## UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN NORTHERN DIVISION

UNITED STATES OF AMERICA,

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 $\mathbf{v}$ 

Case No. 18-11559 Honorable Thomas L. Ludington

RANDY J. CHAFFEE STATE OF MICHIGAN OTSEGO COUNTY,

Defendants.	
	,

## ORDER DIRECTING PLAINTIFF TO SUBMIT PROPOSED JOINT STIPULATION REGARDING PRIORITY TO DEFENDANT CHAFFEE'S PROPERTY

On May 17, 2018, Plaintiff the United States of America filed a complaint against Defendant Randy J. Chaffee. ECF No. 1. Plaintiff seeks to obtain a judgment for Chaffee's unpaid taxes and unpaid tax penalties and to enforce tax liens on Chaffee's real property. The complaint was referred to Magistrate Judge Patricia Morris for resolution of pretrial matters. ECF No. 11. On May 30, 2019, Chaffee filed a motion to dismiss. ECF No. 26. The next day, Plaintiff filed a motion for partial summary judgment against Chaffee. ECF No. 24. Judge Morris issued a report, recommending that Chaffee's motion to dismiss be denied and Plaintiff's motion for partial summary judgment be granted. ECF No. 35. Chaffee subsequently filed objections to Judge Morris's report and recommendation. ECF No. 37. On March 30, 2020, the Court overruled Chaffee's objections and adopted the Report and Recommendation. ECF No. 46. Chaffee then moved the Court to amend its order overruling his objections to the Report and Recommendation. ECF No. 47. On August 11, 2020, the Court denied Chaffee's motion to amend and ordered Plaintiff to submit a proposed judgment. ECF No. 51.

Plaintiff submitted a proposed judgment on August 11, 2020. Plaintiff asks the Court to

decree that "the Property shall be sold, free and clear of all rights, titles, claims, and interests of

the parties to this action, with no right of redemption and with the proceeds of the sale to be

distributed in accordance with law." However, Plaintiff has not submitted a proposed joint

stipulation resolving the issue of priority to Chaffee's property. Plaintiff previously represented

that it intended to resolve the issue of priority by stipulation with the State of Michigan and Otsego

County. ECF No. 24 at PageID.129 n. 1. Plaintiff has not since advised the Court on the status of

this stipulation. The Court reminded Plaintiff of its representation in the Court's recent order

denying Chaffee's motion to amend and directing Plaintiff's proposed judgment. ECF No. 51 at

PageID.537 n. 1.

Pursuant to 26 U.S.C. § 7403(b), the Court must "adjudicate all matters involved" in this

action and "finally determine the merits of all claims to and liens upon the [Defendant's] property."

The Court must also, in the event of a sale, distribute the proceeds "according to the findings of

the court in respect to the interests of the parties and the United States." 26 U.S.C. § 7403(b).

Indeed, Plaintiff previously agreed that the issue of priority "need[ed] to be decided" should the

"[Plaintiff] prevail and the Court order the enforcement of the federal tax liens through a judicial

sale of the property." ECF No. 24 at PageID.129 n. 1.

Accordingly, it is **ORDERED** that the Government is **DIRECTED** to submit a joint

stipulation regarding priority to Defendant Randy J. Chaffee's property as between Plaintiff and

Defendants the State of Michigan and Otsego County on or before **September 2, 2020**.

Dated: August 20, 2020

s/Thomas L. Ludington
THOMAS L. LUDINGTON

United States District Judge

- 2 -

## PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing order was served upon each attorney of record herein by electronic means and upon Randy J. Chaffee, at 1794 McGregor Road, Vanderbilt, MI 49795 first class U.S. mail on August 20, 2020.

s/Suzanne Gammon SUZANNE GAMMON