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 2 THOMAS MOORE (ASBN 4305-O78T)
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 9th Floor Federal Building
 5 450 Golden Gate Avenue, Box 36055
 San Francisco, California 94102
 6 Telephone: (415) 436-7000

7 Attorneys for the United States of America
 and the Internal Revenue Service

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IN THE UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,)
 Plaintiff,)
 v.)
 LOUIS BEARY, et al.,)
 Defendants.)

No. C06-5838 PJH

**STIPULATION AND [PROPOSED] ORDER
 FOR DISBURSEMENT OF FUNDS HELD
 IN REGISTRY OF COURT AND FOR
 DISMISSAL**

18 Plaintiff, United States of America on behalf of its agency the Internal Revenue Service,
 19 Defendants, Kimberley A. Beary a/k/a Kimberley Ann Beary, both individually and as Trustee
 20 U.D.T. (Under Declaration of Trust) (“Beary Defendants”); State of California, Franchise Tax
 21 Board; State of California, Employment Development Department; and Lois Rust, hereby
 22 stipulate, pursuant to the terms of the settlement as set forth by the parties on the record at the
 23 settlement conference held on March 26, 2010 before Hon. Magistrate Judge Maria-Elena
 24 James:¹

25 _____

26 ¹The United States, Franchise Tax Board, and Lois Rust have agreed to a \$68.73
 27 reduction in the amount payable to them pursuant to the settlement terms set forth on the record
 28 at the March 26, 2010 settlement conference. This reduction is the result of a mathematical error
 and the parties have stipulated to a lesser amount to correct that error.

1 1. That the sum of \$388,122.65, deposited into the registry of the Court on or
2 about March 17, 2010, should be disbursed as follows:

3 a. The sum of \$306,261.01 shall be paid to the United States, by check payable to the
4 United States of America, and sent to Assistant United States Attorney Cynthia Stier, 9th Floor
5 Federal Building, 450 Golden Gate Avenue, Box 36055, San Francisco, California 94102;

6 b. The sum of \$36,930.82 shall be paid to the Rust Parties (Lois Rust; James Beyers;
7 Nancy Case; Beyers Costin; Beyers, Costin & Case), by check payable to Byers Costin Client
8 Trust Account, c/o Beyers Costin, 200 Fourth Street, Suite 400, P.O. Box 878, Santa Rosa,
9 California 95402;

10 c. The sum of \$8,000, shall be paid to California Employment Development Department,
11 by check payable to the California Employment Development Department, and sent to Karen W.
12 Yiu, California Attorney General's Office, 455 Golden Gate Avenue, Suite 11000, San
13 Francisco, CA 94102.

14 d. The remainder of the deposit in the registry of the Court, with interest, in an amount
15 not less than \$36,930.82, shall be paid to the California Franchise Tax Board, by check payable
16 to the California Franchise Tax Board, and sent to Karen W. Yiu, California Attorney General's
17 Office, 455 Golden Gate Avenue, Suite 11000, San Francisco, CA 94102.

18 2. That the Complaint of the United States of America, and the Cross-Complaint of
19 Defendant Lois Rust are hereby dismissed with prejudice, each party to bear his or her own costs
20 and fees, and the Unites States of America and Lois Rust shall each file a Notice of Dismissal
21 with Prejudice as to their claims.
22

23 3. That the Court shall retain jurisdiction over this case solely for the purpose of
24 enforcing the terms of the settlement as set forth by the parties on the record at the settlement
25 conference held on March 26, 2010.

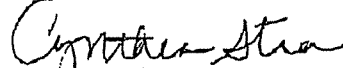
26 IT IS SO STIPULATED:

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28 US v. Louis Beary, et. al.,
Case No. C06-5838 PJH Stipulation
and [proposed]
Order

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Respectfully submitted,

JOSEPH RUSSONIELLO
United States Attorney



CYNTHIA STIER
Assistant U.S. Attorney
Attorneys for the United States of America

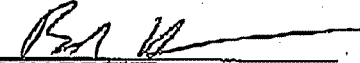
Dated: 4/1/10:

Dated: _____:

KAREN W. YIU
California Attorney General's Office
Attorney for State of CA Franchise Tax
Board and Employment Development
Department

4154366748

Dated: 4/1/10:



BOB HAROCHE
Beyers Costin
200 Fourth Street, Suite 400
P.O. Box 878
Santa Rosa, California 95402
Attorney for Lois Rust

Dated: _____:

PETER CHURCHILL
1682 Novato Blvd.
Suite 350 Novato, CA 94947
Attorney for Kimberley Beary

SO ORDERED:

Dated: _____:

THE HONORABLE PHYLLIS J. HAMILTON
UNITED STATES DISTRICT JUDGE

US v. Louis Beary, et. al.,
Case No: C06-5838 PJH Stipulation
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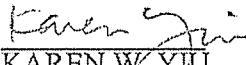
Respectfully submitted,

JOSEPH RUSSONIELLO
United States Attorney

Dated: _____:

CYNTHIA STIER
Assistant U.S. Attorney
Attorneys for the United States of America

Dated: 4/1/10 :


KAREN W. YIU
California Attorney General's Office
Attorney for State of CA Franchise Tax
Board and Employment Development
Department

Dated: : _____:

BOB HAROCHE
Beyers Costin
200 Fourth Street, Suite 400
P.O. Box 878
Santa Rosa, California 95402
Attorney for Lois Rust

Dated: : _____:

PETER CHURCHILL
1682 Novato Blvd.
Suite 350 Novato, CA 94947
Attorney for Kimberley Beary

SO ORDERED:

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UNITED STATES DISTRICT JUDGE

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Respectfully submitted,

JOSEPH RUSSONIELLO
United States Attorney

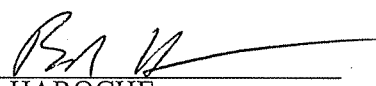
Dated: _____:

CYNTHIA STIER
Assistant U.S. Attorney
Attorneys for the United States of America

Dated: _____:

KAREN W. YIU
California Attorney General's Office
Attorney for State of CA Franchise Tax
Board and Employment Development
Department

Dated: : 4/1/10:


BOB HAROCHE
Beyers Costin
200 Fourth Street, Suite 400
P.O. Box 878
Santa Rosa, California 95402
Attorney for Lois Rust

Dated: : _____:

PETER CHURCHILL
1682 Novato Blvd.
Suite 350 Novato, CA 94947
Attorney for Kimberley Beary

SO ORDERED:

Dated: _____

THE HONORABLE PHYLLIS J. HAMILTON
UNITED STATES DISTRICT JUDGE

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JOSEPH RUSSONIELLO
United States Attorney

Dated: _____:

CYNTHIA STIER
Assistant U.S. Attorney
Attorneys for the United States of America

Dated: _____:

KAREN W. YIU
California Attorney General's Office
Attorney for State of CA Franchise Tax
Board and Employment Development
Department

Dated: : _____:

BOB HAROCHE
Beyers Costin
200 Fourth Street, Suite 400
P.O. Box 878
Santa Rosa, California 95402
Attorney for Lois Rust

Dated: 4/1/2010:

Peter T. Churchill
PETER CHURCHILL
1682 Novato Blvd.
Suite 350 Novato, CA 94947
Attorney for Kimberley Beary

SO ORDERED:

Dated: 4/5/10

THE HONORABLE PHYLLIS J. HAMILTON
UNITED STATES DISTRICT COURT



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