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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

REAL PROPERTY LOCATED IN BEVERLY
HILLS, CALIFORNIA,

Defendant.

NEIL MOFFITT
and
1169 NORTH HILLCREST, LLC.

Claimants.

No. CV-16-5363-DSF (PLAx)

[CONSENT JUDGMENT OF FORFEITURE]

On July 20, 2016, Plaintiff United States of America ("Plaintiff" or the "United States") commenced this action, and notice was given and published in accordance with law. Claimants Neil Moffitt ("Moffitt") and 1169 North Hillcrest, LLC (collectively, "Claimants") filed the only claims to the defendant real property located in Beverly Hills, California (the "Defendant Real Property"). No other claims or answers have been filed, and the time for filing such claims and answers has expired.

1 Now, the parties have reached an agreement that is dispositive
2 of the claims to the Defendant Real Property. Based on the parties'
3 Stipulation and Request for a Consent Judgement, and for good cause
4 shown, IT IS ORDERED, ADJUDGED AND DECREED:

5 A. This Court has jurisdiction over this action pursuant to 28
6 U.S.C. §§ 1345 and 1355, and over the parties hereto.

7 B. The Verified Complaint for Forfeiture states a claim for
8 relief pursuant to 18 U.S.C. § 981(a)(1)(A) and (C).

9 C. Notice of this action has been given in accordance with
10 law. All potential claimants to the Defendant Real Property other
11 than Claimants are deemed to have admitted the allegations of the
12 Complaint. The allegations set out in the Complaint are sufficient
13 to establish a basis for forfeiture.

14 D. The net proceeds of the sale of the Defendant Real Property
15 shall be held in the client trust account of Claimants' attorney,
16 Ronald Richards, Ronald Richards and Associates, A.P.C., Beverly
17 Hills, California (the "IOLTA Account"), pending distribution as
18 follows:

19 a. Forthwith, Moffitt shall file Internal Revenue Service
20 ("IRS") Form 1040 for tax year 2016, correctly reporting all taxable
21 income received and allowable deductions. Moffitt shall cooperate
22 with the IRS in its efforts to examine his Forms 1040 for tax year
23 2016 and Moffitt's previously filed Form 1040 for tax year 2015.
24 Specifically, Moffitt shall continue to provide the IRS with any
25 information or documents requested to substantiate the items reported
26 on said Forms 1040.

27 b. Moffitt shall fully cooperate with the IRS in its
28 assessment and collection of the tax liabilities reported on the

1 Forms 1040 described in sub-paragraph a, as well as the statutory
2 interest and penalties related to such tax liabilities, as
3 applicable.

4 c. Moffitt waives all defenses to the assessment and/or
5 collection of the tax liabilities reported on the Forms 1040
6 described in sub-paragraph b, as well as statutory interest and
7 penalties related to said tax liabilities, including any defense
8 based on the expiration of the period of limitations on assessment or
9 collection. With respect to tax liabilities reported on the Forms
10 1040 described in sub-paragraph b, and statutory interest and
11 penalties related to said tax liabilities. Moffitt waives all rights
12 to Collection Due Process ("CDP") hearings before the Office of
13 Appeals under I.R.C. §§ 6320 and 6330. Moffitt waives all other
14 rights to hearings before the Office of Appeals, including hearings
15 under the Collection Appeals Program ("CAP"), and Appeals
16 consideration of the rejection or termination of any alternative
17 payment proposal. This waiver includes the waiver of all rights to
18 Appeals consideration of the merits of the underlying liability and
19 any matters concerning collection of the tax liability, including any
20 challenges to Notices of Federal Tax liens or levies, and challenges
21 to termination of an installment agreement, payment extension,
22 rejected or defaulted Offer in Compromise or other promises regarding
23 payment. Moffitt further waives the right to receive notices of
24 appeal rights that are waived by this agreement, including the right
25 to receive CDP notices under I.R.C. §§ 6330 and 6330. Moffitt waives
26 all restrictions on levy under I.R.C. §§ 6330 and 6331.

