



**Tax Liens & Tax Levies Workshop:  
How to Navigate IRS Enforcement & Make An Extra \$100K  
Doing It!**

**Eric L. Green, Esq.  
Tax Rep Network  
[www.TaxRepNetwork.com](http://www.TaxRepNetwork.com)**

## **Exhibits**

1. Notice of Federal Tax Lien
2. CP-90 Final Notice of Intent to Levy
3. Form 12153 Request for CDP or Equivalent Hearing
4. United States vs. Drye – Supreme Court Decision
5. Craft vs. United States – Supreme Court Decision
6. Form 14134 Application for Certificate of Subordination of Federal Tax Lien
7. Form 14135 Application for Certificate of Discharge of Property from Federal Tax Lien
8. Form 12277 Application for Withdrawal of Field Form 668(Y), Notice of Federal Tax Lien
9. Lis Pendens – US Government Suit to Convert the Federal Tax Lien to a Judgment
10. Article – Steve Wynn Acquires the Home of Joe Francis from the government
11. Article – IRS Redeemed Joe Francis’s home and sold it to the neighbor
12. 28 USC 2410 – Procedures regarding redemption for a judicial foreclosure
13. 26 USC 7425 – Procedures for IRS to redeem at a non-judicial foreclosure
14. US Marshall’s Deed for Sale of Joe Francis’s home to Steve Wynn
15. Title Search of Joe Francis’s property in Bel Air
16. Letter 5597 – Notice of Redemption from a Judicial Foreclosure Sale
17. Letter 5597 – Notice of Redemption in a Non-Judicial Foreclosure Sale



**IRS** Department of the Treasury  
Internal Revenue Service

CCP-LU ACS CORRESPONDENCE

P.O. BOX 145566, STOP 813G CSC  
CINCINNATI, OH 45250-5566

**CERTIFIED MAIL**

9307110756602784308405

Letter Date: 08/23/2016

Taxpayer Identification Number:  
XXX-XX-xxxx

Person to Contact:  
P.A. BELTON

Contact Telephone Number:  
(800) 829-3903

Employee Identification Number:



TAXPAYER NAME  
PO BOX  
HARTFORD, CT xxxxx

000342

**Notice of Federal Tax Lien Filing and Your Right to a Hearing Under IRC 6320**

Dear TAXPAYER NAME

We filed a Notice of Federal Tax Lien on [REDACTED].

Type of Tax	Tax Period	Assessment Date	Amount on Lien
CIVP	12/31/2011	12/29/2014	38428.87

NOTE: Please contact the person whose name and telephone number appears on this notice to obtain the current amount you owe. Additional interest and penalties may be increasing the amount on the lien shown above.

A lien attaches to all property you currently own and to all property you may acquire in the future. It also may damage your credit rating and hinder your ability to obtain additional credit.

You have the right to a hearing with us to appeal this collection action and to discuss your payment method options. To explain the different collection appeal procedures available to you, we have enclosed Publication 1660, Collection Appeal Rights.

You must request your hearing by 09/29/2016 . Please complete the enclosed Form 12153, Request for a Collection Due Process or Equivalent Hearing, and mail it to:

Internal Revenue Service  
IRS-ACS/CDP  
P.O. BOX 42346  
PHILADELPHIA, PA 19101-2346

INTERNAL REVENUE SERVICE  
FACSIMILE FEDERAL TAX LIEN DOCUMENT

Lien Recorded : [REDACTED] - 16:30PM  
Recording Number: [REDACTED]  
UCC Number : [REDACTED]  
Liber :  
Page :

Area: SMALL BUSINESS/SELF EMPLOYED #1  
Lien Unit Phone: (800) 829-3903

IRS Serial Number: [REDACTED]

This Lien Has Been Filed in Accordance with  
Internal Revenue Regulation 301.6323(f)-1.



Name of Taxpayer :  
[REDACTED]

000342

Residence :  
PO BOX [REDACTED]  
HARTFORD, CT [REDACTED]

With respect to each assessment below, unless notice of lien  
is refiled by the date in column(e), this notice shall constitute  
the certificate of release of lien as defined in IRC 6325(a).

Form (a)	Period (b)	ID Number (c)	Assessed (d)	Refile Deadline (e)	Unpaid Balance (f)
CIVP	12/31/2011	XXX-XX-[REDACTED]	12/29/2014	01/28/2025	38428.87

Filed at: SECRETARY OF STATE  
state  
HARTFORD, CT 06115

Total | \$ 38428.87

This notice was prepared and executed at MANHATTAN, NY  
on this, the 11th day of August, 2016.

Authorizing Official:  
P.A. BELTON

Title:  
ACS SBSE [REDACTED]



**Notice of Federal Tax Lien**

Area:

SMALL BUSINESS/SELF EMPLOYED AREA #1  
(800) 829-3903

Serial Number

[REDACTED]

For Optional Use by Recording Office

As provided by section 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

- This Notice of Federal Tax Lien has been filed as a matter of public record.
- IRS will continue to charge penalty and interest until you satisfy the amount you owe.
- Contact the Area Office Collection Function for information on the amount you must pay before we can release this lien.
- See the back of this page for an explanation of your Administrative Appeal rights.

Name of Taxpayer

[REDACTED]

Residence

PO BOX [REDACTED]  
HARTFORD, CT [REDACTED]

**IMPORTANT RELEASE INFORMATION:** For each assessment listed below, unless notice of the lien is refiled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
CIVP	12/31/2011	XXX-XX [REDACTED]	12/29/2014	01/28/2025	38428.87

Place of Filing

TOWN CLERK  
HARTFORD City of  
HARTFORD, CT 06103

Total

38428.87

This notice was prepared and signed at MANHATTAN, NY, on this,

the [REDACTED] day of [REDACTED], 2016.

Signature

*Chief Cordano*

for P.A. BELTON

Title

ACS SBSE  
(800) 829-3903

(NOTE: Certificate of officer authorized by law to take acknowledgment is not essential to the validity of Notice of Federal Tax Lien Rev. Rul. 71-466, 1971 - 2 C.B. 409)



000342



Department of the Treasury  
Internal Revenue Service  
Philadelphia, PA 19255-0010

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999
<b>To contact us</b>	Phone 800-829-1040
<b>Your Caller ID</b>	9999

Page 1 of 5

JAMES & KAREN Q. SPARROW  
22 BOULDER STREET  
HANSON, CT 00000-7253

Intent to seize your assets and notice of your right to a hearing

**Amount due immediately: \$5,947.81**

We haven't received full payment despite sending you several notices about your unpaid federal taxes. The IRS may seize (levy) your property. However, you can appeal the proposed seizure (levy) of your assets by requesting a Collection Due Process hearing (Internal Revenue Code Section 6330) by **February 22, 2019**.

**Billing Summary**

Amount you owed	\$5,947.81
Additional failure-to-pay penalty	0.00
Additional interest charges	0.00
<b>Amount due immediately</b>	<b>\$5,947.81</b>

Continued on back...



James & Karen Q. Sparrow  
22 Boulder Street  
Hanson, CT 00000-7253

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999

**Payment**

- Make your check or money order payable to the United States Treasury.
- Write your Social Security number (999-99-9999) and tax period(s) on your payment and any correspondence.

**Amount due immediately**

<b>\$5,947.81</b>
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INTERNAL REVENUE SERVICE  
PHILADELPHIA, PA 19255-0010

0000 0000000 0000000000 0000000 0000

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999
<b>Page 2 of 5</b>	

## What you need to do immediately

### Pay immediately

- **Send us the amount due of \$5,947.81, or we may seize (levy) your property on or after February 22, 2019.**
- If you can't pay the amount due, pay as much as you can now and make payment arrangements that allow you to pay off the rest over time. Visit [www.irs.gov/payments](http://www.irs.gov/payments) for more information about:
  - Installment and payment agreements—download required forms or save time and money by applying online if you qualify
  - Automatic deductions from your bank account
  - Payroll deductions
  - Credit card payments
 Or, call us at 1-800-xxx-xxxx to discuss your options.
- If you've already paid your balance in full or think we haven't credited a payment to your account, please send proof of that payment.

### Right to request a Collection Due Process hearing

If you wish to appeal this proposed levy action, complete and mail the enclosed Form 12153, Request for a Collection Due Process or Equivalent Hearing, by **February 22, 2019**. Send the form to us at the address listed at the top of page 1. Be sure to include the reason you are requesting a hearing (see section 8 of, and the instructions to, Form 12153) as well as other information requested by the form. If you don't file Form 12153 by **February 22, 2019**, you will lose the ability to contest Appeals' decision in the U.S. Tax Court.

### About Federal Tax Liens

The tax lien is a claim against all of your property that arises once you have not paid your bill. If you don't pay the amount due or call us to make payment arrangements, we can file a Notice of Federal Tax Lien at any time, if we haven't already done so. The Notice of Federal Tax Lien publicly notifies your creditors that the IRS has a lien (or claim) against all your property, including property acquired by you after the Notice of Federal Tax Lien is filed. Once the lien's notice to creditors has been filed, it may appear on your credit report and may harm your credit rating



## Contact information

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999

If your address has changed, please call 1-800-xxx-xxxx or visit [www.irs.gov](http://www.irs.gov).

- Please check here if you've included any correspondence. Write your Social Security number (999-99-9999) and tax period(s) on any correspondence.

	<input type="checkbox"/> a.m. <input type="checkbox"/> p.m.		<input type="checkbox"/> a.m. <input type="checkbox"/> p.m.
Primary phone	Best time to call	Secondary phone	Best time to call

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999
<b>Page 3 of 5</b>	

**What you need to do immediately-continued**

or make it difficult for you to get credit (such as a loan or credit card). It cannot be released until your bill, including interest, penalties, and fees, is paid in full, we accept a bond guaranteeing payment of the amount owed, or we determine that you don't owe or the liability is reduced to zero. The lien's notice to creditors may be withdrawn under certain circumstances. You can find additional information about tax liens, including helpful videos, at <http://www.irs.gov/Businesses/Small-Businesses-&Self-Employed/Understanding-a-Federal-Tax-Lien> or by typing lien in the IRS.gov search box.

**Denial or revocation of United States passport**

On December 4, 2015, as part of the Fixing America's Surface Transportation (FAST) Act, Congress enacted section 7345 of the Internal Revenue Code, which requires the Internal Revenue Service to notify the State Department of taxpayers certified as owing a seriously delinquent tax debt. The FAST Act generally prohibits the State Department from issuing or renewing a passport to a taxpayer with seriously delinquent tax debt.

Seriously delinquent tax debt means an unpaid, legally enforceable federal tax debt of an individual totaling more than \$52,000 for which, a Notice of Federal Tax lien has been filed and all administrative remedies under IRC § 6320 have lapsed or been exhausted, or a levy has been issued. If you are individually liable for tax debt (including penalties and interest) totaling more than \$52,000 and you do not pay the amount you owe or make alternate arrangements to pay, we may notify the State Department that your tax debt is seriously delinquent. The State Department generally will not issue or renew a passport to you after we make this notification. If you currently have a valid passport, the State Department may revoke your passport or limit your ability to travel outside the United States. Additional information on passport certification is available at [www.irs.gov/passports](http://www.irs.gov/passports).

**If we don't hear from you**

If you don't call us immediately, pay the amount due, or request a hearing by **February 22, 2019**, we may seize (levy) your property or your rights to property. Property includes:

- Wages and other income
- Bank accounts
- Business assets
- Personal assets (including your car and home)
- State tax refund
- Social Security benefits

**Your billing details**

Tax period ending	Form number	Amount you owed	Additional interest	Additional penalty	Total
12-31-2007	1040	\$9,999.99	\$9,999.99	\$9,999.99	\$9,999.99
9999	9999	\$9,999.99	\$9,999.99	\$9,999.99	\$9,999.99

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999
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**Penalties**

We are required by law to charge any applicable penalties.

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**Failure-to-pay**

We assess a 1/2% monthly penalty for not paying the tax you owe by the due date. We base the monthly penalty for paying late on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax. This penalty applies even if you filed the return on time.

We charge the penalty for each month or part of a month the payment is late; however, the penalty can't be more than 25% in total.

- The due date for payment of the tax shown on a return generally is the return due date, without regard to extensions.
- The due date for paying increases in tax is within 21 days of the date of our notice demanding payment (10 business days if the amount in the notice is \$100,000 or more).

If we issue a Notice of Intent to Levy and you don't pay the balance due within 10 days of the date of the notice, the penalty for paying late increases to 1% per month.

For individuals who filed on time, the penalty decreases to 1/4% per month while an approved installment agreement with the IRS is in effect for payment of that tax.

For a detailed computation of the penalty call 1-800-xxx-xxxx.

(Internal Revenue Code Section 6651)

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**Removal or reduction of penalties**

We understand that circumstances—such as serious illness or injury, a family member's death, or loss of financial records due to natural disaster—may make it difficult for you to meet your taxpayer responsibility in a timely manner.

We can generally process your request for penalty removal or reduction quicker if you contact us at the number listed above with the following information:

- Identify which penalty charges you would like us to reconsider (e.g., 2016 late filing penalty).
- For each penalty charge, explain why you believe it should be reconsidered.

If you write us, include a signed statement and supporting documentation for penalty abatement request.

We'll review your statement and let you know whether we accept your explanation as reasonable cause to reduce or remove the penalty charge(s).

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**Removal of penalties due to erroneous written advice from the IRS**

If you were penalized based on written advice from the IRS, we will remove the penalty if you meet the following criteria:

- You wrote us for written advice on a specific issue
  - You gave us adequate and accurate information
  - You received written advice from us
  - You reasonably relied on our written advice and were penalized based on that advice
-

<b>Notice</b>	CP90
<b>Notice date</b>	January 23, 2019
<b>Social Security number</b>	999-99-9999
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Removal of penalties due to erroneous written advice from the IRS - **continued**

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the address shown above. For a copy of the form, go to [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).

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## Interest charges

We are required by law to charge interest when you don't pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly. (Internal Revenue Code Section 6601)

For a detailed calculation of your interest, call 1-800-xxx-xxxx.

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## Additional information

- Visit [www.irs.gov/cp90](http://www.irs.gov/cp90)
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- Review the enclosed documents:
  - IRS Collection Process (Publication 594)
  - Collection Appeal Rights (Publication 1660)
  - Request for a Collection Due Process Hearing (Form 12153)
- Keep this notice for your records.

We're required to send a copy of this notice to both you and your spouse. Each copy contains the information you are authorized to receive. Please note: Only pay the amount due once.

If you need assistance, please don't hesitate to contact us

# Request for a Collection Due Process or Equivalent Hearing

Use this form to request a Collection Due Process (CDP) or Equivalent Hearing (EH) with the IRS Independent Office of Appeals (Appeals) if you have received a letter offering an appeal under IRC 6320/6330 (CDP notice).

IRS Use Only

Complete this form and send it to the address for requesting a hearing (not the payment address) shown on your CDP notice. Include a copy of your CDP notice to ensure proper handling of your request. For further information on these hearings, please see the instructions for this form.

Call the phone number on the CDP notice or 1-800-829-1040 if you are not sure about the correct address or if you want to fax your hearing request.

Si desea ver el formulario y las instrucciones en español, visite <http://www.irs.gov/pub/irs-pdf/f12153sp.pdf>.

1. Basis for hearing request (both boxes can be checked if you have received lien and levy notices)

- Filed Notice of Federal Tax Lien  Notice of Proposed or Actual Levy

2. Equivalent Hearing (see the instructions for more information on Equivalent Hearings)

- If my request does not meet the requirements for a timely CDP hearing, I would like a hearing that is equivalent to a CDP hearing

3. Taxpayer name (Taxpayer 1) \_\_\_\_\_

**Taxpayer Identification Number** \_\_\_\_\_

Current address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_

4. Best telephone number and time to call during normal business hours

- Home  Work  Cell  
Telephone number \_\_\_\_\_ Time \_\_\_\_\_  a.m.  p.m.

5. Taxpayer name (Taxpayer 2) \_\_\_\_\_

**Taxpayer Identification Number** \_\_\_\_\_

Current address \_\_\_\_\_

(if different from address above)

City \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_

6. Best telephone number and time to call during normal business hours

- Home  Work  Cell  
Telephone number \_\_\_\_\_ Time \_\_\_\_\_  a.m.  p.m.

7. Tax information as shown on your lien or levy notice (include a copy of the notice(s)). You do not have to complete section 7 if you include a copy of the notice(s) you are appealing

Type of Tax (Income, Employment, Excise, etc. or Civil Penalty)	Tax Form Number (1040, 941, 720, etc.)	Tax Period or Periods

**8. Reason you are requesting a hearing.** Your request will not be honored if you don't provide a reason for the dispute. Make the best selection(s) from the choices below or use as much space as you need to explain the reason for your request. You may include more pages if you don't have enough space (*see instructions*)

- I am not liable for the tax the IRS is trying to collect
- I claim innocent spouse relief (*see instructions*)
- My taxes were discharged in bankruptcy
- I've made payments that were not applied to my taxes
- I want the Notice of Federal Tax Lien withdrawn
- I am currently unable to pay due to financial hardship (*see paragraph 9*)
- I am unable to pay in full and would like a collection alternative (*see paragraph 9*)
- Other issues(s) and/or comment(s) \_\_\_\_\_

**9. Proposed collection alternative (*see instructions*).** If you are currently unable to pay or seek a collection alternative such as an Installment Agreement or Offer in Compromise, prepare a financial statement, Form 433-A (individuals) or Form 433-B (businesses), with your request, unless you meet a financial statement exception (*see below*). Submitting this information with your Form 12153 is not required, but early submission of the form will help you obtain the quickest resolution of your case

- Installment Agreement       Offer in Compromise       Currently Unable to Pay
- Other (*explain*) \_\_\_\_\_

**Financial Statement Exceptions** (*no financial statements need to be submitted if either of these two situations apply.*)

**Installment Agreement:** To see if you can automatically obtain an installment agreement without providing a financial statement and without an appeal, visit <https://www.irs.gov/payments/online-payment-agreement-application> or scan this QR code:



**Offer in Compromise:** Only if based on Doubt as to Liability.

**10. Signatures** I understand the CDP hearing and any subsequent judicial review will suspend the statutory period of limitations for collection action. I also understand either my representative or I (but not both) must sign and date this request before Appeals can accept it. If you are signing as an officer of a company, add your title (president, secretary, etc.) behind your signature.

