

1  
2  
3  
4  
5  
6  
7 UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT TACOMA  
8

9 UNITED STATES OF AMERICA,

10 Plaintiff,

v.

11 DORAN R. KRAUS, et al,

12 Defendants.  
13

CASE NO. C16-5449 BHS

ORDER GRANTING PLAINTIFF'S  
MOTION FOR SUMMARY  
JUDGMENT

14 This matter comes before the Court on Plaintiff the United States of America's  
15 (the "Government") motion for summary judgment. Dkt. 68. On January 31, 2018, the  
16 Government moved for summary judgment. Dkt. 68. Also on January 31, 2018,  
17 Defendant Doran R. Kraus ("Kraus") filed a cross-motion for summary judgment, which  
18 he titled a "Dispositive Motion for Settlement." Dkt. 69. On February 16, 2018, the  
19 Government responded to Kraus's motion. Dkt. 71. On February 20, 2018, Kraus replied  
20 on his motion and responded to the Government's motion. Dkts. 72, 73. On February 21,  
21 Defendant Leanne V. Lao ("Lao") responded to the Government's motion. Dkt. 74. On  
22 February 27, 2018, the Government replied to Lao's response. Dkt. 78. On March 21,

1 2018, Kraus filed a “revamped-updated” response to the Government’s motion. Dkt. 79.  
2 On March 26, 2018, the Government filed a notice of a reduction in the amount in tax  
3 assessments it seeks to reduce to judgment for the years 2001–2004. Dkt. 80.

4 On April 3, 2018, the Court entered an order denying Kraus’s motion and granting  
5 in part the Government’s motion. Dkt. 81. The Court entered judgment in favor of the  
6 Government against Kraus in the amount of \$184,651.40. *Id.* at 16. The Court found that  
7 the Government has valid and subsisting federal tax liens on all property and rights to  
8 property of Kraus, including the real property at 5901 16th Street Court NE, Tacoma,  
9 Washington 98422. *Id.* Also, the Court found that Lao has no independent right to any  
10 proceeds from the sale of the subject property that takes priority over liens preexisting the  
11 divorce. *Id.* The Court renoted the Government’s motion for further consideration on the  
12 singular issue of the effect of Lao’s innocent spouse relief on liens arising from interest  
13 or penalties assessed after Lao’s and Kraus’s divorce. *Id.* at 17.

14 On April 16, 2018, the Government and Lao filed a stipulated motion agreeing  
15 that in the event the subject property is foreclosed and sold, “the United States may  
16 collect all of its outstanding federal tax liens against the entire value of the Subject  
17 Property, regardless of whether the liens preexisted the divorce between Doran Kraus and  
18 Ms. Lao, and regardless of whether the liens pertain to interest or penalties accruing after  
19 the divorce.” Dkt. 88 at 2. The Government and Lao also stipulated to a six-month stay of  
20 the execution on the order of sale, entered by the Court on April 17, 2018. Dkt. 89.

1 In light of Lao's and the Government's stipulation regarding the outstanding issue  
2 on the Government's motion, the motion for summary judgment is **GRANTED**. The  
3 Clerk shall enter **JUDGMENT** in favor of the Government.

4 **IT IS SO ORDERED.**

5 Dated this 17th day of April, 2018.

6  
7 

8 

---

BENJAMIN H. SETTLE  
United States District Judge

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22