGATIONS OF PERSONS UNDER THIS NOTE

If more than one person signs this Note, each person is fully and personally obligated to keep all of the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety or endorser of this Note is also obligated to do these things. Any person who takes over these obligations, including the obligations of a guarantor, surety or endorser of this Note, is also obligated to keep all of the promises made in this Note. Lender may enforce its rights under this Note against each person individually or against all signatories together. Any one person signing this Note may be required to pay all of the amounts owed under this Note.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Note.

James L. Reading (Seal) -Borrower
Clare L. Reading (Seal) -Borrower
JAMES L. READING CLARE L. READING
(S Seal) (Seal)
-Borrower -Borrower

**SECOND DUFFY DECLARATION
EXHIBIT M**

**Government
Exhibit**
DuffyExM

FOX GROUP TRUST

**c / o 4448 East Main Street, #3, Box 256
Mesa, Arizona [85205]
Maricopa County**

The contents of this document is of a private and confidential nature, and no unauthorized copying or viewing is allowed. No copies are to be made without permission from the trustees, and if done knowingly without authorization, it will be handled as theft and prosecuted as a felony. This document is under no circumstances to be shown or given to anyone not connected to, or named in this Trust.

September 21, 2004

***PRIVATE CONTRACT
AND DECLARATION OF PURE TRUST***

THE DECLARATION OF THIS PRIVATE CONTRACT PURE TRUST IS EXECUTED IN THE FREE INDEPENDENT REPUBLIC STATES OF AMERICA. IT SHALL BE UNDER THE PROTECTION OF THE ORIGINAL CONSTITUTION OF THE UNITED STATES OF AMERICA, ARTICLE I, SECTION 10, WHICH FORBIDS GOVERNMENT TO IMPAIR THE OBLIGATION OF PRIVATE CONTRACT. THIS DOCUMENT SHALL BE INTERPRETED AND CONSIDERED UNDER THE COMMON LAW OF THE INDIVIDUAL STATES OF AMERICA AND NOT UNDER ANY LEGISLATIVE JURISDICTION WHATSOEVER; ALL PROPERTY IS RECEIVED WITHOUT PREJUDICE. THE DECLARATION OF THIS PRIVATE CONTRACT PURE TRUST AUTHORIZES ITS TRUSTEES TO OPERATE UNDER THE NAME OF:

FOX GROUP TRUST

c/o 4448 East Main Street, #3, Box 256

Mesa, Arizona [85205]

TIN: 981320086

CREATION OF A PRIVATE CONTRACT PURE TRUST

I. THE CREATOR.

The Creator and Protector hereby offers to bargain or exchange, for equal value, dollars and other goods and valuable consideration for the real and personal properties of the Exchanger.

II. ADMINISTRATIVE TRUSTEES / EXCHANGERS.

The Exchanger is accepting in trade dollars and other goods and valuable considerations, the receipt of which is hereby acknowledged, does hereby bargain, assign, convey, exchange, give or deliver unto the person the Creator shall designate, and holds in the Trust name pursuant to the terms of this Declaration of Private Contract Pure Trust and obligations as set forth therein, certain real and / or personal property owned by the Exchanger, and listed in addenda attached hereto. The Administrative Trustee is hired by Private Contract to execute all needful work and tasks on behalf of the Trust and the Beneficiaries in return for having a lifetime use of the property.

III. THE TRUSTEES.

The Creator hereby constitutes and appoints the first Trustee to be a Trustee of the Trust hereby created and established. The first Trustee may appoint a second Trustee, and they in turn may appoint a third Trustee. Certain properties, business projects, operations underway or contemplated, dealing in equities, commodities, trade credits, formulae, entities, patents, copyrights, goodwill or other lawful business desired to said Trustees in Trust irrevocable, to protect and hold in fee simple and control by virtue of the Declaration of Private Contract Common Law Pure Business Trust under the collective name herein designated. The Trustees are to consider the advice of the Administrative Trustee on issues where he or she has superior knowledge.

IV. THE SIGNING.

The signing and acknowledging of Their Contract or appropriate minute entry by such appointed Trustee or Trustees, shall constitute Their acceptance of the Private Contract, Pure Trust; and the Trust property, assets and profits of which shall immediately vest, in fee simple without any further act of conveyance. The Private Contract Pure Trust name and other things of value will constitute a Trust effective in the united states of America.

