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*Attorneys for the United States of America*

8  
9 **IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA**

10 UNITED STATES OF AMERICA, )  
11 Plaintiff, )  
12 v. )  
13 DEMETRIOS A. DALACAS; )  
ELENE MYLORDOS; )  
14 WILMINGTON SAVINGS FUND )  
SOCIETY, FSB NOT IN ITS INDIVIDUAL )  
15 CAPACITY, BUT SOLELY AS OWNER )  
TRUSTEE OF CSMC 2019-RP11 TRUST; )  
16 REPUBLIC SILVER STATE DISPOSAL INC.; )  
R & K DEVELOPMENT INC.; )  
17 COPPER CREEK CONSTRUCTION INC.; )  
LAS VEGAS VALLEY WATER DISTRICT; )  
18 CITY OF LAS VEGAS, NEVADA; )  
CLARK COUNTY, NEVADA; )  
19 JOHN TOUSOULIS; )  
DENISE TOUSOULIS; )  
20 Defendants. )  
21 \_\_\_\_\_ )

Case No. 2:19-cv-01937-JCM-VCF

**JOINT MOTION FOR  
DISTRIBUTION OF PROCEEDS  
DEPOSITED WITH COURT**

22 The United States, Elene Mylordos, individually and as personal representative for the  
23 Estate of Demetrios A. Dalacas, Republic Silver State Disposal, Inc., the Las Vegas Valley  
24 Water District, the City of Las Vegas, Nevada, Clark County, Nevada, and John Tousoulis,

1 individually and as personal representative for the Estate of Denise Tousoulis (“the parties”)  
2 jointly move for an order distributing the \$627,069.54, plus interest that has accrued pursuant to  
3 Local Rule 67-2(a), in proceeds of the sale of the three Subject Properties at issue in this action,  
4 which is currently being held in the Court’s registry.

### 5 **BACKGROUND**

6 The United States initiated this action on November 4, 2019, seeking to reduce income  
7 tax assessments to judgment against Demetrios A. Dalacas and foreclose tax liens on three  
8 parcels of property located in Clark County, Nevada referred to in the Complaint as the Queens  
9 Church Property, the Valley Drive Property, and the Tonopah Drive Property (collectively the  
10 “Subject Properties”). (Dkt. 1). The United States filed an amended complaint on November 7,  
11 2019 adding Clark County, Nevada as a defendant, (Dkt. 3), and a Second Amended Complaint  
12 on March 19, 2021, adding John Tousoulis and Denise Tousoulis as defendants pursuant to 26  
13 U.S.C. § 7403(b). (Dkt. 62). Mr. Dalacas died on May 16, 2020, *see* (Dkt. 28), and his sister  
14 Elene Mylordos, as Personal Representative of the Estate of Demetrios Dalacas, was substituted  
15 as defendant. (Dkt. 30).

16 On June 29, 2020, Elene Mylordos, as Personal Representative of the Estate of Demetrios  
17 Dalacas, stipulated to judgment as to the full amount sought by the United States in its  
18 Complaint. (Dkt. 31). The Court entered judgment against Elene Mylordos, as Personal  
19 Representative of the Estate of Demetrios Dalacas, on July 2, 2020. (Dkt. 32). Additionally, on  
20 December 30, 2020, the Court entered default judgment against Defendants Copper Creek  
21 Construction, Inc., and R & K Development, Inc., and determined that they “have no right, title,  
22 or interest in the Subject Properties and are not entitled to any portion of the proceeds of a sale of  
23 any of the Subject Properties.” (Dkts. 56, 57).

1 **Sale of the Queens Church Property**

2 On December 30, 2020, the Court entered an Order Approving the Sale of the Queens  
3 Church Property. (Dkt. 58). Pursuant to the terms of the Court’s Order, the interests of  
4 Wilmington, the City of Las Vegas, the Las Vegas Valley Water District, and Clark County,  
5 Nevada were satisfied directly from the proceeds of the sale. (*Id.*).