<b>SIGN HERE</b>	Taxpayer 1's signature	Date
	Taxpayer 2's signature ( <i>if a joint request, both must sign</i> )	Date

Representative's signature (*include an executed Form 2848 if signing for the taxpayer(s) unless a Form 2848 is already on file*)

Representative's name	Telephone number	Date
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**IRS Use Only**

IRS employee ( <i>print</i> )	Telephone number	Received date
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## Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

**SUPREME COURT OF THE UNITED STATES**

## Syllabus

**DRYE ET AL. v. UNITED STATES****CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR  
THE EIGHTH CIRCUIT**

No. 98–1101. Argued November 8, 1999– Decided December 7, 1999

In 1994, Irma Drye died intestate, leaving a \$233,000 estate in Pulaski County, Arkansas. Petitioner Rohn Drye, her son, was sole heir to the estate under Arkansas law. Drye was insolvent at the time of his mother's death and owed the Federal Government some \$325,000 on unpaid tax assessments. The Internal Revenue Service (IRS) had valid tax liens against all of Drye's "property and rights to property" pursuant to 26 U. S. C. §6321. Drye petitioned the Pulaski County Probate Court for appointment as administrator of his mother's estate and was so appointed. Several months after his mother's death, Drye resigned as administrator after filing in the Probate Court and county land records a written disclaimer of all interests in the estate. Under Arkansas law, such a disclaimer creates the legal fiction that the disclaimant predeceased the decedent; consequently, the disclaimant's share of the estate passes to the person next in line to receive that share. The disavowing heir's creditors, Arkansas law provides, may not reach property thus disclaimed. Here, Drye's disclaimer caused the estate to pass to his daughter, Theresa Drye, who succeeded her father as administrator and promptly established the Drye Family 1995 Trust (Trust). The Probate Court declared Drye's disclaimer valid and accordingly ordered final distribution of the estate to Theresa, who then used the estate's proceeds to fund the Trust, of which she and, during their lifetimes, her parents are the beneficiaries. Under the Trust's terms, distributions are at the discretion of the trustee, Drye's counsel, and may be made only for the health, maintenance, and support of the beneficiaries. The Trust is spendthrift, and under state law, its assets are therefore shielded from creditors seeking to satisfy the debts of the Trust's beneficiaries. After Drye revealed to the IRS his beneficial interest in the Trust, the

## Syllabus

IRS filed with the county a notice of federal tax lien against the Trust as Drye's nominee, served a notice of levy on accounts held in the Trust's name by an investment bank, and notified the Trust of the levy. The Trust filed a wrongful levy action against the United States in the United States District Court for the Eastern District of Arkansas. The Government counterclaimed against the Trust, the trustee, and the trust beneficiaries, seeking to reduce to judgment the tax assessments against Drye, confirm its right to seize the Trust's assets in collection of those debts, foreclose on its liens, and sell the Trust property. On cross-motions for summary judgment, the District Court ruled in the Government's favor. The Court of Appeals for the Eighth Circuit affirmed, reading this Court's precedents to convey that state law determines whether a given set of circumstances creates a right or interest, but federal law dictates whether that right or interest constitutes "property" or the "right to property" under §6321.

*Held:* Drye's disclaimer did not defeat the federal tax liens. The Internal Revenue Code's prescriptions are most sensibly read to look to state law for delineation of the taxpayer's rights or interests in the property the Government seeks to reach, but to leave to federal law the determination whether those rights or interests constitute "property" or "rights to property" under §6321. Once it has been determined that state law creates sufficient interests in the taxpayer to satisfy the requirements of the federal tax lien provision, state law is inoperative to prevent the attachment of the federal liens. *United States v. Bess*, 357 U. S. 51, 56–57. Pp. 5–11.

(a) To satisfy a tax deficiency, the Government may impose a lien on any "property" or "rights to property" belonging to the taxpayer. §§6321, 6331(a). When Congress so broadly uses the term "property," this Court recognizes that the Legislature aims to reach every species of right or interest protected by law and having an exchangeable value. *E.g.*, *Jewett v. Commissioner*, 455 U. S. 305, 309. Section 6334(a), which lists items exempt from levy, is corroborative. Section 6334(a)'s list is rendered exclusive by §6334(c), which provides that no other "property or rights to property shall be exempt." Inheritances or devises disclaimed under state law are not included in §6334(a)'s catalog of exempt property. See, *e.g.*, *Bess*, 357 U. S., at 57. The absence of any recognition of disclaimers in §§6321, 6322, 6331(a), and 6334(a) and (c), the relevant tax collection provisions, contrasts with §2518(a), which renders qualifying state-law disclaimers "with respect to any interest in property" effective for federal wealth-transfer tax purposes and for those purposes only. Although this Court's decisions in point have not been phrased so meticulously as to preclude the argument that state law is the proper guide to the

## Syllabus

critical determination whether Drye's interest constituted "property" or "rights to property" under §6321, the Court is satisfied that the Code and interpretive case law place under federal, not state, control the ultimate issue whether a taxpayer has a beneficial interest in any property subject to levy for unpaid federal taxes. Pp. 5–7.

(b) The question whether a state-law right constitutes "property" or "rights to property" under §6321 is a matter of federal law. *United States v. National Bank of Commerce*, 472 U. S. 713, 727. This Court looks initially to state law to determine what rights the taxpayer has in the property the Government seeks to reach, then to federal law to determine whether the taxpayer's state-delineated rights qualify as "property" or "rights to property" within the compass of the federal tax lien legislation. Cf. *Morgan v. Commissioner*, 309 U. S. 78, 80. Just as exempt status under state law does not bind the federal collector, *United States v. Mitchell*, 403 U. S. 190, 204, so federal tax law is not struck blind by a disclaimer, *United States v. Irvine*, 511 U. S. 224, 240. Pp. 7–9.

(c) The Eighth Circuit, with fidelity to the relevant Code provisions and this Court's case law, determined first what rights state law accorded Drye in his mother's estate. The Court of Appeals observed that under Arkansas law Drye had, at his mother's death, a valuable, transferable, legally protected right to the property at issue, and noted, for example, that a prospective heir may effectively assign his expectancy in an estate under Arkansas law, and the assignment will be enforced when the expectancy ripens into a present estate. Drye emphasizes his undoubted right under Arkansas law to disclaim the inheritance, a right that is indeed personal and not marketable. But Arkansas law primarily gave him a right of considerable value— the right either to inherit or to channel the inheritance to a close family member (the next lineal descendant). That right simply cannot be written off as a mere personal right to accept or reject a gift. In pressing the analogy to a rejected gift, Drye overlooks this crucial distinction. A donee who declines an *inter vivos* gift restores the status quo *ante*, leaving the donor to do with the gift what she will. The disclaiming heir or devisee, in contrast, does not restore the status quo, for the decedent cannot be revived. Thus the heir inevitably exercises dominion over the property. He determines who will receive the property— himself if he does not disclaim, a known other if he does. This power to channel the estate's assets warrants the conclusion that Drye held "property" or a "righ[t] to property" subject to the Government's liens under §6321. Pp. 9–11.

152 F. 3d 892, affirmed.

GINSBURG, J., delivered the opinion for a unanimous Court.

## Syllabus

UNITED STATES *v.* CRAFTCERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR  
THE SIXTH CIRCUIT

No. 00–1831. Argued January 14, 2002—Decided April 17, 2002

When respondent's husband failed to pay federal income tax liabilities assessed against him, a federal tax lien attached to "all [of his] property and rights to property." 26 U. S. C. § 6321. After the notice of the lien was filed, respondent and her husband jointly executed a quitclaim deed purporting to transfer to her his interest in a piece of real property in Michigan that they owned as tenants by the entirety. Subsequently, the Internal Revenue Service (IRS) agreed to release the lien and allow respondent to sell the property with half the net proceeds to be held in escrow pending determination of the Government's interest in the property. She brought this action to quiet title to the escrowed proceeds. The Government claimed, among other things, that its lien had attached to the husband's interest in the tenancy by the entirety. The District Court granted the Government summary judgment, but the Sixth Circuit held that no lien attached because the husband had no separate interest in the entireties property under Michigan law, and remanded the case for consideration of an alternative claim not at issue here. In affirming the District Court's decision on remand, the Sixth Circuit held that its prior opinion on the issue whether the lien attached to the husband's entireties property was the law of the case.

*Held:* The husband's interests in the entireties property constitute "property" or "rights to property" to which a federal tax lien may attach. Pp. 278–289.

(a) Because the federal tax lien statute itself creates no property rights, *United States v. Bess*, 357 U. S. 51, 55, this Court looks initially to state law to determine what rights the taxpayer has in the property the Government seeks to reach and then to federal law to determine whether such state-delineated rights qualify as property or rights to property under § 6321, *Drye v. United States*, 528 U. S. 49, 58. A common idiom describes property as a "bundle of sticks"—a collection of individual rights which, in certain combinations, constitute property. State law determines which sticks are in a person's bundle, but federal law determines whether those sticks constitute property for federal tax lien purposes. In looking to state law, this Court must consider the substance of the state law rights, not the labels the State gives them or the conclusions it draws from them. Pp. 278–279.

## Syllabus

(b) Michigan law gave respondent's husband, among other rights, the right to use the entirety property, the right to exclude others from it, the right of survivorship, the right to become a tenant in common with equal shares upon divorce, the right to sell the property with respondent's consent and to receive half the proceeds from such a sale, the right to encumber the property with respondent's consent, and the right to block respondent from selling or encumbering the property unilaterally. Pp. 279–282.

(c) The rights Michigan law granted respondent's husband qualify as “property” or “rights to property” under § 6321. The broad statutory language authorizing the tax lien reveals that Congress meant to reach every property interest that a taxpayer might have. *United States v. National Bank of Commerce*, 472 U. S. 713, 719–720. The husband's rights of use, exclusion, and income alone may be sufficient to subject his entirety interest to the lien, for they gave him a substantial degree of control over the property. See *Drye, supra*, at 61. He also had the right to alienate the property with respondent's consent. The unilateral alienation stick is not essential to “property.” Federal tax liens may attach to property that cannot be unilaterally alienated, *United States v. Rodgers*, 461 U. S. 677, and excluding such property would exempt a rather large amount of what is commonly thought of as property. A number of the sticks in respondent's husband's bundle were presently existing, so it is not necessary to consider whether his survivorship right alone, which respondent claims is an expectancy, would qualify as property or rights to property. Were this Court to reach a contrary conclusion, the entirety property would belong to no one for § 6321 purposes because respondent had no more interest in the property than her husband. Such a result seems absurd and would allow spouses to shield their property from federal taxation by classifying it as entirety property, facilitating abuse of the federal tax system. Legislative history does not support respondent's position that Congress did not intend that a federal tax lien attach to an entirety property interest. And the common-law background of the tax lien statute's enactment is not enough to overcome the broad language Congress actually used. Pp. 283–288.

(d) That Michigan makes a different choice with respect to state law creditors does not dictate the choice here. Because § 6321's interpretation is a federal question, this Court is in no way bound by state courts' answers to similar questions involving state law. Pp. 288–289.

233 F. 3d 358, reversed and remanded.

O'CONNOR, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and KENNEDY, SOUTER, GINSBURG, and BREYER, JJ., joined.

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SCALIA, J., filed a dissenting opinion, in which THOMAS, J., joined, *post*, p. 289. THOMAS, J., filed a dissenting opinion, in which STEVENS and SCALIA, JJ., joined, *post*, p. 290.

*Kent L. Jones* argued the cause for the United States. With him on the briefs were *Solicitor General Olson, Assistant Attorney General O'Connor, Deputy Solicitor General Wallace, David English Carmack, and Joan I. Oppenheimer.*

*Jeffrey S. Sutton* argued the cause for respondent. With him on the briefs were *Chad A. Readler, Jeffrey A. Moyer, and Michael Dubetz, Jr.*

JUSTICE O'CONNOR delivered the opinion of the Court.

This case raises the question whether a tenant by the entirety possesses “property” or “rights to property” to which a federal tax lien may attach. 26 U. S. C. § 6321. Relying on the state law fiction that a tenant by the entirety has no separate interest in entires property, the United States Court of Appeals for the Sixth Circuit held that such property is exempt from the tax lien. We conclude that, despite the fiction, each tenant possesses individual rights in the estate sufficient to constitute “property” or “rights to property” for the purposes of the lien, and reverse the judgment of the Court of Appeals.

## I

In 1988, the Internal Revenue Service (IRS) assessed \$482,446 in unpaid income tax liabilities against Don Craft, the husband of respondent Sandra L. Craft, for failure to file federal income tax returns for the years 1979 through 1986. App. to Pet. for Cert. 45a, 72a. When he failed to pay, a federal tax lien attached to “all property and rights to property, whether real or personal, belonging to” him. 26 U. S. C. § 6321.

At the time the lien attached, respondent and her husband owned a piece of real property in Grand Rapids, Michigan, as tenants by the entirety. App. to Pet. for Cert. 45a. After notice of the lien was filed, they jointly executed a

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quitclaim deed purporting to transfer the husband's interest in the property to respondent for one dollar. *Ibid.* When respondent attempted to sell the property a few years later, a title search revealed the lien. The IRS agreed to release the lien and allow the sale with the stipulation that half of the net proceeds be held in escrow pending determination of the Government's interest in the property. *Ibid.*

Respondent brought this action to quiet title to the escrowed proceeds. The Government claimed that its lien had attached to the husband's interest in the tenancy by the entirety. It further asserted that the transfer of the property to respondent was invalid as a fraud on creditors. *Id.*, at 46a–47a. The District Court granted the Government's motion for summary judgment, holding that the federal tax lien attached at the moment of the transfer to respondent, which terminated the tenancy by the entirety and entitled the Government to one-half of the value of the property. No. 1:93–CV–306, 1994 WL 669680, \*3 (WD Mich., Sept. 12, 1994).

Both parties appealed. The Sixth Circuit held that the tax lien did not attach to the property because under Michigan state law, the husband had no separate interest in property held as a tenant by the entirety. 140 F. 3d 638, 643 (1998). It remanded to the District Court to consider the Government's alternative claim that the conveyance should be set aside as fraudulent. *Id.*, at 644.

On remand, the District Court concluded that where, as here, state law makes property exempt from the claims of creditors, no fraudulent conveyance can occur. 65 F. Supp. 2d 651, 657–658 (WD Mich. 1999). It found, however, that respondent's husband's use of nonexempt funds to pay the mortgage on the entireties property, which placed them beyond the reach of creditors, constituted a fraudulent act under state law, and the court awarded the IRS a share of the proceeds of the sale of the property equal to that amount. *Id.*, at 659.

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Both parties appealed the District Court's decision, the Government again claiming that its lien attached to the husband's interest in the entirety property. The Court of Appeals held that the prior panel's opinion was law of the case on that issue. 233 F. 3d 358, 363–369 (CA6 2000). It also affirmed the District Court's determination that the husband's mortgage payments were fraudulent. *Id.*, at 369–375.

We granted certiorari to consider the Government's claim that respondent's husband had a separate interest in the entirety property to which the federal tax lien attached. 533 U. S. 976 (2001).

## II

Whether the interests of respondent's husband in the property he held as a tenant by the entirety constitutes "property and rights to property" for the purposes of the federal tax lien statute, 26 U. S. C. § 6321, is ultimately a question of federal law. The answer to this federal question, however, largely depends upon state law. The federal tax lien statute itself "creates no property rights but merely attaches consequences, federally defined, to rights created under state law." *United States v. Bess*, 357 U. S. 51, 55 (1958); see also *United States v. National Bank of Commerce*, 472 U. S. 713, 722 (1985). Accordingly, "[w]e look initially to state law to determine what rights the taxpayer has in the property the Government seeks to reach, then to federal law to determine whether the taxpayer's state-delineated rights qualify as 'property' or 'rights to property' within the compass of the federal tax lien legislation." *Drye v. United States*, 528 U. S. 49, 58 (1999).

A common idiom describes property as a "bundle of sticks"—a collection of individual rights which, in certain combinations, constitute property. See B. Cardozo, *Paradoxes of Legal Science* 129 (1928) (reprint 2000); see also *Dickman v. Commissioner*, 465 U. S. 330, 336 (1984). State law determines only which sticks are in a person's bundle.



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Whether those sticks qualify as “property” for purposes of the federal tax lien statute is a question of federal law.

