

The Honorable Ricardo S. Martinez

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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
v.)
)
CAROL L. ENGEN, KING COUNTY, and)
QUALSTAR CREDIT UNION,)
)
Defendants.)

Case No. 2:18-cv-00712-RSM
**STIPULATION REGARDING
PRIORITY**

The United States of America (“United States”) and King County, by and through their respective undersigned counsel, agree and stipulate as follows:

1. On May 16, 2018, the United States commenced this action, seeking, *inter alia*, to reduce federal tax assessments against Carol L. Engen to judgment, and foreclose federal tax liens on real property located in King County (“Subject Property”). Dkt. No. 1.

2. The Subject Property is commonly referred to as 16423 NE 15th Street, Bellevue, WA 98008, bearing King County Assessor’s Parcel No. 329830-0450, and legally described as follows:

LOT 26, BLOCK 2, HIGHLAND HILLS NO. 2, ACCORDING TO THE
PLAT THEREOF RECORDED IN VOLUME 62 OF PLATS, PAGE 74,

RECORDS OF KING COUNTY, WASHINGTON.

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2 *See* Dkt. No. 1, at ¶ 8.

3 3. King County was named as a defendant in this matter pursuant to 26 U.S.C. §
4 7403(b) because it may have an interest in the Subject Property. Dkt. No. 1, at ¶ 6.

5 4. King County's interest in the Subject Property is for any unpaid real property
6 taxes, which are secured by liens that encumber the subject property pursuant to RCW
7 84.60.020.

8 5. To the extent there is any unpaid amount owed to King County to which 26
9 U.S.C. § 6323(b)(6) applies, on the date of the sale of the Subject Property, such amount will be
10 pro-rated through the date of the sale confirmation, and will have priority over the United States'
11 federal tax liens and judgment lien against the Subject Property.

12 6. In the event the Court orders the sale of the Subject Property, the Subject Property
13 will be sold free and clear of all the interests of the parties to this case. The proposed Order of
14 Foreclosure and Judicial Sale submitted by the United States shall provide that the sale proceeds
15 will be distributed first to the Internal Revenue Service to the extent of its costs and expenses of
16 the sale; second to King County to satisfy any amounts described in Paragraph 4, above; third to
17 the United States for federal tax liens; and fourth to the Clerk of the Court for any balance
18 remaining after the above payments until further order of the Court. If the affected parties cannot
19 stipulate to the amounts of their liens, the parties shall file written briefs setting forth their
20 positions and the Court shall determine the amounts of the liens.

21 7. In the event King County initiates collection procedures for unpaid property taxes
22 against the Subject Property while this action is pending, including but not limited to, assignment
23 of the property tax liens, King County shall notify counsel for the United States, in writing, prior
24 to initiating such action.
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1 8. The United States and King County agree to bear their own respective costs
2 related to this litigation, including any possible attorney's fees, except costs of sale, which are
3 paid out of the sale proceeds, ahead of any other party, as detailed in Paragraph 6, above. In
4 addition, King County will be bound by the Court's Order of Sale of the Subject Property, and
5 the United States will not seek any monetary judgment against King County.
6

7 DATED: July 17, 2020

RICHARD E. ZUCKERMAN
Principal Deputy Assistant Attorney General

8
9 /s/ Rika Valdman
10 YEN JEANNETTE TRAN
11 RIKA VALDMAN
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Attorneys for the United States of America

21 DATED: July 17, 2020

22 /s/ Jennifer H. Atchison
23 JENNIFER H. ATCHISON
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Email: Jennifer.atchison@kingcounty.gov
Attorney for King County

ORDER

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2 The foregoing Stipulation between the United States and King County is APPROVED.
3 SO ORDERED.

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5 DATED this 20th day of July, 2020.

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9 RICARDO S. MARTINEZ
10 CHIEF UNITED STATES DISTRICT JUDGE

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15 **CERTIFICATE OF SERVICE**

16 I hereby certify that on this 17th day of July, 2020, I electronically filed the foregoing
17 with the Clerk of Court using the CM/ECF system, which will send notice of such filing to the
18 following CM/ECF participant(s):

19 Jennifer H. Atchison (jennifer.atchison@kingcounty.gov)
20 *Attorney for King County*

21 Carol L. Engen (washnative@comcast.net)
22 *Pro Se Defendant*

23 *s/ Rika Valdman*
24 RIKA VALDMAN
25 Trial Attorney, Tax Division
26 U.S. Department of Justice