6 On February 18, 2021, \$298,516.97, constituting the remaining proceeds of the sale of  
7 the Queens Church Property (after the costs of sale and the interests of Wilmington, the City of  
8 Las Vegas, the Las Vegas Valley Water District, and Clark County, Nevada were satisfied), was  
9 deposited with the Court. (Dkt. 59). On April 19, 2021, an additional \$13,306.83 was deposited  
10 with the Court representing the final distribution of funds from the sale of the Queens Church  
11 Property. (Dkt. 69).

12 **Sale of the Valley Drive Property**

13 The Estate of Demetrios Dalacas held an interest in the Valley Drive Property by virtue  
14 of its interest in the Estate of Eugenia Dalacas (Mr. Dalacas’s mother). Second Am. Compl ¶22  
15 (Dkt. 62). The Estate of Eugenia Dalacas sold the Valley Drive Property on July 24, 2020, for  
16 \$195,000. The Estate of Eugenia Dalacas then received \$170,477.96 from the sale (after payment  
17 of costs), which were deposited into the Estate of Eugenia Dalacas’s bank account. On June 13,  
18 2022, the probate court entered an Order Settling Second and Final Account, For Approval of  
19 Attorney’s Fees, and For Decree of Final Distribution. This Order distributed payments to  
20 creditors of the Estate and provided that \$154,376.17 (representing Mr. Dalacas’s share of the  
21 Estate) was to be deposited with the Court’s registry in this case. On June 23, 2022, \$154,376.17  
22 was deposited with the Court. (Dkt. 85). These funds constituted the Estate of Demetrios  
23 Dalacas’s interest in the Estate of Eugenia Dalacas. (*Id.*).

1 **Sale of the Tonopah Drive Property**

2 The Estate of Demetrios Dalacas holds an interest in the Tonopah Drive Property by  
3 virtue of its interest in the Estate of Eugenia Dalacas (Mr. Dalacas’s mother). Second Am.  
4 Compl. ¶ 25 (Dkt. 62). On July 2, 2021, the Court approved an agreement between the United  
5 States, the Estate of Eugenia Dalacas, and John Tousoulis, both individually and as personal  
6 representative for the Estate of Denise Tousoulis, whereby (1) the United States and Mr.  
7 Tousoulis agreed to release their liens as to the Tonopah Property and (2) 50% of the proceeds of  
8 the Tonopah Property, reflecting the interest of the Estate of Demetrios Dalacas in the Tonopah  
9 Property, were deposited with the Court. (Dkt. 79). The Probate Court administering Eugenia  
10 Dalacas’s estate approved the sale on the same terms. Order Approving Partial Transfer of Real  
11 Property Proceeds to U.S. District Court Clerk, *In re Dalacas*, P-20-101809-E (Eighth Judicial  
12 District Court, Clark County Nevada) (Dkt. 60).

13 On January 19, 2022, \$137,826.82, constituting the majority of the Estate of Demetrios  
14 Dalacas’s portion of the proceeds of the Sale of the Tonopah Property, was deposited with the  
15 Court pursuant to the Court’s July 2, 2021, Order. (Dkt. 83). On January 25, 2022, \$23,042.75,  
16 constituting the remainder of the Estate of Demetrios Dalacas’s portion of the proceeds of the  
17 sale of the Tonopah Property, was deposited with the Court. (Dkt. 84).

18 To date, \$627,069.54 has been deposited with the Court. The Court currently holds in its  
19 Registry Account \$627,069.54 plus interest that has accrued pursuant to Local Rule 67-2(a) (the  
20 “Funds”).

21 **APPLICABLE STATUTES**

22 The Internal Revenue Code grants courts broad jurisdiction and authority to enforce the  
23 internal revenue laws. 26 U.S.C. § 7402. Section 7403 specifically provides the statutory  
24 authority for the United States to foreclose upon its tax liens and obtain an order of sale from a

1 district court. Section 7403(a) states that “[i]n any case where there has been a refusal or neglect  
2 to pay any tax, or to discharge any liability in respect thereof,” a civil action may be filed in  
3 order to enforce the United States’ lien “with respect to such tax or liability or to subject any  
4 property, of whatever nature, of the delinquent, or in which he has any right...” 26 U.S.C.  
5 § 7403(a).