In looking to state law, we must be careful to consider the substance of the rights state law provides, not merely the labels the State gives these rights or the conclusions it draws from them. Such state law labels are irrelevant to the federal question of which bundles of rights constitute property that may be attached by a federal tax lien. In *Drye v. United States*, *supra*, we considered a situation where state law allowed an heir subject to a federal tax lien to disclaim his interest in the estate. The state law also provided that such a disclaimer would “creat[e] the legal fiction” that the heir had predeceased the decedent and would correspondingly be deemed to have had no property interest in the estate. *Id.*, at 53. We unanimously held that this state law fiction did not control the federal question and looked instead to the realities of the heir’s interest. We concluded that, despite the State’s characterization, the heir possessed a “right to property” in the estate—the right to accept the inheritance or pass it along to another—to which the federal lien could attach. *Id.*, at 59–61.

## III

We turn first to the question of what rights respondent’s husband had in the entirety property by virtue of state law. In order to understand these rights, the tenancy by the entirety must first be placed in some context.

English common law provided three legal structures for the concurrent ownership of property that have survived into modern times: tenancy in common, joint tenancy, and tenancy by the entirety. 1 G. Thompson, *Real Property* §4.06(g) (D. Thomas ed. 1994) (hereinafter Thompson). The tenancy in common is now the most common form of concurrent ownership. 7 R. Powell & P. Rohan, *Real Property* §51.01[3] (M. Wolf ed. 2001) (hereinafter Powell). The common law characterized tenants in common as each owning

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a separate fractional share in undivided property. *Id.*, § 50.01[1]. Tenants in common may each unilaterally alienate their shares through sale or gift or place encumbrances upon these shares. They also have the power to pass these shares to their heirs upon death. Tenants in common have many other rights in the property, including the right to use the property, to exclude third parties from it, and to receive a portion of any income produced from it. *Id.*, §§ 50.03–50.06.

Joint tenancies were the predominant form of concurrent ownership at common law, and still persist in some States today. 4 Thompson § 31.05. The common law characterized each joint tenant as possessing the entire estate, rather than a fractional share: “[J]oint-tenants have one and the same interest . . . held by one and the same undivided possession.” 2 W. Blackstone, *Commentaries on the Laws of England* 180 (1766). Joint tenants possess many of the rights enjoyed by tenants in common: the right to use, to exclude, and to enjoy a share of the property’s income. The main difference between a joint tenancy and a tenancy in common is that a joint tenant also has a right of automatic inheritance known as “survivorship.” Upon the death of one joint tenant, that tenant’s share in the property does not pass through will or the rules of intestate succession; rather, the remaining tenant or tenants automatically inherit it. *Id.*, at 183; 7 Powell § 51.01[3]. Joint tenants’ right to alienate their individual shares is also somewhat different. In order for one tenant to alienate his or her individual interest in the tenancy, the estate must first be severed—that is, converted to a tenancy in common with each tenant possessing an equal fractional share. *Id.*, § 51.04[1]. Most States allowing joint tenancies facilitate alienation, however, by allowing severance to automatically accompany a conveyance of that interest or any other overt act indicating an intent to sever. *Ibid.*

A tenancy by the entirety is a unique sort of concurrent ownership that can only exist between married persons. 4

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Thompson §33.02. Because of the common-law fiction that the husband and wife were one person at law (that person, practically speaking, was the husband, see J. Cribbet et al., *Cases and Materials on Property* 329 (6th ed. 1990)), Blackstone did not characterize the tenancy by the entirety as a form of concurrent ownership at all. Instead, he thought that entirety property was a form of single ownership by the marital unity. Orth, *Tenancy by the Entirety: The Strange Career of the Common-Law Marital Estate*, 1997 B. Y. U. L. Rev. 35, 38–39. Neither spouse was considered to own any individual interest in the estate; rather, it belonged to the couple.

Like joint tenants, tenants by the entirety enjoy the right of survivorship. Also like a joint tenancy, unilateral alienation of a spouse's interest in entirety property is typically not possible without severance. Unlike joint tenancies, however, tenancies by the entirety cannot easily be severed unilaterally. 4 Thompson §33.08(b). Typically, severance requires the consent of both spouses, *id.*, §33.08(a), or the ending of the marriage in divorce, *id.*, §33.08(d). At common law, all of the other rights associated with the entirety property belonged to the husband: as the head of the household, he could control the use of the property and the exclusion of others from it and enjoy all of the income produced from it. *Id.*, §33.05. The husband's control of the property was so extensive that, despite the rules on alienation, the common law eventually provided that he could unilaterally alienate entirety property without severance subject only to the wife's survivorship interest. Orth, *supra*, at 40–41.

With the passage of the Married Women's Property Acts in the late 19th century granting women distinct rights with respect to marital property, most States either abolished the tenancy by the entirety or altered it significantly. 7 Powell §52.01[2]. Michigan's version of the estate is typical of the modern tenancy by the entirety. Following Blackstone, Michigan characterizes its tenancy by the entirety as creat-

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ing no individual rights whatsoever: “It is well settled under the law of this State that one tenant by the entirety has no interest separable from that of the other . . . . Each is vested with an entire title.” *Long v. Earle*, 277 Mich. 505, 517, 269 N. W. 577, 581 (1936). And yet, in Michigan, each tenant by the entirety possesses the right of survivorship. Mich. Comp. Laws Ann. §554.872(g) (West Supp. 1997), recodified at §700.2901(2)(g) (West Supp. Pamphlet 2001). Each spouse—the wife as well as the husband—may also use the property, exclude third parties from it, and receive an equal share of the income produced by it. See §557.71 (West 1988). Neither spouse may unilaterally alienate or encumber the property, *Long v. Earle*, *supra*, at 517, 269 N. W., at 581; *Rogers v. Rogers*, 136 Mich. App. 125, 134, 356 N. W. 2d 288, 292 (1984), although this may be accomplished with mutual consent, *Eadus v. Hunter*, 249 Mich. 190, 228 N. W. 782 (1930). Divorce ends the tenancy by the entirety, generally giving each spouse an equal interest in the property as a tenant in common, unless the divorce decree specifies otherwise. Mich. Comp. Laws Ann. §552.102 (West 1988).

In determining whether respondent’s husband possessed “property” or “rights to property” within the meaning of 26 U. S. C. §6321, we look to the individual rights created by these state law rules. According to Michigan law, respondent’s husband had, among other rights, the following rights with respect to the entireties property: the right to use the property, the right to exclude third parties from it, the right to a share of income produced from it, the right of survivorship, the right to become a tenant in common with equal shares upon divorce, the right to sell the property with the respondent’s consent and to receive half the proceeds from such a sale, the right to place an encumbrance on the property with the respondent’s consent, and the right to block respondent from selling or encumbering the property unilaterally.

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## IV

We turn now to the federal question of whether the rights Michigan law granted to respondent's husband as a tenant by the entirety qualify as "property" or "rights to property" under § 6321. The statutory language authorizing the tax lien "is broad and reveals on its face that Congress meant to reach every interest in property that a taxpayer might have." *United States v. National Bank of Commerce*, 472 U. S., at 719–720. "Stronger language could hardly have been selected to reveal a purpose to assure the collection of taxes." *Glass City Bank v. United States*, 326 U. S. 265, 267 (1945). We conclude that the husband's rights in the entirety property fall within this broad statutory language.

Michigan law grants a tenant by the entirety some of the most essential property rights: the right to use the property, to receive income produced by it, and to exclude others from it. See *Dolan v. City of Tigard*, 512 U. S. 374, 384 (1994) ("[T]he right to exclude others" is "'one of the most essential sticks in the bundle of rights that are commonly characterized as property'" (quoting *Kaiser Aetna v. United States*, 444 U. S. 164, 176 (1979))); *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U. S. 419, 435 (1982) (including "use" as one of the "[p]roperty rights in a physical thing"). These rights alone may be sufficient to subject the husband's interest in the entirety property to the federal tax lien. They gave him a substantial degree of control over the entirety property, and, as we noted in *Drye*, "in determining whether a federal taxpayer's state-law rights constitute 'property' or 'rights to property,' [t]he important consideration is the breadth of the control the [taxpayer] could exercise over the property." 528 U. S., at 61 (some internal quotation marks omitted).

The husband's rights in the estate, however, went beyond use, exclusion, and income. He also possessed the right to alienate (or otherwise encumber) the property with the consent of respondent, his wife. *Loretto, supra*, at 435 (the

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right to “dispose” of an item is a property right). It is true, as respondent notes, that he lacked the right to unilaterally alienate the property, a right that is often in the bundle of property rights. See also *post*, at 296–297 (THOMAS, J., dissenting). There is no reason to believe, however, that this one stick—the right of unilateral alienation—is essential to the category of “property.”

This Court has already stated that federal tax liens may attach to property that cannot be unilaterally alienated. In *United States v. Rodgers*, 461 U. S. 677 (1983), we considered the Federal Government’s power to foreclose homestead property attached by a federal tax lien. Texas law provided that “‘the owner or claimant of the property claimed as homestead [may not], if married, sell or abandon the homestead without the consent of the other spouse.’” *Id.*, at 684–685 (quoting Tex. Const., Art. 16, §50). We nonetheless stated that “[i]n the homestead context . . . , there is no doubt . . . that not only do *both* spouses (rather than neither) have an independent interest in the homestead property, but that a federal tax lien can at least *attach* to each of those interests.” 461 U. S., at 703, n. 31; cf. *Drye, supra*, at 60, n. 7 (noting that “an interest in a spendthrift trust has been held to constitute “‘property” for purposes of §6321’ even though the beneficiary may not transfer that interest to third parties”).

Excluding property from a federal tax lien simply because the taxpayer does not have the power to unilaterally alienate it would, moreover, exempt a rather large amount of what is commonly thought of as property. It would exempt not only the type of property discussed in *Rodgers*, but also some community property. Community property States often provide that real community property cannot be alienated without the consent of both spouses. See, *e. g.*, Ariz. Rev. Stat. Ann. §25–214(C) (2000); Cal. Fam. Code Ann. §1102 (West 1994); Idaho Code §32–912 (1996); La. Civ. Code Ann., Art. 2347 (West Supp. 2002); Nev. Rev. Stat. Ann. §123.230(3)

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(Supp. 2001); N. M. Stat. Ann. §40–3–13 (1999); Wash. Rev. Code §26.16.030(3) (1994). Accordingly, the fact that respondent’s husband could not unilaterally alienate the property does not preclude him from possessing “property and rights to property” for the purposes of § 6321.

Respondent’s husband also possessed the right of survivorship—the right to automatically inherit the whole of the estate should his wife predecease him. Respondent argues that this interest was merely an expectancy, which we suggested in *Drye* would not constitute “property” for the purposes of a federal tax lien. 528 U. S., at 60, n. 7 (“[We do not mean to suggest] that an expectancy that has pecuniary value . . . would fall within § 6321 prior to the time it ripens into a present estate”). *Drye* did not decide this question, however, nor do we need to do so here. As we have discussed above, a number of the sticks in respondent’s husband’s bundle were presently existing. It is therefore not necessary to decide whether the right to survivorship alone would qualify as “property” or “rights to property” under § 6321.

That the rights of respondent’s husband in the entireties property constitute “property” or “rights to property” “belonging to” him is further underscored by the fact that, if the conclusion were otherwise, the entireties property would belong to no one for the purposes of § 6321. Respondent had no more interest in the property than her husband; if neither of them had a property interest in the entireties property, who did? This result not only seems absurd, but would also allow spouses to shield their property from federal taxation by classifying it as entireties property, facilitating abuse of the federal tax system. Johnson, *After Drye: The Likely Attachment of the Federal Tax Lien to Tenancy-by-the-Entireties Interests*, 75 Ind. L. J. 1163, 1171 (2000).

JUSTICE SCALIA’S and JUSTICE THOMAS’ dissents claim that the conclusion that the husband possessed an interest in the entireties property to which the federal tax lien could



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attach is in conflict with the rules for tax liens relating to partnership property. See *post*, at 289 (opinion of SCALIA, J.); see also *post*, at 295–296, n. 4 (opinion of THOMAS, J.). This is not so. As the authorities cited by JUSTICE THOMAS reflect, the federal tax lien does attach to an individual partner’s interest in the partnership, that is, to the fair market value of his or her share in the partnership assets. *Ibid.* (citing B. Bittker & M. McMahon, *Federal Income Taxation of Individuals* ¶ 44.5[4][a] (2d ed. 1995 and 2000 Cum. Supp.)); see also 1 A. Bromberg & L. Ribstein, *Partnership* §3.05(d) (2002–1 Supp.) (hereinafter Bromberg & Ribstein) (citing Uniform Partnership Act §28, 6 U. L. A. 744 (1995)). As a holder of this lien, the Federal Government is entitled to “receive . . . the profits to which the assigning partner would otherwise be entitled,” including predissolution distributions and the proceeds from dissolution. Uniform Partnership Act §27(1), *id.*, at 736.

There is, however, a difference between the treatment of entireties property and partnership assets. The Federal Government may not compel the sale of partnership assets (although it may foreclose on the partner’s interest, 1 Bromberg & Ribstein §3.05(d)(3)(iv)). It is this difference that is reflected in JUSTICE SCALIA’s assertion that partnership property cannot be encumbered by an individual partner’s debts. See *post*, at 289. This disparity in treatment between the two forms of ownership, however, arises from our decision in *United States v. Rodgers*, *supra* (holding that the Government may foreclose on property even where the co-owners lack the right of unilateral alienation), and not our holding today. In this case, it is instead the dissenters’ theory that departs from partnership law, as it would hold that the Federal Government’s lien does not attach to the husband’s interest in the entireties property at all, whereas the lien may attach to an individual’s interest in partnership property.



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Respondent argues that, whether or not we would conclude that respondent's husband had an interest in the entirety property, legislative history indicates that Congress did not intend that a federal tax lien should attach to such an interest. In 1954, the Senate rejected a proposed amendment to the tax lien statute that would have provided that the lien attach to "property or rights to property (including the interest of such person as tenant by the entirety)." S. Rep. No. 1622, 83d Cong., 2d Sess., 575 (1954). We have elsewhere held, however, that failed legislative proposals are "a particularly dangerous ground on which to rest an interpretation of a prior statute," *Pension Benefit Guaranty Corporation v. LTV Corp.*, 496 U. S. 633, 650 (1990), reasoning that "[c]ongressional inaction lacks persuasive significance because several equally tenable inferences may be drawn from such inaction, including the inference that the existing legislation already incorporated the offered change.'" *Central Bank of Denver, N. A. v. First Interstate Bank of Denver, N. A.*, 511 U. S. 164, 187 (1994). This case exemplifies the risk of relying on such legislative history. As we noted in *United States v. Rodgers*, 461 U. S., at 704, n. 31, some legislative history surrounding the 1954 amendment indicates that the House intended the amendment to be nothing more than a "clarification" of existing law, and that the Senate rejected the amendment only because it found it "superfluous." See H. R. Rep. No. 1337, 83d Cong., 2d Sess., A406 (1954) (noting that the amendment would "clarif[y] the term 'property and rights to property' by expressly including therein the interest of the delinquent taxpayer in an estate by the entirety"); S. Rep. No. 1622, at 575 ("It is not clear what change in existing law would be made by the parenthetical phrase. The deletion of the phrase is intended to continue the existing law").

The same ambiguity that plagues the legislative history accompanies the common-law background of Congress' enactment of the tax lien statute. Respondent argues that

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Congress could not have intended the passage of the federal tax lien statute to alter the generally accepted rule that liens could not attach to entireties property. See *Astoria Fed. Sav. & Loan Assn. v. Solimino*, 501 U.S. 104, 108 (1991) (“[W]here a common-law principle is well established . . . the courts may take it as given that Congress has legislated with an expectation that the principle will apply except ‘when a statutory purpose to the contrary is evident’”). The common-law rule was not so well established with respect to the application of a federal tax lien that we must assume that Congress considered the impact of its enactment on the question now before us. There was not much of a common-law background on the question of the application of federal tax liens, as the first court of appeals cases dealing with the application of such a lien did not arise until the 1950’s. *United States v. Hutcherson*, 188 F.2d 326 (CA8 1951); *Raffaele v. Granger*, 196 F.2d 620 (CA3 1952). This background is not sufficient to overcome the broad statutory language Congress did enact, authorizing the lien to attach to “all property and rights to property” a taxpayer might have.

We therefore conclude that respondent’s husband’s interest in the entireties property constituted “property” or “rights to property” for the purposes of the federal tax lien statute. We recognize that Michigan makes a different choice with respect to state law creditors: “[L]and held by husband and wife as tenants by entirety is not subject to levy under execution on judgment rendered against either husband or wife alone.” *Sanford v. Bertraw*, 204 Mich. 244, 247, 169 N.W. 880, 881 (1918). But that by no means dictates our choice. The interpretation of 26 U.S.C. § 6321 is a federal question, and in answering that question we are in no way bound by state courts’ answers to similar questions involving state law. As we elsewhere have held, “‘exempt status under state law does not bind the federal collector.’” *Drye v. United States*, 528 U.S., at 59. See also *Rodgers, supra*, at 701 (clarifying that the Supremacy Clause “provides the

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underpinning for the Federal Government’s right to sweep aside state-created exemptions”).

V

We express no view as to the proper valuation of respondent’s husband’s interest in the entirety property, leaving this for the Sixth Circuit to determine on remand. We note, however, that insofar as the amount is dependent upon whether the 1989 conveyance was fraudulent, see *post*, at 290, n. 1 (THOMAS, J., dissenting), this case is somewhat anomalous. The Sixth Circuit affirmed the District Court’s judgment that this conveyance was not fraudulent, and the Government has not sought certiorari review of that determination. Since the District Court’s judgment was based on the notion that, because the federal tax lien could not attach to the property, transferring it could not constitute an attempt to evade the Government creditor, 65 F. Supp. 2d, at 657–659, in future cases, the fraudulent conveyance question will no doubt be answered differently.

