

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No.
)	
VERNICE B. KUGLIN)	
200 Wagner Place, Apt. 802)	
Memphis, TN 38103,)	
)	
and)	
)	
HERENTON INVESTMENT COMPANY)	
125 N. Main Street)	
Memphis, TN 38103,)	
)	
Defendants.)	

COMPLAINT FOR FEDERAL TAXES

PLAINTIFF, the United States of America, complains of defendants as follows:

1. This is a civil action in which the United States seeks to reduce to judgment the assessments made against Vernice B. Kuglin for Federal income taxes, penalties, and interest for the 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, and 2004 taxable years; obtain a declaration regarding the validity of the Federal tax liens against the property and rights to property owned by Vernice B. Kuglin; to foreclose such liens against the real property located at 220 Dubois, Memphis, Tennessee (“the Real Property”); and to sell the Real Property, the proceeds of the sale to be distributed in accordance with the rights of the parties determined herein, with the amounts subject to

the Federal tax liens to be paid to the United States and applied against the tax liabilities of Vernice B. Kuglin.

JURISDICTION AND VENUE

2. This civil action is commenced at the request and with the authorization of the Chief Counsel for the Internal Revenue Service, a delegate of the Secretary of the Treasury, and at the direction of the Attorney General of the United States, pursuant to 26 U.S.C. §§ 7401 and 7403.

3. Jurisdiction over this action is conferred upon this Court by virtue of 26 U.S.C. §§ 7402(a) and 7403, and 28 U.S.C. §§ 1331, 1340, 1345.

4. Venue is proper in this district and division under 28 U.S.C. § 1391(b)(1), because the defendants reside within this judicial district, and under 28 U.S.C. § 1391(b)(2), because the Real Property to be foreclosed is located within this judicial district, at 220 Dubois, Memphis, Tennessee.

PARTIES

5. The plaintiff is the United States of America.

6. Defendant Vernice B. Kuglin (“the Taxpayer”) resides at 200 Wagner Place, Apt. 802, Memphis, Tennessee 38103, within the jurisdiction of this Court.

7. Defendant Herenton Investment Company, whose mailing address is 125 N. Main Street, Memphis, Tennessee 38103, is joined as a defendant because it may claim an interest in the Real Property which is within this judicial district.

COUNT I
REDUCE TAX ASSESSMENTS AGAINST VERNICE B. KUGLIN TO JUDGMENT

8. The United States incorporates paragraphs 1 through 7 of this complaint as if fully set forth herein.

9. In accordance with 26 U.S.C. § 6203, a delegate of the Secretary of the Treasury of the United States assessed federal income taxes, penalties, and interest against Vernice Kuglin on the dates, for the tax periods, and in the amounts set forth below:

Taxable Year	Assessment Date	Tax Assessed
1996	9/15/2004	\$ 52,095
1997	9/15/2004	\$ 46,308
1998	9/15/2004	\$ 44,386
1999	9/15/2004	\$ 47,349
2000	9/15/2004	\$ 53,879
2001	9/15/2004	\$ 52,345
2002	12/4/2006	\$ 50,682
2003	12/4/2006	\$ 36,013
2004	10/8/2007	\$ 63,997
TOTAL		\$ 447,045

10. In accordance with 26 U.S.C. § 6303, notices of assessment and demands for payment were sent to the Taxpayer.

11. Statutory interest and penalties have accrued, and will continue to accrue, on the unpaid balance of the tax assessments made against the Taxpayer.

12. Vernice Kuglin failed to pay the full amounts due and owing, and there remains due and owing, including interest and penalties, as of April 11, 2011 the total amount of \$1,339,108, plus interests and costs that have accrued and will continue to accrue, as set forth below:

Tax Year	Balance Due As Of April 11, 2011
1996	\$ 210,419.09
1997	\$ 220,582.28
1998	\$ 170,225.88
1999	\$ 173,839.93
2000	\$ 178,157.43
2001	\$ 155,089.14
2002	\$ 168,081.15
2003	\$ 58,356.24
2004	\$ 4,357.13

**COUNT II
FORECLOSE FEDERAL TAX LIENS AGAINST REAL PROPERTY**

13. The United States incorporates paragraphs 1 through 12 of this complaint as if fully set forth herein.

14. By reason of the tax assessments described above in paragraph 9, federal tax liens arose on the dates of the assessments and attached to all property, and rights to property, owned or thereafter acquired by the Taxpayer, including the Real Property that is the subject of this action.

15. The Taxpayer is the owner of the Real Property commonly known as 220 Dubois, Memphis, Tennessee, which she acquired on or about April 30, 1996. A copy of the deed is attached as Exhibit A.

16. The United States has valid and subsisting Federal tax liens against the Real Property.

17. On various dates in 2004 through 2008, Notices of Federal Tax Lien with respect to the assessments described in paragraph 9 were recorded with the Register of Deeds for Shelby County, Tennessee.

18. Herenton Investment Company may claim an interest in the real property based on a deed of trust recorded with the Register of Deeds for Shelby County, Tennessee, a copy of which is attached as Exhibit B.

19. The Real Property described in paragraph 15 should be sold to satisfy the federal tax liens of the United States.

WHEREFORE, the United States of America respectfully prays for judgment as follows:

(A) As to Count I, that this Court grant judgment in favor of the United States of America and against Vernice B. Kuglin in the amount of \$1,339,108, as of April 11, 2011, plus interest and penalties that have accrued and will continue to accrue according to law, relating to the federal income tax assessments for the taxable years 1996-2004;

(B) As to Count II:

(i) That this Court adjudge and decree that the United States of America has valid and subsisting tax liens against the Real Property;

(ii) That this Court order that the Federal tax liens attaching to the Real Property be foreclosed, and that the Real Property be sold, free and clear of any right, title, lien, claim or interest of any of the defendants herein;

(iii) That the proceeds of the sale be distributed, first, to pay the expenses of the sale; second, to each party according to this Court's determination of interest, with the United States receiving all proceeds due to Vernice B. Kuglin and applying those proceeds against Vernice B. Kuglin's federal income tax liabilities for the taxable years 1996-2004; and

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(C) That this Court grant the United States such other and further relief as it deems just and proper.

DATE: August 30, 2011

JOHN A. DiCICCO
Principal Deputy Assistant Attorney General
For The Tax Division

/s/Melissa L. Dickey
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