V. CHARACTER AND PURPOSE OF THE TRUST.

This is expressly declared as an Irrevocable Private Contract, Common Law Pure Trust which may buy and sell and be used for business proposes, and is not a partnership, and hereby created as a legal separate entity, that neither the Trustees, Officers and / or Certificate holders (if any), present or future, have or possess any beneficial interest in the property or assets hereunder, as

partners or otherwise, that no Trustee shall be liable for the act or omission of Their Co-Trustee or for anything other than Their own breach of Trust, except when recorded law of competent jurisdiction, under the Common Law forbids. The propose of this instrument is to hold and convey property to the Trust, to constitute a Private Contract Pure Trust for the benefit of the Beneficiaries, held in fee simple by the Trustees, in trust and in joint tenancy for the duration hereof and to provide for a sane and economical administration for the benefit of the beneficiaries.

VI. DURATION OF ORGANIZATION.

This Private Contract Pure Trust shall continue for a period of ninety-nine years from date of creation, unless the Trustees shall unanimously determine otherwise upon an earlier date. The Trustees may also vote to extend the Trust for another ninety-nine years. Upon termination, the Trust assets shall be proportionately and in a pro-rata manner distributed to the beneficiaries / Certificate holders (if any) as prescribed by addendum.

VII. TRUSTEES – NUMBER AND TENURE.

Trustees shall not be less than ONE in number temporarily, and may be increased for practical reasons beneficial to the Trust. The Trustees herein mentioned by name, or Their successors appointed to fill vacancies, shall hold office, have and exercise collectively the exclusive management and control of the Private Contract Pure Trust's property and business affairs without any consent or involvement of the beneficiaries except in the event of the demise of the Administrative Trustee.

VIII. TRUSTEES – DUTIES.

The named Trustees, for themselves and successors in the Trust, do hereby accept the conveyance and acknowledge delivery of all the property specified, together with all the terms of the Private Contract Pure Trust herein set forth, agreeing to conserve and improve the holdings of the Pure Trust, to invest and reinvest the funds of said Pure Trust in such a manner as will increase the financial rating of the Pure Trust, exercising their best judgment and discretion, in accordance with the Trust minutes, agreeing that it is required that the Trustees of Their agents distribute all of the income of the Trust currently, and upon final liquidation distributing the assets to the existing beneficiaries as Their contingent right may appear; and in all respects administer said Common Law Pure Trust in good faith strictly in conformity hereto.

IX. TRUSTEES – GENERAL POWERS AND FUNCTIONS.

Trustees' powers shall be construed as general powers of all people of the States of America to do anything any man or woman may do in any state or country. They shall, but not limited to, deliver the Trust Certificate Units of beneficial interest to the proper recipient for the benefit of the Trust at the discretion of the Trustees, if applicable, continue in business, conserve the

property, commercialize the resources and extend an established line of business industry or investment as herein specially noted, at Their discretion for the benefit of this Trust such as buy, sell or lease land for surface mineral rights; buy mortgages, securities, bonds, notes, banking programs, commodities, art collections, trade patents, trademarks or copyrights; buy, sell or conduct mail order business, or branches thereof, operate stores, shops, factories, warehouses or other trading establishments or places of business, religion, education, research, accumulating or other purposes, whether for immediate or future application, to be managed by a specified Trustee, Trustees or others as designated by the Trustee's minutes; construct, buy, sell, lease or rent any type of real estate, improved or unimproved; advertise different articles or business projects; borrow money for any project, pledging the Private Contract Pure Trust property for the payment thereto, hypothecate assets, property or both; own stock in, or entire charters or corporations, or other properties, companies or associations as they may deem advantageous.

Resolutions by the Board of Trustees, through its hired Administrative Trustee, authorizing a special thing to be done shall be evidence that such act is within its power. All funds paid into the treasury become a part of the corpus of the Private Contract Pure Trust. The Trust shall have authority to provide itself with operating funds through commercial loans and investments directly secured by assets or income of the Trust. The initial Trustees and Successor Trustees shall serve without fidelity bonds. The Trustees and the Administrative Trustee shall regard this instrument as Their sufficient guide, supplemented from time to time by resolutions of the Board covering contingencies as they arise and are recorded in the minutes of Their meetings, or by rules or regulations as may be established by the Board of Trustees as deemed expedient and consistent with the orderly conduct of business.

