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12 IN THE UNITED STATES DISTRICT COURT  
13 FOR THE EASTERN DISTRICT OF CALIFORNIA  
14 SACRAMENTO DIVISION

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17 **UNITED STATES OF AMERICA,**

18 Plaintiff,

19 v.

20 **DAVID PFLUM, PILOT ENTERPRISE,**  
21 **LLC, FRIDAY HARBOR WY, LLC,**  
22 **STATE OF CALIFORNIA FRANCHISE**  
23 **TAX BOARD, EL DORADO COUNTY,**  
**SAN JOAQUIN COUNTY, CITY OF**  
24 **STOCKTON, PLUMAS COUNTY, AMIR**  
25 **AHMED,**

26 Defendants.

Case No. 2:15-CV-02659-MCE-CKD

**STIPULATION REGARDING LIEN  
PRIORITY BY PLAINTIFF UNITED  
STATES OF AMERICA AND  
DEFENDANT STATE OF CALIFORNIA  
FRANCHISE TAX BOARD**

Judge: The Hon. Morrison C. England, Jr.  
Trial Date: Not yet set  
Action Filed: December 23, 2015

26 Plaintiff United States of America and Defendant State of California Franchise Tax Board,  
27 through their respective counsel, hereby stipulate and agree as follows:

1           1.     The remaining real properties that are the subject of this tax lien foreclosure action  
2 are 1274 Dedi Avenue, South Lake Tahoe, CA (1274 Dedi Property); and 1278 Dedi Avenue,  
3 South Lake Tahoe, CA (1278 Dedi Property).

4           2.     The 1274 Dedi Property, APN 032-282-34-100, is fully described as follows:

5           The land referred to herein below is situated in the City of South Lake Tahoe, County  
6 of El Dorado, State of California, and described as follows:

7           Lot 85, Block 3, as shown on the Map of “Armstrong Subdivision No. 7” filed for  
8 record June 29, 1954 in Block “B” of Maps, Page 39, El Dorado County Records.

9           (Compl. ¶ 32.)

10          3.     The 1278 Dedi Property, APN 032-282-343100, is fully described as follows:

11          The land referred to herein below is situated in the City of South Lake Tahoe, County  
12 of El Dorado, State of California, and described as follows:

13          Lot 84, Block 3, as shown on the Map of “Armstrong Subdivision No. 7” filed for  
14 record June 29, 1954 in Block “B” of Maps, Page 39, El Dorado County.

15          (Compl. ¶ 33.)

16          4.     On May 16, 2013, the United States District Court for the District of Kansas entered a  
17 default judgment in favor of the USA against Pflum in the amount of \$6,408,357.25 as of March  
18 14, 2013, plus interest and statutory additions for his 1997-2007 federal income tax liabilities and  
19 his Form 941 tax liability for the fourth quarter of 1999. (J., ECF No. 21 [May 16, 2013], *United*  
20 *States v. David G. Pflum*, Case No. 5:12-cv-04115 [D. Kan].)

21          5.     On June 26, 2009, a Notice of Federal Tax Lien for Pflum’s 1997 through 2007  
22 federal income tax liabilities was filed in the El Dorado County, CA Recorder’s Office.

23          6.     On July 28, 2009, a nominee Notice of Federal Tax lien was filed in the El Dorado  
24 County, CA property records against Pilot Enterprise, LLC, as nominee of Pflum for his 1997  
25 through 2007 federal income tax liabilities.

26          7.     On September 2, 2008, and October 7, 2008, Notices of Federal Tax Lien for Pflum’s  
27 Form 941 federal tax liabilities, was filed in the El Dorado County, CA Recorder’s Office,  
28 respectively. Pflum has Form 941 federal tax liabilities in the amount of \$509,920.95 as of  
8/14/2016,

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8. On September 16, 2008, FTB made a tax assessment against taxpayer and defendant David Pflum in the amount of \$69,861.34 based upon his failure to respond to FTB’s Demands to File or Notice of Proposed Assessments for the 2004 tax year. Pflum’s 2004 California tax liability arose from his sale of real property in California.

9. FTB recorded a Notice of State Tax Lien against Pflum for the 2004 tax year on April 23, 2010, Certificate No. 1008333446 in El Dorado County.

10. The United States and the State of California Franchise Tax Board hereby stipulate and agree that the sales proceeds of the 1274 Dedi Property, and 1278 Dedi Property shall be paid first to the United States in the amount of \$509,920.95 plus interest and accruals from 8/14/2016, then to the State of California Franchise Tax Board in the amount of \$68,322.57 plus interest and accruals from 10/21/2016, and then any remaining excess proceeds to the United States.

11. This stipulation is to resolve the priority of liens at issue between the United States and State California Franchise Tax Board in this case.

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12. Each party shall bear their own costs and attorneys fees.

Respectfully submitted,  
  
KAMALA D. HARRIS  
Attorney General of California  
MOLLY K. MOSLEY  
Supervising Deputy Attorney General

Dated: November 17, 2016

/s/Jill Bowers  
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Deputy Attorney General  
*Attorneys for Defendant State of California  
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CAROLINE D. CIRAOLO  
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/s/Herbert W. Linder  
HERBERT W. LINDER  
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U.S. Department of Justice  
*Attorneys for Plaintiff United States of  
America*

IT IS SO ORDERED.

Dated: December 5, 2016

  
MORRISON C. ENGLAND, JR.  
UNITED STATES DISTRICT JUDGE