27 Notwithstanding any other language herein, Moffitt retains his rights
28 in accordance with Section 6404 of the Internal Revenue Code of 1986,

1 as amended, to seek abatements of any interest and penalties on tax
2 assessments for tax years 2015 and 2016.

3 d. Following Moffitt's filing of Form 1040, as described
4 above in sub-paragraph a, sufficient funds from the IOLTA Account
5 shall be directed to the IRS to fully pay Moffitt's tax liabilities
6 as identified in Forms 1040 for tax years 2015 and 2016 as well as
7 \$562,107, which amount is the estimated interest due the IRS
8 resulting from Moffitt's tax liability for tax year 2015.

9 e. From the date the IRS receives the funds described in
10 sub-paragraph d, the IRS shall have six months to determine whether
11 any additional tax liabilities or interest are owed for 2015 and/or
12 2016, and \$500,000 from the proceeds of the sale of the Defendant
13 Real Property shall be held and remain in the IOLTA Account during
14 such time (the "Remainder Funds"). During this six-month period,
15 should the IRS determine that any additional tax liability or
16 interest is owed, the amount of such liability promptly shall be
17 directed from the IOLTA Account to the IRS to fully satisfy such
18 liabilities and/or interest. Moffitt shall be responsible for any
19 discrepancy should the Remainder Funds be insufficient to satisfy any
20 interest, debt, or liability to the IRS. If, following this six-
21 month period, the IRS has not completed its determination of
22 additional liabilities or interest due, or if the IRS determines no
23 additional liability or interest is due, the Remainder Funds shall be
24 released to Claimants. Neither this Stipulation nor the Proposed
25 Judgment does or shall prohibit or restrain the IRS from seeking
26 additional liabilities or interest due, notwithstanding whether the
27 IRS makes any determination within the six-month period described
28 herein. Further, for all years, including tax years 2015 and 2016,

1 nothing in this Stipulation or the proposed Judgment shall prohibit
2 or in any way impede the IRS from assessing and collecting any and
3 all tax liabilities, additions to tax, penalties, and interest, all
4 of which rights and obligations to assess and collect are hereby
5 reserved.

6 f. Following the payment of funds to the IRS described in
7 sub-paragraph d, and subject to the reservation of the Remainder
8 Funds described in sub-paragraph e, any surplus funds from the sale
9 proceeds of the Defendant Real Property shall be released to
10 Claimants.

11 E. Each of the parties shall bear its own attorney's fees and
12 costs.

13 F. The Court shall retain jurisdiction to enforce this
14 Judgment.

15 G. The Court finds that there was reasonable cause for the
16 institution of these proceedings. This judgment shall be construed
17 as a certificate of reasonable cause pursuant to 28 U.S.C. § 2465.

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19 5/30/17



20 _____
DATE

HONORABLE DALE S. FISCHER
UNITED STATES DISTRICT JUDGE

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22 **SIGNATURE OF PARTIES ARE ON NEXT PAGE**
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1 **Approved as to form and content:**

2 DATED: May __, 2017

DEBORAH CONNOR
Acting Chief, MLARS

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SANDRA R. BROWN
Acting United States Attorney

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6

JOHN J. KUCERA
CHRISTEN A. SPROULE
Assistant United States Attorneys

7

8

WOO S. LEE
Deputy Chief, MLARS
KYLE R. FREENY
Trial Attorney, MLARS

9

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Attorneys for Plaintiff
UNITED STATES OF AMERICA

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15 DATED: May __, 2017

NEIL MOFFITT,
Both in his individual capacity and on
behalf of 1169 Hillcrest, LLC

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19 DATED: May __, 2017

JOHN PAPPALARDO,
Attorney for Claimants
Neil Moffitt and
1169 Hillcrest, LLC

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