The Trustees shall have exclusive power to conduct the meaning and the intent of the Trust Indenture or instrument and the Trustees' decisions shall be conclusive and lawfully binding. The Trustees will be the same as the intention of all parties as expressed throughout the entire indenture or instrument, including addenda.

The Trustees shall have all rights necessary to fulfill the purpose of the Trust and to conduct any lawful business not specifically prohibited by Their indenture.

X. TRUSTEE MEETINGS.

By a regular act of the Trustees, they may provide for meetings at stated intervals without notice and special meetings may be called at any time by ONE or more Trustees upon three days written notice and a minimum of one per year. At any regular or special meeting a majority of the Trustees shall constitute a quorum for conducting business, PROVIDED affirmative action may only be had upon a majority vote of the Trustees, whether present or absent, except that at special meetings called for a special purpose, the majority present may affirmatively act in emergency matters. The Board of Trustees may hold meetings by telephone. All meetings and actions of the Trustees shall be recorded by appropriate entry.

XI. COMPENSATION FOR TRUSTEES AND OTHERS.

The Trustees shall fix and pay compensation of all officers, employees or agents at Their discretion, and may pay themselves such reasonable compensation for Their services as may be determined by the Board of Trustees collectively.

XII. TRUSTEES – LIABILITY AND INDEMNIFICATION.

No Trustees shall be liable for any act of omission whatsoever of any other Trustee or of any other officer or agent of the Trust. No Trustee shall be liable for any negligence or error in judgment, or for any act of omission, except for Their own willful breach of Trust. No Trustee shall be required to give any bond or surety to secure the performance of this Trust. The Administrative Trustee / competent defense council, can be immediately reimbursed for Their expenses in defending the Trust, from the liquid funds of the assets of the Trust. Every act or thing done or omitted, and every power exercised or obligation incurred by the Trustees or any of them in the administration of this Trust or in connection with any business, property or concern of the Trust, whether ostensibly in their own names or in the Trust capacity, shall be done, omitted, exercised, or incurred by them as Trustees and not as individuals in Their own capacity. The Trustees shall, in the capacity of Trustees and not individuals in their own capacity, assume only such liability as may attach to the Private Contract Pure Trust property assets. *The Trustees' liability shall not in any manner jeopardize their individual or personal holdings, except for a Trustee's own willful breach of Trust, presented by proof.* *For any losses that the Trustees or the Administrative Trustee should suffer for any reason through services, they shall be reimbursed from the Trust* property to the same extent as would non-interested persons.

XIII. REMOVAL OR REPLACEMENT OF TRUSTEES AND OFFICERS.

Any Trustee may resign from the Trust by instrument in writing signed by him and delivered or mailed to a Trust officer, and such resignation shall take effect immediately or at a later date according to the terms of the notice, and no such instrument shall be refused by the remaining Trustees.

Provided, however, that a Trust or Officer of the Trust may be removed from office by the Board of Trustees, when they by unanimous vote agree, after presentment of proof, that the Trustee or officer of the Trust being removed has been guilty of fraud, malfeasance in office, or for cause, or by the mandate of a court of competent jurisdiction (Common Law) and provided, further, that in the event of a death or removal from office by resignation, the remaining Trustees shall appoint another Trustee by the concurrence of the remaining Trustee(s). No Trustee may resign when he/she is the last remaining Trustee, until after the Private Contract Pure Trust is terminated according to the terms of this contract or unless another Trustee is named. In the

selection of new Trustees, the advice of the **Administrative Trustee** shall be considered first because of his or her first hand knowledge of the day to day operation of the Trust. Should the entire board of Trustees become vacant, considering the advice of the beneficiaries, a court of competent jurisdiction (Common Law) shall approve and appoint one Trustee, who in turn may appoint additional Trustees.

XI. SELECTION OF OFFICERS.

The Trustees may at their discretion elect a President, Secretary and Treasurer, or any other officers they may deem expedient for proper functioning. Any Trustee may hold two or more offices simultaneously; Their duties being such as are usual or are prescribed. The Trustees may employ agents, executives, other employees or designate third persons to hold funds, open bank accounts and perform such duties as the Trustees direct.