6 Section 7403 further requires that all persons claiming any interest in the property be  
7 made parties to suit, 26 U.S.C. § 7403(b), and provides the Court the authority to sell property,  
8 adjudicate the parties’ interests in the proceeds of the sale, and distribute proceeds in accordance  
9 with those findings. 26 U.S.C. § 7403(c).

10 As shown in this motion, all individuals and entities that may have an interest in the  
11 Subject Properties have been made parties to the suit. A money judgment for taxes has been  
12 entered, and the Subject Properties have been sold with the proceeds deposited into the Court’s  
13 registry. The United States now moves the Court to distribute sale proceeds in order of priority,  
14 as stipulated by the parties below.

## 15 ARGUMENT

16 The United States named as defendants all individuals that may claim an interest in the  
17 Subject Properties, as required by 26 U.S.C. § 7403(b). Their roles, status in this case, and  
18 entitlement to the Funds are summarized below.

### 19 *1. The City of Las Vegas, Nevada*

20 The City of Las Vegas, Nevada has an interest in the Funds by virtue of special  
21 assessment liens for sewer service and nuisance abatement associated with the Tonopah  
22 Property. The amount owed to the City of Las Vegas, Nevada is \$36,478.25. Pursuant to NRS  
23  
24

1 § 268.430 and 26 U.S.C. § 6323(b), the City of Las Vegas’s special assessment liens are entitled  
2 to first priority.<sup>1</sup>

3 **2. The United States**

4 The United States has an interest in the Funds by virtue of its federal tax liens that arose  
5 upon assessment of the income taxes at issue in this action pursuant to 26 U.S.C. § 6321.

6 Pursuant to 26 U.S.C. § 6323, the United States recorded Notices of Federal Tax Lien with the  
7 Clark County Recorder as follows:

Tax Period	Recording Date	Instrument Number
2009	06/08/2017	201706080001582
2008	05/06/2018	201805090002094
2008	03/28/2019 (originally filed 07/27/2010)	201903280000222

8  
9  
10  
11  
12  
13 The current balance due to the United States on the 2008- and 2009-income tax  
14 assessments at issue in this action, as of January 1, 2023, is \$514,382.99, plus interest and other  
15 statutory accruals from that date, according to law.

16 **3. John Tousoulis, individually and as personal representative for the Estate of**  
17 **Denise Tousoulis**

18  
19 <sup>1</sup> At the time the proceeds from the sale of the Tonopah Property were being distributed, the  
20 escrow company First American Title inadvertently sent a check to the City of Las Vegas in the  
21 amount of \$46,498.25 in satisfaction of the City’s interest. The City of Las Vegas processed the  
22 payment and realized that it represented an overpayment of \$9,750, which it refunded to First  
23 American Title. First American then submitted the amount of \$23,042.75 to the District Court  
24 pursuant to the agreement between the parties regarding the disbursement of funds from the sale  
25 pending resolution of this case, and pursuant to the agreement, distributed the other \$23,042.75  
to the Estate of Elene Mylordos. (Dkts. 84). Because the City of Las Vegas has not returned the  
\$36,478.25 (\$47,498.25-\$9,750) it received from First American Title despite First American  
Title depositing the City of Las Vegas’s interest in the Tonopah Property with the Court, the City  
of Las Vegas is directing that it’s claim to the proceeds at issue in this action be paid to First  
American Title.

1 John Tousoulis, individually and as personal representative for the Estate of Denise  
2 Tousoulis, has an interest in the Funds by virtue of an Application of Foreign Judgment in favor  
3 of Mr. Tousoulis and against Demetrios Dalacas recorded with the Clark County, Nevada  
4 recorder's office on March 26, 2019, as instrument number 20190326-0001356. Because the  
5 above judgment lien was recorded in Clark County, Nevada after the United States' Notices of  
6 Federal Tax Lien described above, the United States' tax liens are entitled to priority over the  
7 Tousoulis judgment lien. The current amount owed on the Tousoulis judgment lien is  
8 \$1,757,542.20 as of December 19, 2022.