The judgment of the United States Court of Appeals for the Sixth Circuit is accordingly reversed, and the case is remanded for proceedings consistent with this opinion.

*It is so ordered.*

JUSTICE SCALIA, with whom JUSTICE THOMAS joins, dissenting.

I join JUSTICE THOMAS’s dissent, which points out (to no relevant response from the Court) that a State’s decision to treat the marital partnership as a separate legal entity, whose property cannot be encumbered by the debts of its individual members, is no more novel and no more “artificial” than a State’s decision to treat the commercial partnership as a separate legal entity, whose property cannot be encumbered by the debts of its individual members.

I write separately to observe that the Court nullifies (insofar as federal taxes are concerned, at least) a form of prop-

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erty ownership that was of particular benefit to the stay-at-home spouse or mother. She is overwhelmingly likely to be the survivor that obtains title to the unencumbered property; and she (as opposed to her business-world husband) is overwhelmingly unlikely to be the source of the individual indebtedness against which a tenancy by the entirety protects. It is regrettable that the Court has eliminated a large part of this traditional protection retained by many States.

JUSTICE THOMAS, with whom JUSTICE STEVENS and JUSTICE SCALIA join, dissenting.

The Court today allows the Internal Revenue Service (IRS) to reach proceeds from the sale of real property that did not belong to the taxpayer, respondent's husband, Don Craft,<sup>1</sup> because, in the Court's view, he "possesse[d] individual rights in the [tenancy by the entirety] estate sufficient to constitute 'property' or 'rights to property' for the purposes of the lien" created by 26 U. S. C. § 6321. *Ante*, at 276. The Court does not contest that the tax liability the IRS seeks to satisfy is Mr. Craft's alone, and does not claim that, under Michigan law, real property held as a tenancy by the entirety belongs to either spouse individually. Nor does the Court

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<sup>1</sup>The Grand Rapids property was tenancy by the entirety property owned by Mr. and Mrs. Craft when the tax lien attached, but was conveyed by the Crafts to Mrs. Craft by quitclaim deed in 1989. That conveyance terminated the entirety estate. Mich. Comp. Laws Ann. § 557.101 (West 1988); see also *United States v. Certain Real Property Located at 2525 Leroy Lane*, 910 F.2d 343, 351 (CA6 1990). The District Court and Court of Appeals both held that the transfer did not constitute a fraudulent conveyance, a ruling the Government has not appealed. The IRS is undoubtedly entitled to any proceeds that Mr. Craft received or to which he was entitled from *the 1989 conveyance* of the tenancy by the entirety property for \$1; at that point the tenancy by the entirety estate was destroyed and at least half of the proceeds, or 50 cents, was "property" or "rights to property" "belonging to" Mr. Craft. By contrast, the proceeds that the IRS claims here are from *Mrs. Craft's 1992 sale* of the property to a third party. At the time of the sale, she owned the property in fee simple, and accordingly Mr. Craft neither received nor was entitled to these funds.

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suggest that the federal tax lien attaches to particular “rights to property” held individually by Mr. Craft. Rather, borrowing the metaphor of “property as a ‘bundle of sticks’—a collection of individual rights which, in certain combinations, constitute property,” *ante*, at 278, the Court proposes that so long as sufficient “sticks” in the bundle of “rights to property” “belong to” a delinquent taxpayer, the lien can attach as if the property itself belonged to the taxpayer, *ante*, at 285.

This amorphous construct ignores the primacy of state law in defining property interests, eviscerates the statutory distinction between “property” and “rights to property” drawn by § 6321, and conflicts with an unbroken line of authority from this Court, the lower courts, and the IRS. Its application is all the more unsupportable in this case because, in my view, it is highly unlikely that the limited individual “rights to property” recognized in a tenancy by the entirety under Michigan law are themselves subject to lien. I would affirm the Court of Appeals and hold that Mr. Craft did not have “property” or “rights to property” to which the federal tax lien could attach.

## I

Title 26 U. S. C. § 6321 provides that a federal tax lien attaches to “all property and rights to property, whether real or personal, belonging to” a delinquent taxpayer. It is uncontested that a federal tax lien itself “creates no property rights but merely attaches consequences, federally defined, to rights created under state law.” *United States v. Bess*, 357 U. S. 51, 55 (1958) (construing the 1939 version of the federal tax lien statute). Consequently, the Government’s lien under § 6321 “cannot extend beyond the property interests held by the delinquent taxpayer,” *United States v. Rodgers*, 461 U. S. 677, 690–691 (1983), under state law. Before today, no one disputed that the IRS, by operation of § 6321, “steps into the taxpayer’s shoes,” and has the same rights as the taxpayer in property or rights to property sub-

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ject to the lien. B. Bittker & M. McMahon, *Federal Income Taxation of Individuals* ¶ 44.5[4][a] (2d ed. 1995 and 2000 Cum. Supp.) (hereinafter Bittker). I would not expand “the nature of the legal interest” the taxpayer has in the property beyond those interests recognized under state law. *Aquilino v. United States*, 363 U. S. 509, 513 (1960) (citing *Morgan v. Commissioner*, 309 U. S. 78, 82 (1940)).

A

If the Grand Rapids property “belong[ed] to” Mr. Craft under state law prior to the termination of the tenancy by the entirety, the federal tax lien would have attached to the Grand Rapids property. But that is not this case. As the Court recognizes, pursuant to Michigan law, as under English common law, property held as a tenancy by the entirety does not belong to either spouse, but to a single entity composed of the married persons. See *ante*, at 280–282. Neither spouse has “any separate interest in such an estate.” *Sanford v. Bertrau*, 204 Mich. 244, 249, 169 N. W. 880, 882 (1918); see also *Long v. Earle*, 277 Mich. 505, 517, 269 N. W. 577, 581 (1936) (“Each [spouse] is vested with an entire title and as against the one who attempts alone to convey or encumber such real estate, the other has an absolute title”). An entirety estate constitutes an indivisible “sole tenancy.” See *Budwit v. Herr*, 339 Mich. 265, 272, 63 N. W. 2d 841, 844 (1954); see also *Tyler v. United States*, 281 U. S. 497, 501 (1930) (“[T]he tenants constitute a unit; neither can dispose of any part of the estate without the consent of the other; and the whole continues in the survivor”). Because Michigan does not recognize a separate spousal interest in the Grand Rapids property, it did not “belong” to either respondent or her husband individually when the IRS asserted its lien for Mr. Craft’s individual tax liability. Thus, the property was not property to which the federal tax lien could attach for Mr. Craft’s tax liability.

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The Court does not dispute this characterization of Michigan's law with respect to the essential attributes of the tenancy by the entirety estate. However, relying on *Drye v. United States*, 528 U. S. 49, 59 (1999), which in turn relied upon *United States v. Irvine*, 511 U. S. 224 (1994), and *United States v. Mitchell*, 403 U. S. 190 (1971), the Court suggests that Michigan's definition of the tenancy by the entirety estate should be overlooked because federal tax law is not controlled by state legal fictions concerning property ownership. *Ante*, at 279. But the Court misapprehends the application of *Drye* to this case.

*Drye*, like *Irvine* and *Mitchell* before it, was concerned not with whether state law recognized "property" as belonging to the taxpayer in the first place, but rather with whether state laws could disclaim or exempt such property from federal tax liability after the property interest was created. *Drye* held only that a state-law disclaimer could not retroactively undo a vested right in an estate that the taxpayer already held, and that a federal lien therefore attached to the taxpayer's interest in the estate. 528 U. S., at 61 (recognizing that a disclaimer does not restore the *status quo ante* because the heir "determines who will receive the property—himself if he does not disclaim, a known other if he does"). Similarly, in *Irvine*, the Court held that a state law allowing an individual to disclaim a gift could not force the Court to be "struck blind" to the fact that the transfer of "property" or "property rights" for which the gift tax was due had already occurred; "*state property transfer rules* do not transfer into federal taxation rules." 511 U. S., at 239–240 (emphasis added). See also *Mitchell*, *supra*, at 204 (holding that right to renounce a marital interest under state law does not indicate that the taxpayer had no right to property before the renunciation).

Extending this Court's "state law fiction" jurisprudence to determine whether property or rights to property *exist* under state law in the first place works a sea change in the



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role States have traditionally played in “creating and defining” property interests. By erasing the careful line between state laws that purport to disclaim or exempt property interests after the fact, which the federal tax lien does not respect, and state laws’ definition of property and property rights, which the federal tax lien does respect, the Court does not follow *Drye*, but rather creates a new federal common law of property. This contravenes the previously settled rule that the definition and scope of property is left to the States. See *Aquilino, supra*, at 513, n. 3 (recognizing unsoundness of leaving the definition of property interests to a nebulous body of federal law, “because it ignores the long-established role that the States have played in creating property interests and places upon the courts the task of attempting to ascertain a taxpayer’s property rights under an undefined rule of federal law”).

## B

That the Grand Rapids property does not belong to Mr. Craft under Michigan law does not end the inquiry, however, since the federal tax lien attaches not only to “property” but also to any “rights to property” belonging to the taxpayer. While the Court concludes that a laundry list of “rights to property” belonged to Mr. Craft as a tenant by the entirety,<sup>2</sup> it does not suggest that the tax lien attached to any of these particular rights.<sup>3</sup> Instead, the Court gathers

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<sup>2</sup>The parties disagree as to whether Michigan law recognizes the “rights to property” identified by the Court as *individual* rights “belonging to” each tenant in entireties property. Without deciding a question better resolved by the Michigan courts, for the purposes of this case I will assume, *arguendo*, that Michigan law recognizes separate interests in these “rights to property.”

<sup>3</sup>Nor does the Court explain how such “rights to property” survived the destruction of the tenancy by the entirety, although, for all intents and purposes, it acknowledges that such rights as it identifies exist by virtue of the tenancy by the entirety estate. Even Judge Ryan’s concurrence in the Sixth Circuit’s first ruling in this matter is best read as making the



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these rights together and opines that there were sufficient sticks to form a bundle, so that “respondent’s husband’s interest in the entirety property constituted ‘property’ or ‘rights to property’ for the purposes of the federal tax lien statute.” *Ante*, at 288, 285.

But the Court’s “sticks in a bundle” metaphor collapses precisely because of the distinction expressly drawn by the statute, which distinguishes between “property” and “rights to property.” The Court refrains from ever stating whether this case involves “property” or “rights to property” even though § 6321 specifically provides that the federal tax lien attaches to “property” and “rights to property” “belonging to” the delinquent taxpayer, and not to an imprecise construct of “individual rights in the estate sufficient to constitute ‘property’ or ‘rights to property’ for the purposes of the lien.” *Ante*, at 276.<sup>4</sup>

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Federal Government’s right to execute its lien dependent upon the factual finding that the conveyance was a fraudulent transaction. See 140 F. 3d 638, 648–649 (1998).

<sup>4</sup>The Court’s reasoning that because a taxpayer has rights to property a federal tax lien can attach not only to those rights but also to the property itself could have far-reaching consequences. As illustration, in the partnership setting as elsewhere, the Government’s lien under § 6321 places the Government in no better position than the taxpayer to whom the property belonged: “[F]or example, the lien for a partner’s unpaid income taxes attaches to his interest in the firm, not to the firm’s assets.” Bittker ¶ 44.5[4][a]. Though partnership property currently is “not subject to attachment or execution, except on a claim against the partnership,” Rev. Rul. 73–24, 1973–1 Cum. Bull. 602; cf. *United States v. Kaufman*, 267 U. S. 408 (1925), under the logic of the Court’s opinion partnership property could be attached for the tax liability of an individual partner. Like a tenant in a tenancy by the entirety, the partner has significant rights to use, enjoy, and control the partnership property in conjunction with his partners. I see no principled way to distinguish between the propriety of attaching the federal tax lien to partnership property to satisfy the tax liability of a partner, in contravention of current practice, and the propriety of attaching the federal tax lien to tenancy by the entirety property in order to satisfy the tax liability of one spouse, also in contravention of current practice. I do not doubt that a tax lien

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Rather than adopt the majority's approach, I would ask specifically, as the statute does, whether Mr. Craft had any particular "rights to property" to which the federal tax lien could attach. He did not.<sup>5</sup> Such "rights to property" that have been subject to the § 6321 lien are valuable and "pecuniary," *i. e.*, they can be attached, and levied upon or sold by the Government.<sup>6</sup> *Drye*, 528 U. S., at 58–60, and n. 7. With such rights subject to lien, the taxpayer's interest has "rip[en]ed into a present estate" of some form and is more than a mere expectancy, *id.*, at 60, n. 7, and thus the taxpayer has an apparent right "to channel that value to [another]," *id.*, at 61.

In contrast, a tenant in a tenancy by the entirety not only lacks a present divisible vested interest in the property and control with respect to the sale, encumbrance, and transfer of the property, but also does not possess the ability to devise any portion of the property because it is subject to the other's indestructible right of survivorship. *Rogers v. Rogers*,

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may attach to a partner's partnership interest to satisfy his individual tax liability, but it is well settled that the lien does not, thereby, attach to property belonging to the partnership. The problem for the IRS in this case is that, unlike a partnership interest, such limited rights that Mr. Craft had in the Grand Rapids property are not the kind of rights to property to which a lien can attach, and the Grand Rapids property itself never "belong[ed] to" him under Michigan law.

<sup>5</sup> Even such rights as Mr. Craft arguably had in the Grand Rapids property bear no resemblance to those to which a federal tax lien has ever attached. See W. Elliott, *Federal Tax Collections, Liens, and Levies* ¶¶ 9.09[3][a]–[f] (2d ed. 1995 and 2000 Cum. Supp.) (hereinafter Elliott) (listing examples of rights to property to which a federal tax lien attaches, such as the right to compel payment; the right to withdraw money from a bank account, or to receive money from accounts receivable; wages earned but not paid; installment payments under a contract of sale of real estate; annuity payments; a beneficiary's rights to payment under a spendthrift trust; a liquor license; an easement; the taxpayer's interest in a timeshare; options; the taxpayer's interest in an employee benefit plan or individual retirement account).

<sup>6</sup> See 26 U. S. C. §§ 6331, 6335–6336.

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136 Mich. App. 125, 135–137, 356 N. W. 2d 288, 293–294 (1984). This latter fact makes the property significantly different from community property, where each spouse has a present one-half vested interest in the whole, which may be devised by will or otherwise to a person other than the spouse. See 4 G. Thompson, Real Property §37.14(a) (D. Thomas ed. 1994) (noting that a married person’s power to devise one-half of the community property is “consistent with the fundamental characteristic of community property”: “community ownership means that each spouse owns 50% of each community asset”).<sup>7</sup> See also *Drye*, 528 U. S., at 61 (“[I]n determining whether a federal taxpayer’s state-law rights constitute ‘property’ or ‘rights to property,’ the important consideration is the breadth of the control the taxpayer could exercise over the property” (emphasis added, citation and brackets omitted)).

It is clear that some of the individual rights of a tenant in entirety property are primarily personal, dependent upon the taxpayer’s status as a spouse, and similarly not susceptible to a tax lien. For example, the right to use the property in conjunction with one’s spouse and to exclude all others appears particularly ill suited to being transferred to another, see *ibid.*, and to lack “exchangeable value,” *id.*, at 56.

Nor do other identified rights rise to the level of “rights to property” to which a § 6321 lien can attach, because they represent, at most, a contingent future interest, or an “expectancy” that has not “ripen[ed] into a present estate.” *Id.*, at 60, n. 7 (“Nor do we mean to suggest that an expect-

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<sup>7</sup>And it is similarly different from the situation in *United States v. Rodgers*, 461 U. S. 677 (1983), where the question was not whether a vested property interest in the family home to which the federal tax lien could attach “belong[ed] to” the taxpayer. Rather, in *Rodgers*, the only question was whether the federal tax lien for the husband’s tax liability could be foreclosed against the property under 26 U. S. C. § 7403, despite his wife’s homestead right under state law. See 461 U. S., at 701–703, and n. 31.

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tancy that has pecuniary value and is transferable under state law would fall within § 6321 prior to the time it ripens into a present estate”). Cf. *Bess*, 357 U. S., at 55–56 (holding that no federal tax lien could attach to proceeds of the taxpayer’s life insurance policy because “[i]t would be anomalous to view as ‘property’ subject to lien proceeds never within the insured’s reach to enjoy”). By way of example, the survivorship right wholly depends upon one spouse outliving the other, at which time the survivor gains “substantial rights, in respect of the property, theretofore never enjoyed by [the] survivor.” *Tyler*, 281 U. S., at 503. While the Court explains that it is “not necessary to decide whether the right to survivorship alone would qualify as ‘property’ or ‘rights to property’” under § 6321, *ante*, at 285, the facts of this case demonstrate that it would not. Even assuming both that the right of survivability continued after the demise of the tenancy estate and that the tax lien could attach to such a contingent future right, creating a lienable interest upon the death of the nonliable spouse, it would not help the IRS here; respondent’s husband predeceased her in 1998, and there is no right of survivorship at issue in this case.

Similarly, while one spouse might escape the absolute limitations on individual action with respect to tenancy by the entirety property by obtaining the right to one-half of the property upon divorce, or by agreeing with the other spouse to sever the tenancy by the entirety, neither instance is an event of sufficient certainty to constitute a “right to property” for purposes of § 6321. Finally, while the federal tax lien could arguably have attached to a tenant’s right to any “rents, products, income, or profits” of real property held as tenants by the entirety, Mich. Comp. Laws Ann. § 557.71 (West 1988), the Grand Rapids property created no rents, products, income, or profits for the tax lien to attach to.