XV. CHALLENGE OF THE TRUST.

Any person in perceived authority demanding to see this Private Contract Pure Trust or any portion thereof, will have to prepare and sign a statement to the lawfulness of the request. By signing the request form, they also agree by adhesion contract to protect and defend the Trust against all unlawful acts, attacks and potential enemies, external and internal. The competent jurisdiction of this instrument is set in the Common Law, and no statutory, or court of equity will have any jurisdiction over this document.

XVI. TRUST CERTIFICATES.

For convenience, the Trust Certificate used for distribution may be divided into One Hundred Bearer Units. They shall be contingent, non-assessable, nontaxable, and non-assignable (except by Trustees' execution at the Certificate holder's request). The lawful possessor, therefore, shall be construed to be the true and lawful owner thereof. CERTIFICATES ARE OPTIONAL.

Nothing herein contained shall be construed to authorize the Pure Trust to issue Certificates in excess of the numbers which herein may be provided, nor for a nominal value at variance with the provision hereof. THIS IS NOT NECESSARY FOR A PURE TRUST.

XVII. LIMITATIONS OF TRUST CERTIFICATE HOLDER.

Ownership of Certificates shall not entitle the holder to any legal equitable title in or to the Pure Trust property, nor any undivided interest therein, nor in the management thereof; nor shall the death of a holder entitle heirs or legal representatives to demand any partition or division of the property of the Pure Trust, nor any special accounting. The rights of the Certificate holder in person are limited to merely a claim against the Trustees to carry out the duties of this Declaration of Pure Trust.

XVIII. NOTICE TO CREDITORS.

Every person Contracting or dealing with Trustees or having any debt claim or judgment against them shall look only to the funds and property of the Trust for payment or satisfaction. No Trustee, Officer, Agent or holder of Trust Certificates of beneficial interest in the Pure Trust shall ever be personally liable for, or on account of contract, debt, tort, claim judgment, or decree arising out of, or preservation of, the Trust estate or the conduct of any business of the Trust. A stipulation or notice to that effect may be inserted in any contract, order or other instrument made by the Trustees or the officers or agents and on stationary used by them, but the omission thereof shall not be construed as a waiver of the foregoing provision, and shall not render Trustees, Officers, Agents or holders of Trust Certificates of beneficial interest personally liable. *Notice is hereby given to all persons, companies or corporations extending credit to, contracting with, or having claims against the Trust or the Trustees hereof that they must look only to the funds and property of the Trust for payment or settlement* of any indebtedness which may become payable hereunder, that the Trustees, officers or agents are private contractors and not personally liable when dealing with the Pure Trust properties or matters.

IXX. OFFSHORE CONNECTIONS.

This Trust will have the authority and capability to connect to, operate through and be represented by lawfully established Offshore entities like a Trust, International Business Corporation (IBC) as well as solidly established banking institutions for any beneficial purpose of the herein established Trust and its beneficiaries.

XX. MISCELLANEOUS PROVISIONS.

Nothing herein contained shall be construed as an intent to evade or contravene any law, nor to delegate to Trustees any special power belonging exclusively to a franchise or incorporation. The Trust terminology used in the indenture and supporting documents is used solely for clarification and common usage for the Pure Trust under the Common Law; and it shall not be interpreted that the indenture and / or supporting documents are in any way a Trust established by any statute, but rather a Private Contract and Pure Trust and all interpretations thereof shall be that which are established under the Common Law and Constitution of the States of America. The contract and Declaration for this Pure Trust is effective on the date established and recorded on the pages of signature. If any provision of the Contract and Declaration or its application to any person or circumstances is held invalid by an order of a court of competent jurisdiction, the remainder of the Contract and Declaration or the application of the provision to other persons or circumstances is not affected.

We, the undersigned, are familiar with the "Creator of the Trust", known to us, and acknowledge that the document was signed, sealed and delivered to the Trustees for the purposes stated herein.

VERIFICATION.

