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IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

DAVID PFLUM  
PILOT ENTERPRISE, LLC,  
FRIDAY HARBOR WY, LLC,  
STATE OF CALIFORNIA FRANCHISE TAX  
BOARD,  
EL DORADO COUNTY,  
SAN JOAQUIN COUNTY, and  
CITY OF STOCKTON.

Defendants.

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

**Order Granting the United States'  
Motion for  
Order of Sale of Properties**



1 public sale and to sell the Properties, together with any improvements, buildings, and  
2 appurtenances thereon.

3 3. PALS is authorized to have free access to the Properties and to take all actions  
4 appropriate to preserve these properties, including, without limitation, retaining a locksmith or  
5 other person, if necessary, to change or install locks or other security devices on these properties,  
6 until the deed thereto is delivered to the successful purchaser.

7 4. The terms and conditions of the sale are as follows:

8 a. The Properties shall be sold together, or separately, at the sole discretion of  
9 the United States, and such sale shall be free and clear of all liens or other claims  
10 of any party to this proceeding, including additional fees and costs, from sale  
11 proceeds;

12 b. The sale shall be subject to building lines, if established, all laws, ordinances,  
13 and governmental regulations (including building and zoning ordinances)  
14 affecting these properties and easements and restrictions of record, if any;

15 c. The sale of the Properties by public auction, shall be held at the courthouse of  
16 the county or city in which the Properties are located; on the premises of either of  
17 the Properties; or at any other place in accordance with the provisions of 28  
18 U.S.C. § § 2001 & 2002, and 2004;

19 d. The date and time for the sales are to be announced by the PALS;

20 e. The IRS PALS may, in their discretion, hold one or more open houses at the  
21 Property for viewing by potential bidders. David Pflum, and any person  
22 occupying the Properties, shall not interfere in any way with an open house.

23 f. After the PALS has determined the date and time for sale, they shall insert the

1 same in the Notice of Sale and shall promptly mail a copy of the Notice of Sale,  
2 by regular and certified mail, return receipt requested, to each of the following:

3 Herb Linder  
4 Trial Attorney, Tax Division  
5 U.S. Department of Justice  
6 717 N. Harwood, Suite 400  
7 Dallas, Texas 75201  
8 Attorney for United States

9 JILL BOWERS  
10 1300 I Street, Suite 125  
11 P.O. Box 944255  
12 Sacramento, CA 94244-2550  
13 Attorneys for Defendant State of California Franchise  
14 Tax Board

15 Janeth D. Sanpedro  
16 County of El Dorado  
17 330 Fair Lane  
18 Placerville, CA. 95667  
19 Attorney for Defendant Eldorado County.

20 David G. Pflum  
21 509 W. Willow, Apt. 8  
22 St. Marys, KS 66536

23 Wendy Pierson or current occupant  
1274 Dedi Avenue,  
South Lake Tahoe, CA 96150

g. Notice of the sale shall be published once a week for at least four consecutive  
weeks before the sale in at least one newspaper regularly issued and of general  
circulation in Eldorado County, California. Furthermore, at the discretion of the  
IRS PALS, the sale may be advertised by any other means deemed appropriate,  
expressly including placement of a listing with a broker, provided that the fee for  
the advertisement is a flat sum and not a commission on the sale price. Each  
notice of the sale shall contain a description of the Property, but need not contain

1 a full legal description, and shall also contain the terms and conditions of sale in  
2 this order of sale.

3 h. The minimum bid will be determined by the PALS and shall be inserted into  
4 the Notice of Sale. If the minimum bid is not met or exceeded, the PALS may,  
5 without further permission of this Court, and under the terms and conditions in  
6 this order of sale, hold a new public sale, and may reduce the minimum bid;

7 i. At the time of the sale, the winning bidder shall deposit with the PALS, by  
8 money order or by certified check or cashier's check payable to the "United States  
9 District Court for the Eastern District of California" a deposit in an amount  
10 between five (5) and twenty (20) percent of the minimum bid, as specified by the  
11 PALS in the published notice of sale. Before being permitted to bid at the sale,  
12 potential bidders shall show the PALS proof that they are able to comply with this  
13 requirement. No bids will be accepted from any person who has not presented  
14 proof that, if they are the successful bidder, they can make the deposit required by  
15 this Order;

16 j. The balance of the purchase prices for the Properties shall be paid to the PALS  
17 within thirty (30) days after the date the bid is accepted, by a certified or cashier's  
18 check, payable to the United States District Court for the Eastern District of  
19 California. If a successful bidder fails to fulfill this requirement, the deposit shall  
20 be forfeited and shall be applied to cover the expenses of the sale, with any  
21 amount remaining to be applied to the federal tax liabilities at issue of David  
22 Pflum. The Property shall be again offered for sale under the terms and  
23 conditions of the order of sale or, in the alternative, sold to the second highest

1 bidder, at the sole discretion of the United States. The United States may bid as a  
2 credit against its judgment without tender of cash;

3 k. The Clerk of the Court shall receive and deposit all funds collected as a result  
4 of the foreclosure and sale of the Properties, into the account for the registry of  
5 the Court for later distribution.