In any event, all such rights to property, dependent as they are upon the existence of the tenancy by the entirety

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estate, were likely destroyed by the quitclaim deed that severed the tenancy. See n. 1, *supra*. Unlike a lien attached to the property itself, which would survive a conveyance, a lien attached to a “right to property” falls squarely within the maxim that “the tax collector not only steps into the taxpayer’s shoes but must go barefoot if the shoes wear out.” Bittker ¶ 44.5[4][a] (noting that “a state judgment terminating the taxpayer’s rights to an asset also extinguishes the federal tax lien attached thereto”). See also Elliott ¶ 9.09[3][d][i] (explaining that while a tax lien may attach to a taxpayer’s option on property, if the option terminates, the Government’s lien rights would terminate as well).

Accordingly, I conclude that Mr. Craft had neither “property” nor “rights to property” to which the federal tax lien could attach.

## II

That the federal tax lien did not attach to the Grand Rapids property is further supported by the consensus among the lower courts. For more than 50 years, every federal court reviewing tenancies by the entirety in States with a similar understanding of tenancy by the entirety as Michigan has concluded that a federal tax lien cannot attach to such property to satisfy an individual spouse’s tax liability.<sup>8</sup> This

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<sup>8</sup> See *IRS v. Gaster*, 42 F. 3d 787, 791 (CA3 1994) (concluding that the IRS is not entitled to a lien on property owned as a tenancy by the entirety to satisfy the tax obligations of one spouse); *Pitts v. United States*, 946 F. 2d 1569, 1571–1572 (CA4 1991) (same); *United States v. American Nat. Bank of Jacksonville*, 255 F. 2d 504, 507 (CA5), cert. denied, 358 U. S. 835 (1958) (same); *Raffaele v. Granger*, 196 F. 2d 620, 622–623 (CA3 1952) (same); *United States v. Hutcherson*, 188 F. 2d 326, 331 (CA8 1951) (explaining that the interest of one spouse in tenancy by the entirety property “is not a right to property or property in any sense”); *United States v. Nathanson*, 60 F. Supp. 193, 194 (ED Mich. 1945) (finding no designation in the Federal Revenue Act for imposing tax upon property held by the entirety for taxes due from one person alone); *Shaw v. United States*, 94 F. Supp. 245, 246 (WD Mich. 1939) (recognizing that the nature of the estate under Michigan law precludes the tax lien from attaching to ten-

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consensus is supported by the IRS' consistent recognition, arguably against its own interest, that a federal tax lien against one spouse cannot attach to property or rights to property held as a tenancy by the entirety.<sup>9</sup>

That the Court fails to so much as mention this consensus, let alone address it or give any reason for overruling it, is puzzling. While the positions of the lower courts and the IRS do not bind this Court, one would be hard pressed to explain why the combined weight of these judicial and administrative sources—including the IRS' instructions to its own employees—do not constitute relevant authority.

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ancy by the entirety property for the tax liability of one spouse). See also *Benson v. United States*, 442 F. 2d 1221, 1223 (CADC 1971) (recognizing the Government's concession that property owned by the parties as tenants by the entirety cannot be subjected to a tax lien for the debt of one tenant); *Cole v. Cardoza*, 441 F. 2d 1337, 1343 (CA6 1971) (noting Government concession that, under Michigan law, it had no valid claim against real property held by tenancy by the entirety).

<sup>9</sup> See, e. g., Internal Revenue Manual § 5.8.4.2.3 (RIA 2002), available at WESTLAW, RIA-IRM database (Mar. 29, 2002) (listing "property owned as tenants by the entirety" as among the assets beyond the reach of the Government's tax lien); *id.*, § 5.6.1.2.3 (recognizing that a *consensual* lien may be appropriate "when the federal tax lien does not attach to the property in question. For example, an assessment exists against only one spouse and the federal tax lien does not attach to real property held as tenants by the entirety"); IRS Chief Counsel Advisory (Aug. 17, 2001) (noting that consensual liens, or mortgages, are to be used "as a means of securing the Government's right to collect from property the assessment lien does not attach to, *such as real property held as a tenancy by the entirety*" (emphasis added)); IRS Litigation Bulletin No. 407 (Aug. 1994) ("Traditionally, the government has taken the view that a federal tax lien against a single debtor-spouse does not attach to property or rights to property held by both spouses as tenants by the entirety"); IRS Litigation Bulletin No. 388 (Jan. 1993) (explaining that neither the Department of Justice nor IRS chief counsel interpreted *United States v. Rodgers*, 461 U. S. 677 (1983), to mean that a federal tax lien against one spouse encumbers his or her interest in entireties property, and noting that it "do[es] not believe the Department will again argue the broader interpretation of *Rodgers*," which would extend the reach of the federal tax lien to property held by the entireties); *Benson*, *supra*, at 1223; *Cardoza*, *supra*, at 1343.

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## III

Finally, while the majority characterizes Michigan's view that the tenancy by the entirety property does not belong to the individual spouses as a "state law fiction," *ante*, at 276, our precedents, including *Drye*, 528 U. S., at 58–60, hold that state, not federal, law defines property interests. Ownership by "the marriage" is admittedly a fiction of sorts, but so is a partnership or corporation. There is no basis for ignoring this fiction so long as federal law does not define property, particularly since the tenancy by the entirety property remains subject to lien for the tax liability of *both* tenants.

Nor do I accept the Court's unsupported assumption that its holding today is necessary because a contrary result would "facilitat[e] abuse of the federal tax system." *Ante*, at 285. The Government created this straw man, Brief for United States 30–32, suggesting that the property transfer from the tenancy by the entirety to respondent was somehow improper, see *id.*, at 30–31, n. 20 (characterizing scope of "[t]he tax avoidance scheme sanctioned by the court of appeals in this case"), even though it chose *not* to appeal the lower court's contrary assessment. But the longstanding consensus in the lower courts that tenancy by the entirety property is *not* subject to lien for the tax liability of one spouse, combined with the Government's failure to adduce any evidence that this has led to wholesale tax fraud by married individuals, suggests that the Court's policy rationale for its holding is simply unsound.

Just as I am unwilling to overturn this Court's longstanding precedent that States define and create property rights and forms of ownership, *Aquilino*, 363 U. S., at 513, n. 3, I am equally unwilling to redefine or dismiss as fictional forms of property ownership that the State has recognized in favor of an amorphous federal common-law definition of property. I respectfully dissent.

# Application for Certificate of Subordination of Federal Tax Lien

Complete the entire application. Enter NA (*not applicable*), when appropriate. Attachments and exhibits should be included as necessary. Additional information may be requested to clarify the details of the transaction(s).

## 1. Taxpayer Information (*Individual or Business named on the notice of lien*)

Name ( <i>Individual First, Middle Initial, Last</i> ) or ( <i>Business</i> ) as it appears on lien		Primary Social Security Number ( <i>last 4 digits only</i> )
Name Continuation ( <i>Individual First, Middle Initial, Last</i> ) or ( <i>Business d/b/a</i> )		Secondary Social Security Number ( <i>last 4 digits only</i> )
Address ( <i>Number, Street, P.O. Box</i> )		Employer Identification Number
City	State	ZIP Code
Telephone Number ( <i>with area code</i> )	Fax Number ( <i>with area code</i> )	

## 2. Applicant Information

Check if also the Taxpayer (*If not the taxpayer, attach copy of lien. See Sec. 10*)

Name ( <i>First, Middle Initial, Last</i> )		Relationship to taxpayer
Address ( <i>Number, Street, P.O. Box</i> )		
City	State	ZIP Code
Telephone Number ( <i>with area code</i> )	Fax Number ( <i>with area code</i> )	

## 3. Property Owner

Check if also the Applicant

Relationship to Taxpayer	
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## 4. Attorney/Representative Information

**Attached:** Form 8821 or Power of Attorney Form 2848  Yes  No

Name ( <i>First, Middle Initial, Last</i> )		Interest Represented ( <i>e.g. taxpayer, lender, etc.</i> )
Address ( <i>Number, Street, P.O. Box</i> )		
City	State	ZIP Code
Telephone Number ( <i>with area code</i> )	Fax Number ( <i>with area code</i> )	

## 5. Lending/Finance Company

Company Name	Contact Name	Contact Phone Number
Type of transaction ( <i>For example, loan consolidation, refinance, etc.</i> )		



**6. Monetary Information**

Amount of existing loan <i>(if refinancing)</i>	
Amount of new loan	
Amount to be paid to the United States <i>(6325(d)(1) applications only)</i>	

**7. Basis for Subordination:** Check the box below that best addresses what you would like the United States to consider in your application for subordination. *(Publication 784 has additional descriptions of the Internal Revenue Code sections listed below.)*

- 6325(d)(1) the United States will receive an amount equal to the lien or interest to which the certificate of subordination is issued *(provide amount in Section 6 above)*
- 6325(d)(2) the issuance of the certificate of subordination will increase the government's interest and make collection of the tax liability easier. ***(Complete and attach a signed and dated statement describing how the amount the United States may ultimately realize will increase and how collection will be facilitated by the subordination.)***
- Statement     Attached     NA

**8. Description of property** *(For example, 3 bedroom rental house; 2002 Cessna twin engine airplane, serial number AT91900000000X00; etc.):*

<b>Address of real property</b> <i>(If this is personal property list the address where the property is located):</i>		
Address <i>(Number, Street, P.O. Box)</i>		
City	State	ZIP Code
<b>Real Estate:</b>		
Legible copy of deed or title showing legal description		<input type="checkbox"/> Attached <input type="checkbox"/> NA

**9. Appraisal and Valuations**

<b>Appraisal:</b> <i>(Professional appraisal completed by a disinterested third party but it is not required for a subordination)</i>	<input type="checkbox"/> Attached
<b>OR ONE OF THE FOLLOWING VALUATIONS:</b>	
County valuation of property <i>(real property)</i>	<input type="checkbox"/> Attached
Informal valuation of property by disinterested third party	<input type="checkbox"/> Attached
Proposed selling price <i>(for property being sold at auction)</i>	<input type="checkbox"/> Attached
Other: _____	<input type="checkbox"/> Attached

**10. Copy of Federal Tax Lien(s)** *(Complete if applicant and taxpayer differ)*  Attached  No

**OR** list the lien number(s) found near the top right corner on the lien document(s) *(if known)*


**11. Copy of the proposed loan agreement** *(if available)*  Attached  No

**AND**

Describe how subordination is in the best interests of the United States:

**12. Copy of a current title report** *(required for subordination)*  Attached  No

**OR**

List encumbrances with seniority over the Federal Tax Lien. Include name and address of the holder; description of the encumbrance, e.g., mortgage, state lien, etc.; date of agreement; original loan amount and interest rate; amount due at time of application; and family relationship, if applicable. Include any home equity line of credit (HELOCs) advances beginning the 46th day after the NFTL was filed, through the date you submit your application, and include expected advances through the date the certificate will be issued. ***(Attach additional sheets as needed)***:

**13. Copy of proposed closing statement** *(aka HUD-1)*  Attached  No

**OR**

Itemize all proposed costs, commissions, and expenses of any transfer or sale associated with property ***(Attach additional sheets as needed)***:

**14. Additional information** that may have a bearing on this request, such as pending litigation, explanations of unusual situations, etc., is attached for consideration  Yes  No

**15. Declaration**

Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements and to the best of my knowledge and belief it is true, correct and complete.

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

# Application for Certificate of Discharge of Property from Federal Tax Lien

Complete the entire application. Enter NA (*not applicable*), when appropriate. Attachments and exhibits should be included as necessary. Additional information may be requested of you or a third party to clarify the details of the transaction(s).

**1. Taxpayer Information** (*Individual or Business named on the notice of lien*):

Name ( <i>Individual First, Middle Initial, Last</i> ) or ( <i>Business</i> ) as it appears on lien		Primary Social Security Number <i>(last 4 digits only)</i>
Name Continuation ( <i>Individual First, Middle Initial, Last</i> ) or ( <i>Business d/b/a</i> )		Secondary Social Security Number <i>(last 4 digits only)</i>
Address ( <i>Number, Street, P.O. Box</i> )		Employer Identification Number
City	State	ZIP Code
Telephone Number ( <i>with area code</i> )		Fax Number ( <i>with area code</i> )

**2. Applicant Information:**  Check if also the Taxpayer (*If not the taxpayer, attach copy of lien. See Sec. 10*)

Name ( <i>First, Middle Initial, Last</i> )	Relationship to taxpayer	
Address ( <i>Number, Street, P.O. Box</i> )		
City	State	ZIP Code
Telephone Number ( <i>with area code</i> )		Fax Number ( <i>with area code</i> )

**3. Purchase/Transferee/New Owner**  Check if also the Applicant

	Relationship to taxpayer
--	--------------------------

**4. Attorney/Representative Information** **Attached:** Form 8821 or Power of Attorney Form 2848  Yes  No

Name ( <i>First, Middle Initial, Last</i> )	Interest Represented ( <i>e.g. taxpayer, lender, etc.</i> )	
Address ( <i>Number, Street, P.O. Box</i> )		
City	State	ZIP Code
Telephone Number ( <i>with area code</i> )		Fax Number ( <i>with area code</i> )

**5. Lender/Finance Company Information - or (Settlement/Escrow Company for applications under Section 6325(b)(3) only)**

Company Name	Contact Name	Contact Phone Number
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**6. Monetary Information**

<b>Proposed sales price</b>	
Expected proceeds to be paid to the United States in exchange for the certificate of discharge <i>(Enter NA if no proceeds are anticipated)</i>	

**7. Basis for Discharge:** Check the box below that best addresses what you would like the United States to consider in your application for discharge. *(Publication 783 has additional descriptions of the Internal Revenue Code sections listed below.)*

- 6325(b)(1) Value of property remaining attached by the lien(s) is at least double the liability of the federal tax lien(s) plus other encumbrances senior to the lien(s)
- 6325(b)(2)(A) The United States receives an amount not less than the value of the United States' interest.  
*(Note: If you are applying under 6325(b)(2)(A) and are the property owner but not the taxpayer, see also section 16.)*
- 6325(b)(2)(B) Interest of the United States in the property to be discharged has no value.
- 6325(b)(3) Proceeds from property sale held in escrow subject to the liens and claims of the United States.
- 6325(b)(4) Deposit made or bond furnished in an amount equal to the value of the United States' interest.  
*(Note: This selection provides a remedy under 7426(a)(4) for return of deposit but is exclusively for a property owner not named as the taxpayer on the lien)*

**8. Description of property** *(for example, 3 bedroom rental house; 2002 Cessna twin engine airplane, serial number AT91900000000X00; etc.):*

<b>Address of real property</b> <i>(If this is personal property, list the address where the property is located):</i>		
Address <i>(Number, Street, P.O. Box)</i>		
City	State	ZIP Code
<b>FOR REAL ESTATE:</b> a legible copy of the deed or title showing the legal description is required		
<input type="checkbox"/> Attached <input type="checkbox"/> NA		
<b>FOR Discharge Requests under Section 6325(b)(1):</b> copy of deed(s) or title(s) for property remaining subject to the Federal Tax Lien is required		
<input type="checkbox"/> Attached <input type="checkbox"/> NA		

**9. Appraisal and Valuations**

<b>REQUIRED APPRAISAL</b> Professional appraisal completed by a disinterested third party	<input type="checkbox"/> Attached
<b>PLUS ONE OF THE FOLLOWING ADDITIONAL VALUATIONS:</b>	
County valuation of property <i>(real property)</i>	<input type="checkbox"/> Attached
Informal valuation of property by disinterested third party	<input type="checkbox"/> Attached
Proposed selling price <i>(for property being sold at auction)</i>	<input type="checkbox"/> Attached
Other: _____	<input type="checkbox"/> Attached

**AND** for applications under Section 6325(b)(1), valuation information (of the type described above in this section) must also be provided for property remaining subject to the lien.

**10. Copy of Federal Tax Lien(s)** *(Complete if applicant and taxpayer differ)*  Attached  No

**OR** list the lien number(s) found near the top right corner on the lien document(s) *(if known)*


**11. Copy of the sales contract/purchase agreement** *(if available)*  Attached  No

**OR**

Describe how and when the taxpayer will be divested of his/her interest in the property:

**12. Copy of a current title report**  Attached  No

**OR**

List encumbrances senior to the Federal Tax Lien. Include name and address of holder; description of encumbrance, e.g., mortgage, state lien, etc.; date of agreement; original loan amount and interest rate; amount due at time of application; and family relationship, if applicable **(Attach additional sheets as needed)**:

**13. Copy of proposed closing statement (aka HUD-1)**  Attached  No

**OR**

Itemize all proposed costs, commissions, and expenses of any transfer or sale associated with property **(Attach additional sheets as needed)**:

**14. Additional information** that may have a bearing on this request, such as pending litigation, explanations of unusual situations, etc., is attached for consideration  Attached  No

**15. Escrow Agreement** *(For applications under IRC 6325(b)(3))*  Attached  No

Escrow agreement must specify type of account, name and depository for account, conditions under which payment will be made, cost of escrow, name and address of any party identified as part of escrow agreement, and signatures of all parties involved including Advisory Group Manager. Terms for agreement must be reached before discharge approved.