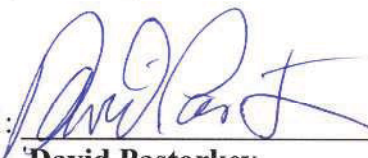
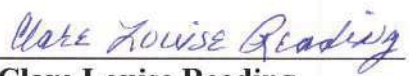
In witness hereof the **exchangers** having set **their** hand and seal in token and recognition of the initial conveyance, delivery and acceptance of property, assets or other things and the obligations and duties herein assigned the Trustees of said Private Contract Pure Trust, and thereby binding the assets to all stipulations herein as imposed and expressed.


Administrative Trustee / Exchanger

A PRIVATE CONTRACT PURE TRUST

We, the undersigned, witness that the above person known to us to be the above signatory, personally appeared before us and acknowledged that they signed, sealed and delivered the above and foregoing Private Contract Pure Trust Indenture, effective the date below stated, in exchange for value and directed by the Creator, for the uses and purposes herein set forth.

In the **Arizona** State.
At **Maricopa** County.

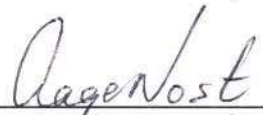
Trustee #1: 
David Pastorkey Administrative Trustee: September 21, 2004

Clare Louise Reading

Trustee #2: 
Charles Baird Administrative Trustee: 
James Leslie Reading

(“.....by the mouth of two or three witnesses, the matter shall be established”.)
THE HOLY BIBLE, DEUTERONOMY 19:15

This Trust is Recorded at the office of Loul Foundation. The recording number shall be the TIN number assigned to this Private Contract Pure Trust. This number appears on the following page describing the first meeting of the Trustees, and shall be used for all filing, recording in commerce and any lawfully required interaction with any form of government.

Sept. 21, 2004
Date of Recording


Signature of Recorder
Suite 124, Box 174

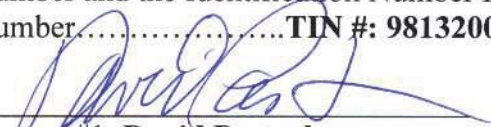
1830 East Broadway, Tucson, Arizona [85719]

**THIS BEING THE FIRST TRUSTEE MEETING OF THE
FOX GROUP TRUST:**

INDENTURE

Meeting began at 1:00 PM, ended at 2:00 PM, on the 21 day of September, 2004
Aage Nost, as Creator / Protector of the Trust named: **Fox Group Trust**, hereby appoints as
Administrative Trustees / Exchangers: Clare Louise Reading and James Leslie Reading.
The Administrative Trustees' duties include, but are not limited to: Setting up, managing and
executing the operation of all bank accounts, signing of checks, monetary dealings, and
organizing as well as representing the Trust in all buying, selling and negotiation of assets and all
day to day necessary operations. The **Administrative Trustees** retain the authority to call
trustee meetings and will act as director of these meetings. The **Administrative Trustees** will
oversee any and all dispersals from the Trust as well as well as accepting descriptions of all
exchanged items. The **Administrative Trustees** agree to the request and recommendations of
the Trust's Creator and will begin the duties immediately by taking over the administration of
this meeting. The first **Trustee** to be appointed is **David Pastorkey**, the second **Trustee** is
Charles Baird. The following items will become property of the **Trust** at this time:
(see attached lists and Photostat copies, if any, on succeeding pages of numbered addenda and
supporting documents).

The **Administrative Trustees** will have full use of all property in the Trust in equal exchange
and return for **their** efforts of operating and managing the **Trust**. The **Administrative Trustees**
will begin the above described duties by organizing transfers and accounting for same. The
Administrative Trustees will establish, and be principal signer(s) of any and all bank accounts
necessary. The **Administrative Trustees** will notify the **Trustees** of the financial institution
chosen, and the date, place, and time for the next **Trustee** meeting. The **Trust** Identification
Number and the Identification Number for the bank accounts will be the following assigned TIN
Number.....**TIN #: 981320086**


Trustee #1: **David Pastorkey**


Administrative Trustee: **Clare Louise Reading**


Trustee #2: **Charles Baird**


Administrative Trustee: **James Leslie Reading**

For purposes of verification of signature, I, the undersigned Notary Public, do declare on this
_____ day of _____, 2004, that the person(s) stated above, did execute this
document.

