

**IN THE UNITED STATES DISTRICT COURT FOR THE
FOR THE EASTERN DISTRICT OF ARKANSAS
WESTERN DIVISION**

UNITED STATES OF AMERICA

PLAINTIFF

v.

CASE NO. 4:09CV00353 BSM

**LORI A. MOSBY,
T. M., a minor,
CHANGE YOUR LIFE, INC.,
MELVIN LACEY, and
STATE OF ARKANSAS**

DEFENDANTS

ORDER AND JUDGMENT

In accordance with the stipulation for entry of final judgment [Doc. No. 108] filed on March 3, 2011, it is hereby ordered that

1. Judgment is entered in favor of the United States and against Lori A. Mosby for 2002, 2003, 2004, and 2005 federal income taxes, including accrued interest and other accrued statutory additions, in the amount of \$253,520.32, plus interest and statutory additions allowable by law from March 31, 2008, until the judgment is paid.
2. The United States has valid and subsisting federal tax liens that arose at the time of the federal income tax assessments against Lori A. Mosby for 2002, 2003, 2004, and 2005 and attached at the time of assessment to all property and rights to property held by Lori A. Mosby, as well as to all of Mosby's subsequently acquired property and rights to property, including the real property located at 3715 W. 13th Street, Little Rock, Arkansas (the

“Property”) described as follows:

Lot 4, Block 8, W. B. Worthen’s Addition to the City of Little Rock, Pulaski County, Arkansas, as shown on plat recorded in Plat Book 1, Page 21, records of Pulaski County, Arkansas.

3. The nominal transfer of title to the Property from Lori Mosby to Change Your Life, Inc. and T.M. was of no legal effect and that Lori Mosby remained and is the true and equitable owner of the Property following that transfer.
4. T.M. and Change Your Life, Inc. have no legal interest in the Property.
5. The federal tax liens on the Property are to be foreclosed against the Property to satisfy Lori Mosby’s 2002, 2003, 2004, and 2005 federal income tax liabilities. The proceeds from the sale of the Property will be applied to these federal income tax liabilities subject to the priority of the State of Arkansas’ interest in the Property, which, pursuant to Arkansas Code Annotated § 36-24-101, is paramount and superior to the United States’ federal tax liens. A separate order of sale enforcing this judgment against the Property will issue.
6. Within thirty days of this judgment, the United States shall submit a motion for sale and proposed order of sale consistent with this judgment and including a provision that the State’s interest has priority over the United States’ tax liens and that the sale proceeds will be distributed accordingly.
7. The deeds dated March 28, 2002, and July 8, 2002, recorded in the Office of the Circuit Clerk and *ex-Officio* Recorder of Pulaski County (the “county clerk’s office”) on March 28, 2002, as Instrument No. 2002128179 and on July

8, 2002, as Instrument No. 2002158477, respectively, purporting to convey the real property legally described as the North 75 feet of Lot 1, Block 404, Lincoln & Zimmerman Addition to the City of Little Rock, Pulaski County, Arkansas, commonly known as 2001 Commerce Street, Little Rock, Pulaski County, Arkansas, (the “Lacey property”) from Melvin Lacey to Lori Mosby should be, and hereby are, determined to be void, set aside, and held for naught.

8. The deed dated June 16, 2005, and recorded in the county clerk’s office on June 20, 2005, as Instrument No. 2005051454, purporting to convey the Lacey property from Lori Mosby to Change Your Life, Inc., and T.M. should be, and hereby is, determined to be void, set aside and held for naught.
9. The federal tax liens against Mosby for her 2002, 2003, 2004, and 2005 tax liabilities, and for her federal tax liabilities for any other year, do not attach to nor encumber the Lacey property because Melvin Lacey is the true and equitable owner of the Lacey property and that the United States, Lori Mosby, T.M., and Change Your Life, Inc., do not have any legal interest in the Lacey property.
10. Melvin Lacey’s remaining claims against Lori Mosby, Change Your Life, Inc., and T.M. are **DISMISSED**, the parties to bear their respective costs, including any possible attorneys’ fees or other expenses of this litigation.
11. The parties shall bear their respective costs, including any possible attorneys’

fees or other expenses of this litigation.

Dated this 21st day of March, 2011.


Brian S Miller
UNITED STATES DISTRICT JUDGE