**16. WAIVER** *(For applications made by third parties under IRC 6325(b)(2))*

If you are applying as an owner of the property and you are not the taxpayer, to have this application considered under section 6325(b)(2), you must waive the rights that would be available if the application were made under section 6325(b)(4). If you choose not to waive these rights, the application will be treated as one made under 6325(b)(4) and any payment will be treated like a deposit under that section. Please check the appropriate box.

**I understand that an application and payment made under section 6325(b)(2) does not provide the judicial remedy available under section 7426(a)(4). In making such an application / payment, I waive the option to have the payment treated as a deposit under section 6325(b)(4) and the right to request a return of funds and to bring an action under section 7426(a)(4).**

Waive  No

**17. Declaration**

Under penalties of perjury, I declare that I have examined this application, including any accompanying schedules, exhibits, affidavits, and statements and to the best of my knowledge and belief it is true, correct and complete.

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature/Title

\_\_\_\_\_  
Date

Form **12277**  
(October 2011)

Department of the Treasury — Internal Revenue Service

**Application for Withdrawal of Filed  
Form 668(Y), Notice of Federal Tax Lien**  
*(Internal Revenue Code Section 6323(j))*

1. Taxpayer Name *(as shown on the Notice of Federal Tax Lien)* 2. Social Security/Employer Identification No.

3. Taxpayer's Representative, if applicable, or Name and Title of contact person, if taxpayer is a business

4. Address *(Number, Street, P.O. Box)*

5. City

6. State

7. ZIP code

8. Phone Number

9. Attach copy of the Form 668(Y), Notice of Federal Tax Lien, if available, **OR**, if you don't have a copy, provide the following information, if available:

Serial number of Form 668(Y) *(found near the top of the document)*

Date Form 668(Y) filed

Recording office where Form 668(Y) was filed

10. Current status of the federal tax lien *("x" appropriate box)*

Open  Released  Unknown

11. Reason for requesting withdrawal of the filed Notice of Federal Tax Lien *("x" appropriate box(es))*

- The Notice of Federal Tax Lien was filed prematurely or not in accordance with IRS procedures.
- The taxpayer entered into an installment agreement to satisfy the liability for which the lien was imposed and the agreement did not provide for a Notice of Federal Tax Lien to be filed.
- The taxpayer is under a Direct Debit Installment Agreement.
- Withdrawal will facilitate collection of the tax.
- The taxpayer, or the Taxpayer Advocate acting on behalf of the taxpayer, believes withdrawal is in the best interest of the taxpayer and the government.

12. Explain the basis for the withdrawal request *(attach additional sheets and other documentation that substantiates your request, as needed)*

**Affirmation**

**Under penalties of perjury, I declare that I have examined this application (including any accompanying schedules, exhibits, affidavits, and statements) and, to the best of my knowledge and belief, it is true, correct, and complete**

Signature *(Taxpayer or Representative)*

Title *(if business)*

Date

## General Instructions

1. Complete the application. If the information you supply is not complete, it may be necessary for the IRS to obtain additional information before making a determination on the application.
  - Sections 1 and 2: Enter the taxpayer's name and Social Security Number (SSN) or Employer Identification Number (EIN) as shown on the Notice of Federal Tax Lien (NFTL).
  - Section 3: Enter the name of the person completing the application if it differs from the taxpayer's name in section 1 (for example, taxpayer representative). For business taxpayers, enter the name and title of person making the application. Otherwise, leave blank.
  - Sections 4 through 8: Enter current contact information of taxpayer or representative.
  - Section 9: Attach a copy of the NFTL to be withdrawn, if available. If you don't have a copy of the NFTL but have other information about the NFTL, enter that information to assist the IRS in processing your request.
  - Section 10: Check the box that indicates the current status of the lien.  
"Open" means there is still a balance owed with respect to the tax liabilities listed on the NFTL.  
"Released" means the lien has been satisfied or is no longer enforceable.  
"Unknown" means you do not know the current status of the lien.
  - Section 11: Check the box(es) that best describe the reason(s) for the withdrawal request. **NOTE:** If you are requesting a withdrawal of a released NFTL, you generally should check the last box regarding the best interest provision.
  - Section 12: Provide a detailed explanation of the events or the situation to support your reason(s) for the withdrawal request. Attach additional sheets and supporting documentation, as needed.
  - Affirmation: Sign and date the application. If you are completing the application for a business taxpayer, enter your title in the business.
2. Mail your application to the IRS office assigned your account. If the account is not assigned or you are uncertain where it is assigned, mail your application to IRS, ATTN: Advisory Group Manager, in the area where you live or is the taxpayer's principal place of business. Use Publication 4235, *Advisory Group Addresses*, to determine the appropriate office.
3. Your application will be reviewed and, if needed, you may be asked to provide additional information. You will be contacted regarding a determination on your application.
  - a. If a determination is made to withdraw the NFTL, we will file a Form 10916(c), *Withdrawal of Filed Notice of Federal Tax Lien*, in the recording office where the original NFTL was filed and provide you a copy of the document for your records.
  - b. If the determination is made to not withdraw the NFTL, we will notify you and provide information regarding your rights to appeal the decision.
4. **At your request, we will notify other interested parties of the withdrawal notice. Your request must be in writing and provide the names and addresses of the credit reporting agencies, financial institutions, and/or creditors that you want notified.**

**NOTE:** Your request serves as our authority to release the notice of withdrawal information to the agencies, financial institutions, or creditors you have identified.
5. If, at a later date, additional copies of the withdrawal notice are needed, you must provide a written request to the Advisory Group Manager. The request must provide:
  - a. The taxpayer's name, current address, and taxpayer identification number with a brief statement authorizing the additional notifications;
  - b. A copy of the notice of withdrawal, if available; and
  - c. A supplemental list of the names and addresses of any credit reporting agencies, financial institutions, or creditors to notify of the withdrawal of the filed Form 668(Y).

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### Privacy Act Notice

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We ask for the information on this form to carry out the Internal Revenue laws of the United States. The primary purpose of this form is to apply for withdrawal of a notice of federal tax lien. The information requested on this form is needed to process your application and to determine whether the notice of federal tax lien can be withdrawn. You are not required to apply for a withdrawal; however, if you want the notice of federal tax lien to be withdrawn, you are required to provide the information requested on this form. Sections 6001, 6011, and 6323 of the Internal Revenue Code authorize us to collect this information. Section 6109 requires you to provide the requested identification numbers. Failure to provide this information may delay or prevent processing your application; providing false or fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

**UNITED STATES DISTRICT COURT  
DISTRICT OF CONNECTICUT**

USA,

V.

**SUMMONS IN A CIVIL CASE**

██████████

CASE NUMBER: ██████████

TO: ██████████

Defendant's Address:

██████████ Road  
██████████ CT ██████████

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) – or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) – you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

██████████  
**Unites States Dept of Justice, Tax Div –pob 55  
P.O. Box 55, Ben Franklin Station  
Washington, DC 20044**

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

/s/ – P. Malone

\_\_\_\_\_  
*Signature of Clerk or Deputy Clerk*



ISSUED ON 2015-03-12 15:49:39.0, Clerk  
USDC CTD



**PROOF OF SERVICE**

*(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))*

This summons for *(name of individual and title, if any)* \_\_\_\_\_  
was received by me on *(date)* \_\_\_\_\_.

I personally served the summons on the individual at *(place)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

I left the summons at the individual's residence or usual place of abode with *(name)* \_\_\_\_\_  
\_\_\_\_\_, a person of suitable age and discretion who resides there,  
on *(date)* \_\_\_\_\_, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* \_\_\_\_\_, who is  
designated by law to accept service of process on behalf of *(name of organization)* \_\_\_\_\_  
\_\_\_\_\_ on *(date)* \_\_\_\_\_; or

I returned the summons unexecuted because \_\_\_\_\_  
\_\_\_\_\_; or

Other *(specify)* \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

My fees are \$ \_\_\_\_\_ for travel and \$ \_\_\_\_\_ for services, for a total of \$ \_\_\_\_\_ 0.00

I declare under penalty of perjury that this information is true.

Date: \_\_\_\_\_

\_\_\_\_\_  
Servers signature

\_\_\_\_\_  
Printed name and title

\_\_\_\_\_  
Servers address

Additional information regarding attempted service, etc:



IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF CONNECTICUT

UNITED STATES OF AMERICA,

Plaintiff,

v.

[Redacted names of defendants]

Defendants.

Case No. [Redacted]

RECORDED AS RECEIVED

NOTICE OF LIS PENDENS

Notice is hereby given that the above entitled case was filed in the United States District Court for the District of Connecticut, on the 12th day of March, 2015, in which the United States of America seeks to enforce federal tax liens against real property more fully described hereunder, and is now pending in the Court.

Notice is further given that the subject property affected by the said action is, as follows:

ALL THAT CERTAIN piece, parcel or tract of land, with the buildings and improvements thereon, located in the City of [Redacted] and State of Connecticut, known and designated as Lot 5A on a certain map entitled [Redacted], which map is on file in the office of the Town Clerk of said City of [Redacted] together with the benefits flowing from those certain agreements, covenants and reservations set forth in that certain Executor's Deed from the [Redacted] Said premises conveyed subject to the following:

13481475.1

MOGULS > POWER PLAYERS

# Steve Wynn acquires the Bel Air home of Joe Francis

By James McClain • February 25, 2019



For over a decade, “*Girls Gone Wild*” creator [Joe Francis](#) and Las Vegas casino tycoon [Steve Wynn](#) have been locked in a bitter series of lawsuits

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The squabbling began in February 2007, when — during a wild weekend in Vegas — Mr. Francis racked up a **\$2 million gambling debt** at one of Mr. Wynn’s casinos. Our boy refused to pay up, so Mr. Wynn eventually sued him for the cash. Mr. Francis countersued, blaming his epic losses on Mr. Wynn [plying him with booze and hookers](#). Oh my!

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A jury eventually found in Mr. Wynn’s favor, but then Mr. Francis claimed (on camera, no less) that [Mr. Wynn had threatened to kill him](#). Naturally, another lawsuit ensued — this time Mr. Wynn sued Mr. Francis for slander — and resulted with a jury levying a \$40 million judgment against Mr. Francis (the judgment was upheld on appeal, though the amount [was reduced to \\$19 million](#)).

Oh, in case you’re wondering what Mr. Francis thought of the hefty judgment, he [opined that the “mentally retarded” jury “should be shot dead”](#). So there y’all have it.





### **Best enemies forever**

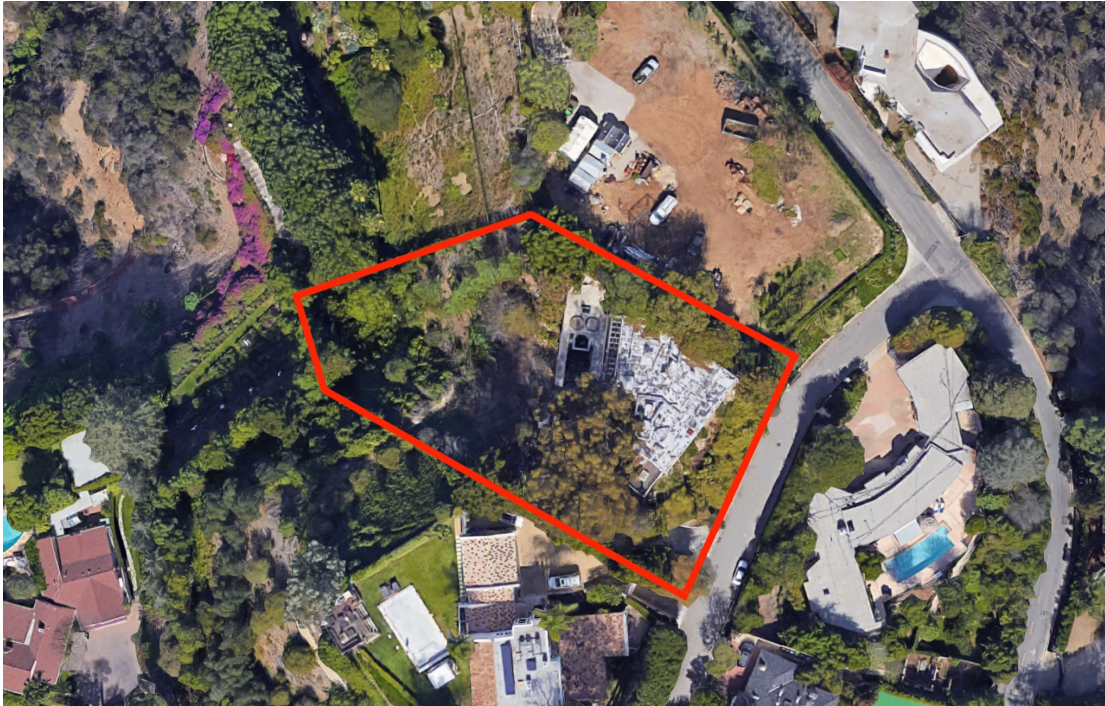
Ever since his 2012 award, Mr. Wynn has been attempting to collect from Mr. Francis. Which brings us to the latter's longtime [Bel Air](#) home, which he bought way back in 2002 for \$5,450,000.

Mr. Francis has been a longtime magnet for legal and financial troubles of all sorts — Mr. Wynn is but one of his myriad creditors — and many of them involved his [Bel Air](#) mansion, which has been in and out of foreclosure for years. Yolanda will not bore y'all with the nuts and bolts of his tangled affairs, but if you really care to read more, [here's a very thorough summary](#). But we digress.

Anywho, Mr. Francis valiantly attempted to prevent Mr. Wynn from seizing his assets — his *Girls Gone Wild* company [strategically filed for bankruptcy](#), and the Bel Air house was transferred to a shell company which transferred the property to an entirely different shell company. But the gamesmanship appears to have ended. As of this month (February 2019), by [US Marshals' deed](#), the property belongs to Mr. Wynn.

spread elsewhere. More on that momentarily.

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### **The former Joe Francis estate, Bel Air**

Situated about midway between exclusive “Lower Bel Air” and less-desirable “Upper Bel Air”, the 1995-built contemporary lies on a tiny gated cul-de-sac. There are only three other properties on this street — one owned by hedge funder [George McCabe](#), another by Indian “razor blade tycoon” [Rocky Malhotra](#). The third, a 25,000-square-foot mega-mansion, is home home to legendary music producer [Quincy Jones](#).

According to records, there are five bedrooms — all of them ensuite — and seven baths in 6,446-square-feet of living space. Though the .89-acre lot isn’t particularly huge, it does sport canyon and city lights views. The

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Extra-astute real estate watchers may recall this is the same house from whence Mr. Francis was kidnapped in 2004. Before being driven from the property in his own car's trunk, he was forced to do various degrading things at gunpoint — [the entire story is a bit NSFW](#). The kidnapper and would-be extortionist [was later brought to justice](#), courtesy of Paris Hilton. (Only in Hollywood!)

For the last several years, Mr. Francis has been living at [his 40,000-square-foot estate](#) in Punta Mita, Mexico, so it ain't surprising that the Bel Air property looks a bit neglected and bedraggled in recent aerial images. Still, Yolanda believes the place — even in its current decrepit condition — is probably worth somethin' close to \$10 million on the open market. Good news for Mr. Wynn, we suppose.





### **Steve Wynn's \$50 million Beverly Hills estate**

Speaking of Mr. Wynn, his current LA residence is a 20,000-square-foot mansion set on a private road in Beverly Hills. He [paid just under \\$48 million](#) for the property, which was custom-built in the early 2000s by [Maurice Marciano of GUESS? jeans fame](#). Yolanda happens to know the compound is currently undergoing a multimillion dollar remodel of some sort.

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But Mr. Wynn is currently preoccupied with troubles of his own — the multi-billionaire was caught up in the [#MeToo scandal](#) last year. Amid an



The Nevada Gaming Commission (NGC) is [currently deliberating](#) what penalty to impose on Wynn Resorts, whose executives were repeatedly made aware of Mr. Wynn’s (alleged) indiscretions but did little in response.

As for his newly-acquired Bel Air property, we imagine Mr. Wynn will soon — perhaps once his other issues are resolved — flip the mini-estate onto the open market. Or maybe he’ll fix it up first? Regardless, if you’ve always wanted to live in the LA home of a guy who made his fortune off drunken sorority girls — and really, who hasn’t? — your chance should soon present itself.