Notary Public

My commission expires: _____

Stamp:

Exchanger Initial and Date: JLR 9-21-04

Affidavit of Truth

On September 21, 2004, the Original Intent of the Exchangers, Clare Louise Reading and James Leslie Reading was carried out as the Creator, Aage Nost, and Trustees, Charles Baird and David Pastorkey came together in agreement and a meeting of the minds to form and administer the Fox Group Trust.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on May 6, 2005. [28 USC § 1746 (1)]

by: CLARE LOUISE READING, ADMINISTRATIVE
Clare Louise Reading, Exchanger
and Administrative Trustee

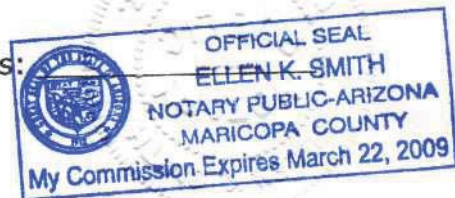
by: James Leslie Reading, ADMINISTRATIVE
James Leslie Reading, Exchanger
and Administrative Trustee

For purpose of verification of signature, I, the undersigned Notary Public, do declare on this 6th day of May, 2005, that Clare Louise Reading and James Leslie Reading did execute this document.

Ellen K Smith
Notary Public

My commission expires:

Stamp:



Exchanger Initial and date: JK 5/6/05

**SECOND DUFFY DECLARATION
EXHIBIT N**

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RECORDING INFORMATION

Government Exhibit
DuffyExN

FOX GROUP TRUST READING CLARE LOUISE READING JAMES LESLIE		MISC
6/19/2008	20080545334	

VIEWING OPTIONS

PNG - Select to view one page at a time

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Unofficial Document

When recorded mail to:

Fox Group Trust
4448 E. Main St., Ste 3, Box 256
Mesa, AZ 85205

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THE DOCUMENT executed and recorded this day is to

CORRECT PROPERTY LEGAL DESCRIPTION

as previously and incompletely recorded in the Official Records of Maricopa County Recorder - Helen Purcell - Document Recording No. 2005-0782892 on 06/10/05 at: 10:19 A.M. (copy attached).

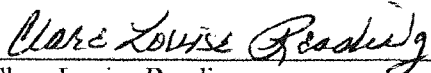
The correct Legal Description of the Property is:

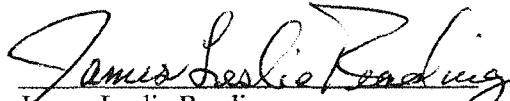
Lot 49 Brownmore Estates, A Subdivision of a Portion of the NW1/4 NE1/4
Section 18, T. 1N., R. 6E., G.&S.R., B.&M., Maricopa County, Arizona

as so described on United States Government Land Patent No. 700128 granted by President Woodrow Wilson on the 23rd day of July, 1919, "to Amanda B. Melson and to her heirs and assigns forever; as directed by the Act of Congress approved August 30, 1890 (26 Stat. 391)"; and "to secure ... in connection with said land and water rights, a lien prior and superior to all other liens, claims, or demands whatsoever upon the lands herein and hereby described and conveyed ... is expressly reserved" (Certified copy attached).

Also attached by reference: \$150,000.00 Homestead Exemption per:
Arizona Revised Statutes - Title 33 - Property
Chapter 8 - Homestead and Personal Property exemption
Article 1 - Homesteads and Homestead Exemption
Sections 33-1101 - 33-1105

I declare under penalty of perjury under the laws of the United States of America pursuant to Title 28 § 1746(1) that the foregoing is true and correct to the best of my knowledge, understanding and belief and that this is my true and correct signature. All rights retained without recourse.


Clare Louise Reading


James Leslie Reading

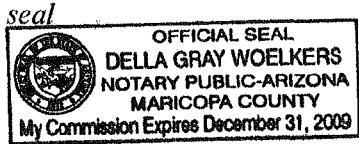
Page 1 of 2

VERIFICATION

Arizona State, a Republic)
) ss.
Maricopa County)

The foregoing instrument was acknowledged before me this 19 day
of June, 2008, by Clare Louise Reading and James Leslie Reading, personally
known to me.

Della Gray Woelkers My Commission expires: 12/31/2009
Signature of Notary Public



Unofficial Document