9 **4. Republic Silver State Disposal, Inc.**

10 Republic Silver State Disposal, Inc. ("Republic") has an interest in the Funds by virtue of  
11 liens for trash services recorded against the subject properties. The current amount owed to  
12 Republic is \$3,828.02. By stipulation dated November 30, 2020, and approved by the Court on  
13 December 7, 2020, the United States and Republic agreed that the United States' liens have  
14 priority over Republic's liens and that the Funds shall be applied to Mr. Dalacas's unpaid income  
15 tax liabilities before being applied to satisfy Republic's liens. (Dkt. 50).

16 Republic Services and John Tousoulis, individually and as personal representative for the  
17 Estate of Denis Tousoulis, have agreed that Republic's liens are entitled to priority over the  
18 Tousoulis judgment lien.

19 **5. The Las Vegas Valley Water District**

20 The Las Vegas Valley Water District's interest in the Subject Properties was satisfied  
21 directly from the sale of the Subject Properties and consequently claims no interest in the Funds.

22 **6. Clark County, Nevada**

23 Clark County, Nevada's interest in the Subject Properties was satisfied directly from the  
24 sale of the Subject Properties and consequently claims no interest in the Funds.





Party To Be Paid	Amount To Be Paid	Remainder
		\$627,069.54, plus accrued interest
City of Las Vegas Nevada	\$36,478.25	\$590,591.29 plus accrued interest
The United States of America	\$514,382.99	\$76,208.30 plus accrued interest
Republic	\$3,828.02	\$72,380.28 plus accrued interest
John Tousoulis, Individually and as Personal Representative for the Estate of Denise Tousoulis	\$72,380.28 plus accrued interest	\$0
All other parties	\$0	\$0

WHEREFORE, the parties respectfully request that the Court approve the above stipulation and distribute the Funds pursuant to its terms. A proposed order is included herewith.

Respectfully submitted,

Dated: January 13, 2023,

DAVID A. HUBBERT  
Deputy Assistant Attorney General

/s Isaac M. Hoenig  
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BORIS KUKSO  
Trial Attorneys, Tax Division  
U.S. Department of Justice  
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*Attorneys for the United States*

/s George Kelesis (with permission via email dated January 13, 2023)  
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Julie Sanpei  
Cook and Kelesis Ltd  
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Las Vegas, Nevada 89101  
*Attorney for Elene Mylordos individually and as Personal Representative of the Estate of Demetrios Dalacas*

1 /s/ Kevin R. Hansen (with permission via email  
2 dated January 9, 2023)

3 Kevin R. Hansen  
4 5440 W. Sahara Ave., Suite 206  
5 Las Vegas, Nevada 89146  
6 [kevin@kevinrhansen.com](mailto:kevin@kevinrhansen.com)

7 *Attorney for John Tousoulis individually and as*  
8 *personal representative of the Estate of Denise*  
9 *Tousoulis*

10 /s/ Jeffrey L. Galliher (with permission via  
11 email dated January 9, 2023)

12 Jeffrey L. Galliher  
13 Deputy City Attorney  
14 495 South Main Street, Sixth Floor  
15 Las Vegas, Nevada, 89101  
16 [jgalliher@lasvegasnevada.gov](mailto:jgalliher@lasvegasnevada.gov)

17 *Attorney for the City of Las Vegas*

18 /s/ James E. Smyth (with permission via email  
19 dated January 10, 2023)

20 James E. Smyth  
21 1001 South Valley View Blvd. MS #475  
22 Las Vegas, Nevada 89153  
23 [jim.smyth@lvvwd.com](mailto:jim.smyth@lvvwd.com)

24 *Attorney for the Las Vegas Valley Water*  
25 *District*

/s/ Sarah Schaerrer (with permission via email  
dated January 10, 2023)

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dated January 9, 2023)

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*Attorneys for Republic Silverstate Disposal,*  
*Inc.*

1 **CERTIFICATE OF SERVICE**

2 It is hereby certified that service has been made on January 13, 2023, by CM/ECF, which  
3 will send notice of the foregoing to all parties who have appeared in this case.