### Eminem - My Name Is (Official Music Video)



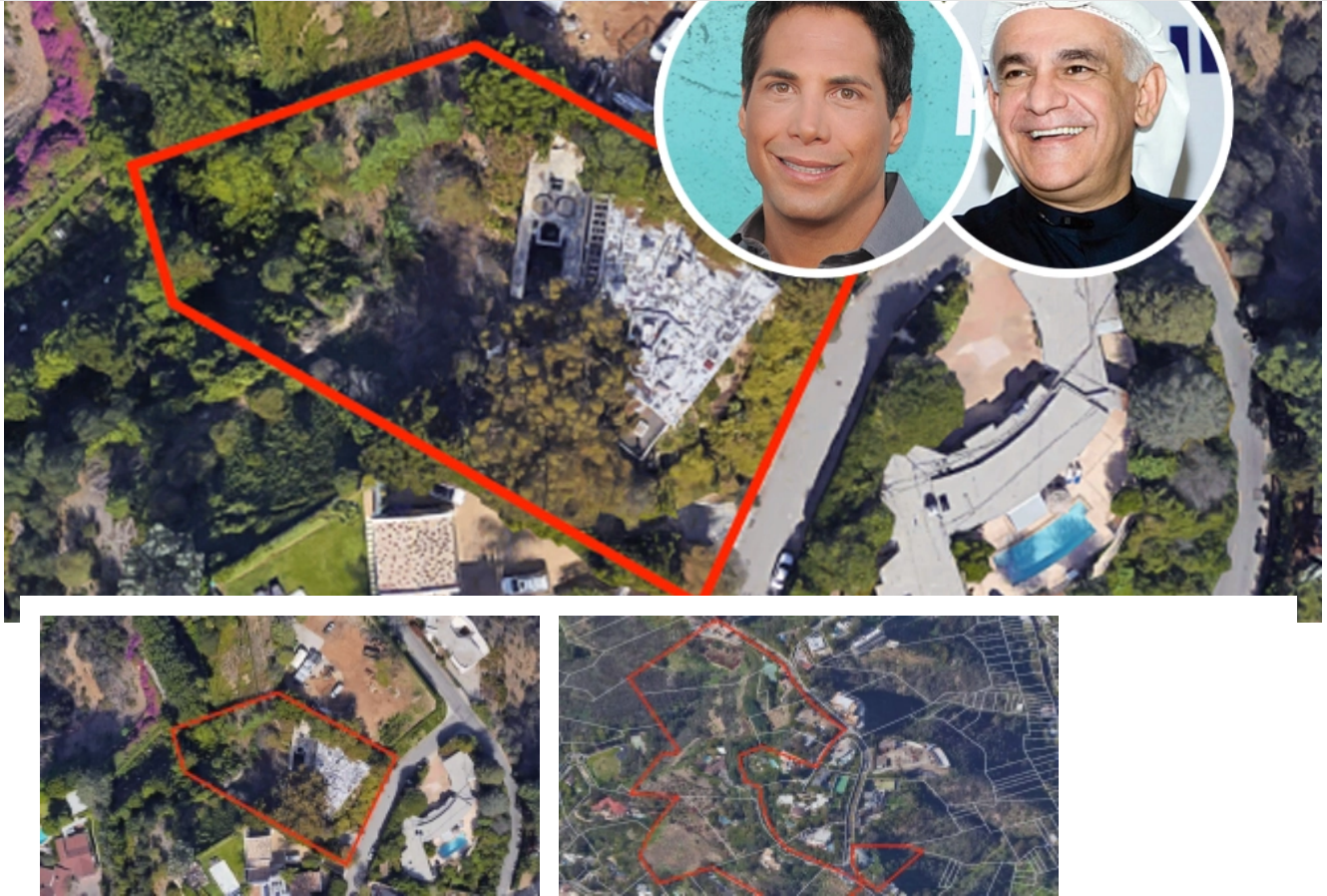
**CATEGORIES:** Power Players

**TAGS:** [bel air](#), [beverly hills](#)

MOGULS > POWER PLAYERS

# Joe Francis' Seized Bel Air Mansion Sells to Billionaire Neighbor

By James McClain • October 3, 2019



**SELLER:** United States Marshals

**LOCATION:** Bel Air, Los Angeles, Calif.

**PRICE:** \$8.65 million

**SIZE:** 6,446 square feet, 5 beds, 7 baths

Following the bizarre legal hijinks that surround embattled “Girls Gone Wild” honcho Joe Francis is somewhat akin to deciphering the plot of “The Big Sleep.” It just goes, and goes, and goes on some more. And those who stick it out to the end typically find themselves more confused than those who don’t.

Back near the dawn of time — November 2002, to be precise — a 29-year-old Francis laid out \$5.45 million for a 6,000+ sq. ft. modern mansion in

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In 2004, an intruder broke into the house and [forced Francis to do degrading things](#) on video before abducting him, abandoning him in the trunk of his own Bentley and later attempting to blackmail him. The perpetrator was soon brought to justice [courtesy of Paris Hilton](#), naturally.

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But Francis's massive, highly-publicized legal woes quickly overshadowed any sympathy the kidnapping may have engendered. In 2007, the U.S. Department of Justice filed charges against him for — among other things — more than \$20 million in false corporate tax deductions, hiding money in offshore bank accounts, and unpaid federal taxes for the years of 2002 and 2003. That matter, however, didn't go to trial for some time because Francis [was already in jail](#) on felony charges of filming underage girls.

By the time of his release, Francis was greeted with a \$34 million federal tax lien by the IRS. On top of that, his mortgage lender — JP Morgan Chase — eventually began foreclosure proceedings against him, claiming Francis had fallen behind on payments for a \$5 million home loan.

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million gambling debt at one of Wynn's hotels. Francis wouldn't pay, so Wynn sued him for the money. Francis countersued, claiming his losses only occurred after Wynn slyly plied him with booze and hookers.

The multimillion-dollar tit-for-tat eventually went to trial, where a jury decided in Wynn's favor. Francis then accused Wynn — on a primetime TV interview, no less — of trying to kill him, so Wynn sued him again, this time for defamation. A second jury then levied a whopping \$40 million judgement against Francis (that decision was upheld on appeal, though the award amount was trimmed to \$19 million.) For his part, Francis stated that the “mentally retarded” jury should be “shot dead.”

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Over the past decade, Wynn and a plethora of other angry creditors have been attempting to collect from Francis, who now lives in Punta Mita,

companies to fend off seizure.

Last year, the Department of Justice finally took title to the Bel Air property and famously sold it at public auction to Wynn, perhaps Francis's largest creditor. Records show the billionaire casino kingpin forked over nearly \$6.7 million for the deed.

Enter the IRS, still chasing Francis for his 2002 tax debt. This May, just three months after Wynn acquired the Bel Air spread, the U.S. government exercised its right of redemption and bought out his interest in the property — records show Wynn was paid more than \$6.8 million for his right to title.

Four months after redeeming the estate, the government flipped the .9-acre property in an off-market deal to Francis's next door neighbor, Kuwaiti billionaire Bassam Alghanim — a man who already happens happens to be one of Bel Air's largest landowners. Per records, the transfer price was approximately \$8.65 million, so the government realized a nearly \$2 million profit on the deal.

According to Forbes, Alghanim — the 68-year-old heir of a now-deceased Kuwaiti industrialist — boasts a personal net worth at \$1.4 billion. For decades, he's lived a quiet life in Bel Air, occasionally forking out several million dollars to buy one of his neighbor's homes. With the acquisition of Francis's estate, his mega-sized, 10-parcel Bel Air compound (displayed in the gallery) now spans 21+ contiguous acres and includes no fewer than seven houses, one of them scooped up this past April for \$11 million. Today, the entire spread is likely worth north of \$100 million.



from [an ersatz mansion](#) that was long called home by the late, great Zsa Zsa Gabor.

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CATEGORIES: [Power Players](#)

TAGS: [bel air](#)

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## 28 U.S. Code § 2410. Actions affecting property on which United States has lien

**(a)** Under the conditions prescribed in this section and [section 1444 of this title](#) for the protection of the United States, the United States may be named a party in any civil action or suit in any district court, or in any State court having jurisdiction of the subject matter—

- (1)** to quiet title to,
- (2)** to foreclose a mortgage or other lien upon,
- (3)** to partition,
- (4)** to condemn, or
- (5)** of interpleader or in the nature of interpleader with respect to, real or personal property on which the United States has or claims a mortgage or other lien.

**(b)** The complaint or pleading shall set forth with particularity the nature of the interest or lien of the United States. In actions or suits involving liens arising under the internal revenue laws, the complaint or pleading shall include the name and address of the taxpayer whose liability created the lien and, if a notice of the tax lien was filed, the identity of the internal revenue office which filed the notice, and the date and place such notice of lien was filed. In actions in the State courts service upon the United States shall be made by serving the process of the court with a copy of the complaint upon the United States attorney for the district in which the action is brought or upon an assistant United States attorney or clerical employee designated by the United States attorney in writing filed with the clerk of the court in which the action is brought and by sending copies of the process and complaint, by registered mail, or by certified mail, to the Attorney General of the United States at Washington, District of Columbia. In such actions the United States may appear and answer, plead or demur within sixty days after such service or such further time as the court may allow.

**(c)** A judgment or decree in such action or suit shall have the same effect respecting the discharge of the property from the mortgage or other lien held by the United States as may be provided with respect to such matters by the local law of the place where the court is situated. However, an action to foreclose a mortgage or other lien, naming the United States as a party under this section, must seek judicial sale. A sale to satisfy a lien inferior to one of the United States shall be made subject to and without disturbing the lien of the United States, unless the United States consents that the property may be sold free of its lien and the proceeds divided as the parties may be entitled. Where a sale of real estate is made to satisfy a lien prior to that of



the United States, the United States shall have one year from the date of sale within which to redeem, except that with respect to a lien arising under the internal revenue laws the period shall be 120 days or the period allowable for redemption under State law, whichever is longer, and in any case in which, under the provisions of section 505 of the [Housing Act of 1950](#), as amended ([12 U.S.C. 1701k](#)), and subsection (d) of [section 3720 of title 38](#) of the United States Code, the right to redeem does not arise, there shall be no right of redemption. In any case where the debt owing the United States is due, the United States may ask, by way of affirmative relief, for the foreclosure of its own lien and where property is sold to satisfy a first lien held by the United States, the United States may bid at the sale such sum, not exceeding the amount of its claim with expenses of sale, as may be directed by the head (or his delegate) of the department or agency of the United States which has charge of the administration of the laws in respect to which the claim of the United States arises. In any case where the United States is a bidder at the judicial sale, it may credit the amount determined to be due it against the amount it bids at such sales.

**(d)** In any case in which the United States redeems real property under this section or section 7425 of the [Internal Revenue Code of 1986](#), the amount to be paid for such property shall be the sum of—

- (1)** the actual amount paid by the purchaser at such sale (which, in the case of a purchaser who is the holder of the lien being foreclosed, shall include the amount of the obligation secured by such lien to the extent satisfied by reason of such sale),
- (2)** interest on the amount paid (as determined under paragraph (1)) at 6 percent per annum from the date of such sale, and
- (3)** the amount (if any) equal to the excess of (A) the expenses necessarily incurred in connection with such property, over (B) the income from such property plus (to the extent such property is used by the purchaser) a reasonable rental value of such property.

**(e)** Whenever any person has a lien upon any real or personal property, duly recorded in the jurisdiction in which the property is located, and a junior lien, other than a tax lien, in favor of the United States attaches to such property, such person may make a written request to the officer charged with the administration of the laws in respect of which the lien of the United States arises, to have the same extinguished. If after appropriate investigation, it appears to such officer that the proceeds from the sale of the property would be insufficient to wholly or partly satisfy the lien of the United States, or that the claim of the United States has been satisfied or by lapse of time or otherwise has become unenforceable, such officer may issue a certificate releasing the property from such lien.

(June 25, 1948, ch. 646, [62 Stat. 972](#); May 24, 1949, ch. 139, § 119, [63 Stat. 105](#); [Pub. L. 85-508, § 12\(h\)](#), July 7, 1958, [72 Stat. 348](#); [Pub. L. 86-507, § 1\(20\)](#), June 11, 1960, [74 Stat. 201](#); [Pub. L. 89-719, title II, § 201](#), Nov. 2, 1966, [80 Stat. 1147](#); [Pub. L. 99-514, § 2](#), Oct. 22, 1986, [100 Stat. 2095](#); [Pub. L. 101-647, title XXXVI, § 3630](#), Nov. 29, 1990, [104 Stat. 4966](#); [Pub. L. 102-83, § 5\(c\)\(2\)](#), Aug. 6, 1991, [105 Stat. 406](#); [Pub. L. 104-316, title I, § 114](#), Oct. 19, 1996, [110 Stat. 3834](#).)

## 26 U.S. Code § 7425. Discharge of liens

**(a) JUDICIAL PROCEEDINGS** If the United States is not joined as a party, a judgment in any civil action or suit described in subsection (a) of [section 2410 of title 28](#) of the United States Code, or a judicial sale pursuant to such a judgment, with respect to property on which the United States has or claims a lien under the provisions of this title—

- (1)** shall be made subject to and without disturbing the lien of the United States, if notice of such lien has been filed in the place provided by law for such filing at the time such action or suit is commenced, or
- (2)** shall have the same effect with respect to the discharge or divestment of such lien of the United States as may be provided with respect to such matters by the local law of the place where such property is situated, if no notice of such lien has been filed in the place provided by law for such filing at the time such action or suit is commenced or if the law makes no provision for such filing.

If a judicial sale of property pursuant to a judgment in any civil action or suit to which the United States is not a party discharges a lien of the United States arising under the provisions of this title, the United States may claim, with the same priority as its lien had against the property sold, the proceeds (exclusive of costs) of such sale at any time before the distribution of such proceeds is ordered.

**(b) OTHER SALES.** Notwithstanding subsection (a) a sale of property on which the United States has or claims a lien, or a title derived from enforcement of a lien, under the provisions of this title, made pursuant to an instrument creating a lien on such property, pursuant to a confession of judgment on the obligation secured by such an instrument, or pursuant to a nonjudicial sale under a statutory lien on such property—

- (1)** shall, except as otherwise provided, be made subject to and without disturbing such lien or title, if notice of such lien was filed or such title recorded in the place provided by law for such filing or recording more than 30 days before such sale and the United States is not given notice of such sale in the manner prescribed in subsection (c)(1); or
- (2)** shall have the same effect with respect to the discharge or divestment of such lien or such title of the United States, as may be provided with respect to such matters by the local law of the place where such property is situated, if—

- (A) notice of such lien or such title was not filed or recorded in the place provided by law for such filing more than 30 days before such sale,
- (B) the law makes no provision for such filing, or
- (C) notice of such sale is given in the manner prescribed in subsection (c)(1).

**(c) SPECIAL RULES**

- (1) NOTICE OF SALE.** Notice of a sale to which subsection (b) applies shall be given (in accordance with regulations prescribed by the Secretary) in writing, by registered or certified mail or by personal service, not less than 25 days prior to such sale, to the Secretary.
- (2) CONSENT TO SALE.** Notwithstanding the notice requirement of subsection (b)(2)(C), a sale described in subsection (b) of property shall discharge or divest such property of the lien or title of the United States if the United States consents to the sale of such property free of such lien or title.
- (3) SALE OF PERISHABLE GOODS.** Notwithstanding the notice requirement of subsection (b)(2)(C), a sale described in subsection (b) of property liable to perish or become greatly reduced in price or value by keeping, or which cannot be kept without great expense, shall discharge or divest such property of the lien or title of the United States if notice of such sale is given (in accordance with regulations prescribed by the Secretary) in writing, by registered or certified mail or by personal service, to the Secretary before such sale. The proceeds (exclusive of costs) of such sale shall be held as a fund subject to the liens and claims of the United States, in the same manner and with the same priority as such liens and claims had with respect to the property sold, for not less than 30 days after the date of such sale.
- (4) FORFEITURES OF LAND SALES CONTRACTS.** For purposes of subsection (b), a sale of property includes any forfeiture of a land sales contract.

**(d) REDEMPTION BY UNITED STATES**

- (1) RIGHT TO REDEEM.** In the case of a sale of real property to which subsection (b) applies to satisfy a lien prior to that of the United States, the Secretary may redeem such property within the period of 120 days from the date of such sale or the period allowable for redemption under local law, whichever is longer.
- (2) AMOUNT TO BE PAID.** In any case in which the United States redeems real property pursuant to paragraph (1), the amount to be paid for such property shall be the amount prescribed by subsection (d) of [section 2410 of title 28](#) of the United States Code.

### **(3) CERTIFICATE OF REDEMPTION**

- (A)**In general. In any case in which real property is redeemed by the United States pursuant to this subsection, the Secretary shall apply to the officer designated by local law, if any, for the documents necessary to evidence the fact of redemption and to record title to such property in the name of the United States. If no such officer is designated by local law or if such officer fails to issue such documents, the Secretary shall execute a certificate of redemption therefor.
- (B)**Filing. The Secretary shall, without delay, cause such documents or certificate to be duly recorded in the proper registry of deeds. If the State in which the real property redeemed by the United States is situated has not by law designated an office in which such certificate may be recorded, the Secretary shall file such certificate in the office of the clerk of the United States district court for the judicial district in which such property is situated.
- (C)**Effect. A certificate of redemption executed by the Secretary shall constitute prima facie evidence of the regularity of such redemption and shall, when recorded, transfer to the United States all the rights, title, and interest in and to such property acquired by the person from whom the United States redeems such property by virtue of the sale of such property.

(Added [Pub. L. 89-719, title I, § 109](#), Nov. 2, 1966, [80 Stat. 1141](#); amended [Pub. L. 94-455, title XIX, § 1906\(b\)\(13\)\(A\)](#), Oct. 4, 1976, [90 Stat. 1834](#); [Pub. L. 99-514, title XV, § 1572\(a\)](#), Oct. 22, 1986, [100 Stat. 2765](#).)

This page is part of your document - DO NOT DISCARD



20190119170



Pages:  
0006

Recorded/Filed in Official Records  
Recorder's Office, Los Angeles County,  
California

02/08/19 AT 08:00AM

FEES:	32.00
TAXES:	0.00
OTHER:	0.00
<hr/>	
PAID:	32.00



LEADSHEET



201902081060013

00016250720



009621983

SEQ:  
07

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

T55

2

**PLEASE COMPLETE THIS INFORMATION  
RECORDING REQUESTED BY:**

Fidelity National Title  
Company

**When Recorded Mail Document To:**

Pillsbury Winthrop Shaw Pittman LLP  
725 S. Figueroa Street Suite 2800  
Los Angeles, CA 90017  
Attn: James M. Rishwain, Jr., Esq.