6 l. The sale of the of the Properties shall be subject to confirmation by this Court.  
7 On confirmation of the sale, ownership, risk of loss and possession shall transfer  
8 to the respective successful bidder(s), and all interests in, liens against, and titles  
9 and claims to, the Properties that are held or asserted by the parties to this action  
10 are discharged and extinguished.

11 m. After the confirmation of the sale, the IRS shall execute and deliver a deed  
12 under the authority of this Court conveying the respective Properties, effective as  
13 of the date of the confirmation of the sale, to the respective successful bidder(s) or  
14 as designated in writing by the successful bidder(s). The successful bidder(s)  
15 shall pay, in addition to the amount of the bid, any documentary stamps and  
16 registry fees as provided by law; and

17 n. The sales are ordered under 26 U.S.C. §§7403(c) and (d), 28 U.S.C. §§ 2001,  
18 2002 and 2004 and are made without right of redemption.

19 5. From 30 days after the date this Order is signed until the sale is confirmed, the Marshal or  
20 the IRS PALS are authorized to have free access to the Properties and to take all actions  
21 necessary to preserve the Property, including, but not limited to, retaining a locksmith or other  
22 person to change or install locks or other security devices on any part of the Property.  
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1 6. The Marshal or the IRS PALS may, in his or her discretion, make payments for utilities,  
2 repairs, and the like that are reasonably necessary to maintain or preserve the Property until the  
3 Property is sold. Such payments may be reimbursed as a cost of sale.

4 7. This Order shall constitute a special writ of execution with respect to David Pflum and no  
5 further order or process from the Court shall be required.

6 8. This Order of Sale terminates any right of possession to the Properties held by defendant  
7 David Pflum, and any person occupying the Properties with or without his permission, The  
8 termination of the possessory rights shall take effect on the date 30 days after the date this Order  
9 is signed, David Pflum and any person occupying the Properties with or without his permission,  
10 is hereby ordered to vacate the Properties no later than the date 30 days after the date this Order  
11 is signed. They shall take with them their personal property, but leave in place all improvements,  
12 buildings, fixtures, and appurtenances to the Property. The United States Marshal or PALS shall  
13 provide notice of the order to defendants and any other person occupying the Properties by hand  
14 delivery or by leaving it in a prominent location at the property. The United States may, in  
15 writing and in its sole discretion, extend the time to vacate.

16 9. If David Pflum, or any person occupying the Properties with or without his permission,  
17 continues to occupy the Property after the date 30 days after the date this Order is signed, they  
18 shall be considered to be trespassers. In that event, the U.S. Marshals Service is authorized and  
19 directed to take any and all necessary action, including but not limited to the use of reasonable  
20 force, to enter and remain on the premises, which includes, but is not limited to, the land,  
21 buildings, vehicles, and any other structures located thereon, for the purpose of executing this  
22 Order of Sale. The United States Marshals Service is further authorized and directed to arrest or  
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1 evict from the premises any persons who obstruct, attempt to obstruct, or interfere or attempt to  
2 interfere in any way with this Order of Sale.

3 10. If any person fails or refuses to remove his or her personal property from the Properties  
4 by the time specified herein, the personal property remaining on the Properties thereafter is  
5 deemed forfeited and abandoned, and the United States Marshal's Office or PALS is authorized  
6 to remove it and to dispose of it in any manner it deems appropriate, including sale, in which  
7 case the proceeds of the sale are to be paid into the Court and applied first to the expenses of sale  
8 and the balance to the parties as directed by the Court. Checks for the purchase of personal  
9 property shall be made out to the "Clerk of the District Court for the Eastern District of California  
10 and the Clerk is directed to accept these checks and deposit them into the Court's registry for  
11 distribution pursuant to further order of this Court.

12 11. Until the sale of the Properties is confirmed, David Pflum shall take all reasonable steps  
13 necessary to preserve the Properties (including all buildings, improvements, fixtures, and  
14 appurtenances on the Properties) in its current condition including, without limitation,  
15 maintaining a fire and casualty Insurance policy on the Properties, and ensuring that ad valorem  
16 taxes on the Property are paid in a timely fashion. David Pflum shall neither commit waste  
17 against the Property nor cause or permit anyone else to do so. David Pflum shall neither do  
18 anything that tends to reduce the value or marketability of the Properties nor cause or permit  
19 anyone else to do so. David Pflum shall not record any instruments, publish any notice, or take  
20 any other action (such as running newspaper advertisements or posting signs) that may directly  
21 or indirectly tend to adversely affect the value of the Properties or that may tend to deter or  
22 discourage potential bidders from participating in the public auction, nor shall he cause or permit  
23 anyone else to do so.



1           12.     After the sale, the parties shall file further motions detailing who and in what  
2 amounts the sales proceeds should be distributed to. The Court shall distribute the proceeds of  
3 the sale, as set forth by a subsequent Order of this Court.

4           IT IS SO ORDERED.

5 Dated: April 12, 2023

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8 MORRISON C. ENGLAND, JR.  
9 SENIOR UNITED STATES DISTRICT JUDGE  
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