4 /s/ Isaac M. Hoenig  
5 ISAAC M. HOENIG  
6 Trial Attorney, Tax Division  
7 U.S. Department of Justice  
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*Attorneys for the United States of America*

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9 **IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA**

10 UNITED STATES OF AMERICA, )

11 Plaintiff, )

12 v. )

13 DEMETRIOS A. DALACAS; )

14 ELENE MYLORDOS; )

15 WILMINGTON SAVINGS FUND )

SOCIETY, FSB NOT IN ITS INDIVIDUAL )

16 CAPACITY, BUT SOLELY AS OWNER )

TRUSTEE OF CSMC 2019-RP11 TRUST; )

17 REPUBLIC SILVER STATE DISPOSAL INC.; )

R & K DEVELOPMENT INC.; )

18 COPPER CREEK CONSTRUCTION INC.; )

LAS VEGAS VALLEY WATER DISTRICT; )

19 CITY OF LAS VEGAS, NEVADA; )

CLARK COUNTY, NEVADA; )

20 JOHN TOUSOULIS; )

DENISE TOUSOULIS; )

Defendants. )

Case No. 2:19-cv-01937-JCM-VCF

**ORDER  
DISTRIBUTING SALE PROCEEDS**

21  
22 This matter comes before the Court on the parties' Joint Motion for Distribution of  
23 Proceeds Deposited with Court. Having considered the motion, and for good cause shown, the  
24 Court hereby ORDERS that:

1 1. The Parties' motion is hereby GRANTED;

2 2. The Clerk of the Court is hereby directed to issue the following checks:

- 3 • **First: The City of Las Vegas requests that its designated proceeds in the**  
4 **amount of \$36,478.25 be made payable to First American Title.** Payment  
5 should be sent to:

6 Anastasia Dion  
7 Sr. National Commercial Escrow Officer  
8 First American Title insurance Services  
9 8311 W. Sunset Road, Suite 100  
10 Las Vegas, NV 89113

- 11 • **Second: \$514,382.99 payable to the U.S. Department of Justice.** The check  
12 should include the case number 2:19-cv-01937 (D. Nev.) and be sent to:

13 U.S. Department of Justice  
14 Attn: Stephanie Milton, TAXFLU  
15 P.O. Box 310 -- Ben Franklin Station  
16 Washington, D.C. 20044

- 17 • **Third: \$3,828.02 to Republic Silver State Disposal, Inc.** Payment should be  
18 sent to:

19 Drew Starbuck  
20 Donald H. Williams  
21 612 South Tenth Street  
22 Las Vegas, Nevada 89101  
23 *Attorneys for Republic Silver State Disposal, Inc.*

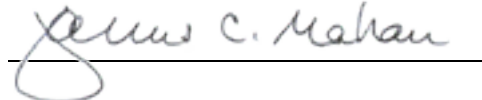
- 24 • **Fourth: \$72,380.28, plus all accrued interest to John Tousoulis, Individually**  
25 **and as Personal Representative for the Estate of Denise Tousoulis.** Payment  
should be sent to:

Kevin R. Hansen  
2625 S Rainbow Blvd., Ste C-106  
Las Vegas, Nevada 89146  
kevin@kevinrhansen.com  
*Attorney for John Tousoulis, Individually and as Personal Representative for the  
Estate of Denise Tousoulis.*

1 3. Within 21 days after the above checks have been issued, the United States shall file a  
2 status report informing the Court regarding what, if any, further action is required in this  
3 case.

4 IT IS SO ORDERED

5 Dated: January 13, 2023

  
US District Judge

7 Submitted by:

8 DAVID A. HUBBERT  
Acting Assistant Attorney General

9 /s/ Isaac M. Hoenig  
10 ISAAC M. HOENIG  
BORIS KUKSO  
11 Trial Attorneys, Tax Division  
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