SPACE ABOVE THIS LINE FOR RECORDER'S USE

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**UNITED STATES MARSHAL'S DEED**

7B

U.S. Department of Justice  
United States Marshals Service  
**UNITED STATES MARSHAL'S DEED**

**This Indenture**, is made and entered into this 23rd day of January, 2019

between the United States Marshal for the Central District of California, [hereinafter referred to as "United States Marshal"] in his official capacity, and West Valley Development, LLC, A Nevada Limited Liability Company of the 2449 N. Tenaya Way, #35290 Las Vegas, NV 89133

County of Los Angeles and N/A  
of the N/A County of N/A

**Witnesseth**, that on this 21 day of July, 2017, in the United States Court for the Central District of California, Fab Films, LLC as Trustee, Plaintiff recovered a judgment against Fab Films, LLC as Trustee Defendant, in the amount of \$ 6,684,578.12 plus costs of suit in the amount of \$ N/A. Plaintiff, recovered a judgment against Fab Films, LLC as Trustee

That on the 1 day of June, 2018, the United States District Court for the Central District of California, issued a Writ of Sale directing the United States Marshal to collect that judgment.

That on the 6 day of July, 2018, the United States Marshal did levy the same Writ upon a certain tract or parcel, hereinafter described:

That the same tract or parcel of land was first advertised for sale by the United States Marshal according to law, then sold at a public sale at United States District Courthouse, 350 W. 1st Street entrance, Los Angeles, CA 90012, to West Valley Development, LLC, 2449 N. Tenaya Way, #35290 Las Vegas, NV 89133, who bid the highest and best bid in the amount of \$ 6,685,578.12

**Now therefore**, I, David M. Singer United States Marshal, by virtue of my office and according to law, in consideration of \$ 6,685,578.12 in hand paid to me by West Valley Development, LLC, 2449 N. Tenaya Way #35290, Las Vegas, NV 89133 grant, bargain and sell all right title, interest and claim which JP Morgan Chase Bank, N.A., et al.

Defendant, had in the following tract or parcel of land:  
Real Property located at 1111 Bel Air Place, Los Angeles, CA. 90077 more particularly described as follows:

This is a court-ordered conveyance or decree that is not pursuant to sale, R & T 11911  
CASE #: 2:16-cv-01722-PSG-SS

DOCUMENT TRANSFER TAX \$ 0  
COMPUTED ON FULL VALUE OF PROPERTY CONVEYED  
OR COMPUTED ON FULL VALUE LESS LIENS AND ENCUMBRANCES REMAINING AT TIME OF SALE.  
SCL  
Signature of Declarant or Agent determining tax. Firm Name

Form USM-159  
Rev. 02/01

MAIL TAXES TO: WEST VALLEY DEVELOPMENT, LLC  
2449 N. TENAYA WAY, #35290, LAS VEGAS, NV 89133

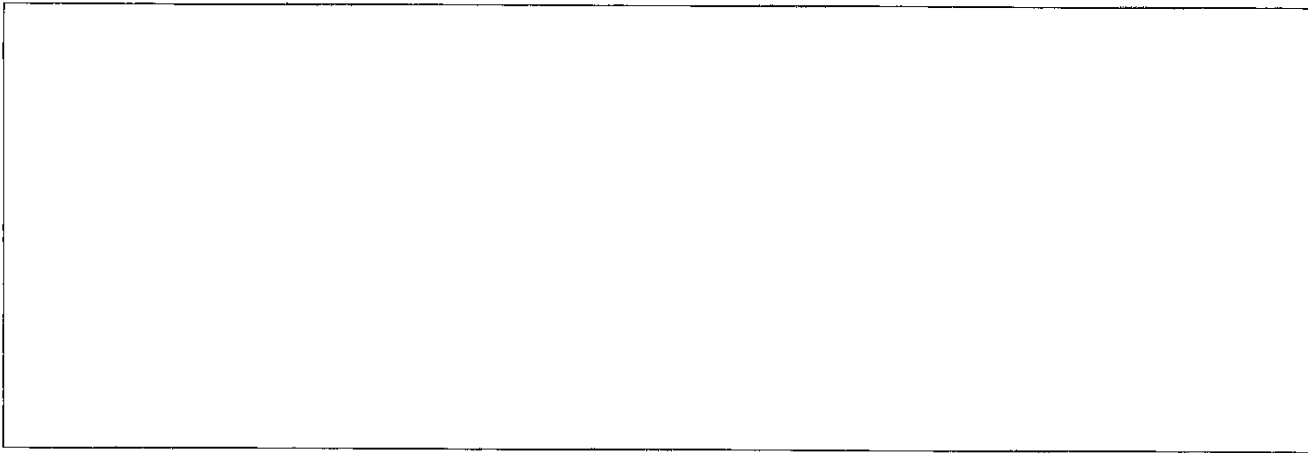


Legal Description as follows:

LOT 7 OF TRACT NO. 13772, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 285, PAGES 33 TO 35, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

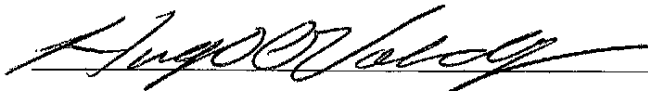
TOGETHER WITH THAT PORTION OF BEL-AIR PLACE AS SHOWN ON TRACT NUMBER 13772 AS PER MAP RECORDED IN BOOK 285 PAGES 33, 34, AND 35 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY VACATED BY RESOLUTION ON 05-1400622, RECORDED OCTOBER 17, 2005, AND THAT WOULD PASS WITH A LEGAL CONVEYANCE OF LOT 7.

APN: 4370-019-066



**To have and to hold**, together, with appurtenances thereto, to West Valley Development, LLC,  
and his/her heirs and assigns. A Nevada Limited Liability Company

**In Witness Whereof**, I have hereby set my hand and seal this 5th day of February, 2019.

 [SEAL]

United States Marshal for the Central District of California David M. Singer  
by: Hugo Valdez, Deputy United States Marshal/Agent

District of \_\_\_\_\_

I, \_\_\_\_\_, Clerk of the \_\_\_\_\_

Court of the United States for the District of \_\_\_\_\_

do hereby certify that \_\_\_\_\_

the United States Marshal for the District of \_\_\_\_\_

whom I recognize as United States Marshal, this day personally appeared before me and acknowledged that he executed this Deed of Conveyance as the United States Marshal, for the uses and purposes stated therein.

**In Witness Whereof**, I have hereby set my hand and affixed the Seal of the \_\_\_\_\_

Court, at the City of \_\_\_\_\_

in the District of \_\_\_\_\_, this \_\_\_\_\_ day of

\_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_, Clerk

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles }

On 02/05/19 before me, Tyree Marisa Rios, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared Hugo Valdey  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal and/or Stamp Above

Signature Tyree Marisa Rios  
Signature of Notary Public

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: USMS Deed

Document Date: 02/05/19 Number of Pages: 4

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General

Individual  Attorney in Fact

Trustee  Guardian of Conservator

Other: \_\_\_\_\_

Signer is Representing: United States Marshal

Signer's Name: \_\_\_\_\_

Corporate Officer – Title(s): \_\_\_\_\_

Partner –  Limited  General

Individual  Attorney in Fact

Trustee  Guardian of Conservator

Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

# Title History Report

## PROPERTY

Address: **1111 BEL AIR PL, LOS ANGELES, CA 90077**

Owner: **1111 ACQUISITIONS LLC**

County: **LOS ANGELES**

APN: **4370-019-066**

 Show Property location

## RECORD #1

### SALE

Sale Recording Date: **Sep 6, 2019**

Sale Date: **Jul 29, 2019**

Sale Document #: **913731**

Document Type: **QUIT CLAIM DEED**

Grantor: **UNITED STATES OF AMERICA**

Grantee(s): **1111 ACQUISITIONS LLC**

Sale Price: **\$8,645,292.00**

Sale Type: **FULL**

Sale Stamp Amount: **\$9,509.82**

Owner Transfer: **No**

Title Company: **EQUITY TITLE**

Last Sale: **Yes**

## RECORD #2

### SALE

Sale Recording Date: **Feb 8, 2019**

Sale Date: **Feb 5, 2019**

Sale Document #: **119170**

Document Type: **U.S. MARSHAL DEED**

Grantor: **MARSHALL OF LOS ANGELES COUNTY**

Grantee(s): **WEST VALLEY DEV LLC**

Sale Price: **\$6,685,578.00**

Sale Type:

Sale Stamp Amount: **\$7,354.14**  
Owner Transfer: **No**  
Title Company: **FIDELITY NATIONAL TITLE CO**  
Last Sale: **No**

**RECORD #3****SALE**

Sale Recording Date: **Aug 15, 2014**  
Sale Date: **Nov 5, 2013**  
Sale Document #: **857843**  
Document Type: **GRANT DEED**  
Grantor: **BLUE HOERSE TRADING LLC**  
Grantee(s): **FAB FILMS LLC**  
Sale Price:  
Sale Type:  
Sale Stamp Amount:  
Owner Transfer: **Yes**  
Title Company:  
Last Sale: **No**

**RECORD #4****FINANCE (1ST MORTGAGE)**

Mortgage Recording Date: **Sep 5, 2013**  
Mortgage Document #: **000001300297**  
Document Type: **DEED OF TRUST**  
Lender: **INTERNATIONAL FIDELITY INS CO**  
Title Company:  
Borrower(s): **FRANCIS JOSEPH**  
Vesting: **//**  
Loan Amount: **\$250,000.00**  
Down Payment:  
Mortgage Term:  
Mortgage Rate Type:  
Mortgage Rate Percent:  
Mortgage Type: **CONVENTIONAL**  
Description: **REFI**  
Mortgage Status:

**RECORD #5****SALE**

Sale Recording Date: **Mar 4, 2008**  
Sale Date: **Feb 1, 2008**  
Sale Document #: **371476**  
Document Type: **GRANT DEED**  
Grantor: **FRANCIS JOSEPH**  
Grantee(s): **BLUE HORSE TRADING LLC**  
Sale Price:  
Sale Type: **UNKNOWN**  
Sale Stamp Amount:  
Owner Transfer: **Yes**  
Title Company: **NORTH AMERICAN TITLE**  
Last Sale: **No**

**RECORD #6****SALE**

Sale Recording Date: **Mar 3, 2008**  
Sale Date: **Feb 1, 2008**  
Sale Document #: **362381**  
Document Type: **GRANT DEED**  
Grantor: **BLUE HORSE TRADING LLC**  
Grantee(s): **FRANCIS JOSEPH**  
Sale Price:  
Sale Type: **UNKNOWN**  
Sale Stamp Amount:  
Owner Transfer: **Yes**  
Title Company: **NORTH AMERICAN TITLE**  
Last Sale: **No**

**FINANCE (1ST MORTGAGE)**

Mortgage Recording Date: **Mar 3, 2008**  
Mortgage Document #: **000000362382**  
Document Type: **DEED OF TRUST**  
Lender: **WASHINGTON MUTUAL BK FA**  
Title Company:  
Borrower(s): **FRANCIS JOSEPH**

Vesting: **// SINGLE MAN**  
Loan Amount: **\$5,000,000.00**  
Down Payment:  
Mortgage Term: **30 YEARS**  
Mortgage Rate Type: **ADJUSTABLE INT RATE LOAN**  
Mortgage Rate Percent: **6.875**  
Mortgage Type: **CONVENTIONAL**  
Description: **RESALE**  
Mortgage Status:

**RECORD #7****FINANCE (1ST MORTGAGE)**

Mortgage Recording Date: **Oct 27, 2004**  
Mortgage Document #: **000002775117**  
Document Type: **DEED OF TRUST**  
Lender:  
Title Company:  
Borrower(s): **BLUE HORSE TRADING LLC**  
Vesting: **/ CORPORATION /**  
Loan Amount: **\$1,315,000.00**  
Down Payment:  
Mortgage Term:  
Mortgage Rate Type: **FIXED RATE LOAN**  
Mortgage Rate Percent:  
Mortgage Type: **PRIVATE PARTY LENDER**  
Description: **REFI**  
Mortgage Status:

**RECORD #8****SALE**

Sale Recording Date: **Nov 5, 2002**  
Sale Date: **Nov 1, 2002**  
Sale Document #: **2639547**  
Document Type: **GRANT DEED**  
Grantor: **SENDER ADAM**  
Grantee(s): **BLUE HORSE TRADING LLC**  
Sale Price:  
Sale Type: **FULL**

Sale Stamp Amount:  
Owner Transfer: **Yes**  
Title Company: **CHICAGO**  
Last Sale: **No**

**RECORD #9****FINANCE (1ST MORTGAGE)**

Mortgage Recording Date: **Nov 5, 2001**  
Mortgage Document #: **000002109859**  
Document Type: **DEED OF TRUST**  
Lender: **STERLING NAT'L MTG**  
Title Company: **FIRST AMERICAN TITLE**  
Borrower(s): **SENDER ADAM**  
Vesting: **//**  
Loan Amount: **\$3,000,000.00**  
Down Payment:  
Mortgage Term: **30 YEARS**  
Mortgage Rate Type: **ADJUSTABLE INT RATE LOAN**  
Mortgage Rate Percent: **7.250**  
Mortgage Type: **CONVENTIONAL**  
Description: **REFI**  
Mortgage Status:

**RECORD #10****SALE**

Sale Recording Date: **Jul 8, 1999**  
Sale Date: **Jun 14, 1999**  
Sale Document #: **1246173**  
Document Type: **GRANT DEED**  
Grantor: **FORMAN MICHAEL R;PATRICIA J**  
Grantee(s): **SENDER ADAM**  
Sale Price:  
Sale Type:  
Sale Stamp Amount:  
Owner Transfer: **No**  
Title Company: **HERKS TITLE AGCY**  
Last Sale: **No**



**RECORD #11****SALE**

Sale Recording Date: **Jun 27, 1990**

Sale Date: **May 1990**

Sale Document #: **1142959**

Document Type: **QUIT CLAIM DEED**

Grantor: **FORMAN MICHAEL R**

Grantee(s): **FORMAN MICHAEL R / FORMAN PATRICIA J**

Sale Price:

Sale Type:

Sale Stamp Amount:

Owner Transfer: **Yes**

Title Company:

Last Sale: **No**

**RECORD #12****SALE**

Sale Recording Date: **May 2, 1988**

Sale Date: **Feb 1988**

Sale Document #: **601443**

Document Type: **GRANT DEED**

Grantor: **CHUTICK JACK**

Grantee(s): **FORMAN MICHAEL / FORMAN PATRICIA**

Sale Price: **\$1,900,000.00**

Sale Type: **FULL**

Sale Stamp Amount: **\$2,090.00**

Owner Transfer: **No**

Title Company:

Last Sale: **No**

**FINANCE (1ST MORTGAGE)**

Mortgage Recording Date: **May 2, 1988**

Mortgage Document #: **000000601444**

Document Type: **DEED OF TRUST**

Lender: **FIDELITY FED'L S&L**

Title Company:

Borrower(s): **FORMAN MICHAEL / FORMAN PATRICIA**

Vesting: **EU // HUSBAND/WIFE**  
Loan Amount: **\$1,000,000.00**  
Down Payment:  
Mortgage Term:  
Mortgage Rate Type: **ADJUSTABLE INT RATE LOAN**  
Mortgage Rate Percent:  
Mortgage Type: **CONVENTIONAL**  
Description: **RESALE**  
Mortgage Status:

**RECORD #13****SALE**

Sale Recording Date: **May 2, 1988**  
Sale Date:  
Sale Document #: **601442**  
Document Type: **QUIT CLAIM DEED**  
Grantor: **CHUTICK RUTH**  
Grantee(s): **CHUTICK JACK**  
Sale Price:  
Sale Type:  
Sale Stamp Amount:  
Owner Transfer: **Yes**  
Title Company:  
Last Sale: **No**

Information contained in reports and documents is based on current and publicly available data originating primarily from local governmental sources. HomeInfoMax presents everything "as is" without any obligation to update, supplement or enhance any missing and/or defective data. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. Presented information is deemed to be reliable; every effort has been made to ensure the accuracy, however HomeInfoMax assumes no responsibility for the accuracy or validity of the information.

**Internal Revenue Service**

**Department of the Treasury**

Property Location (purchased at foreclosure sale):

Date:

Foreclosure Sale Date:

Contact Person:

Contact Person's Telephone Number:

Contact Person's Address:

Dear

We have received information that you purchased the property identified above at a foreclosure sale. The Internal Revenue Service has the right to redeem this property from you because the property is subject to a federal tax lien junior to the foreclosing lien.

We are considering redeeming this property and have until \_\_\_\_\_ to take action. The US Attorney may release our right to redemption if you pay an amount determined to be equal to our redemption right. We have enclosed Form OBD-225, Application for Release of Right of Redemption in Respect of Federal Tax Liens, which describes how to apply for a release. If the right of redemption is determined to be without value, you will not be required to pay to obtain a release.

If we redeem the property, we will pay the sum of:

- The amount you paid for the property at the foreclosure sale, including the amount of the obligation secured by the foreclosing lien to the extent satisfied by the sale if you were the holder of that lien
- The amount of interest paid at the rate of six percent a year for the period from the date of the sale to the date of redemption
- An amount equal to the expenses you incurred to maintain the property less any income received from the property. Income includes a reasonable rental value of the property but this rental value is limited to use of the property by you, use with your consent, or rental use at less than the property's reasonable rental value
- Payments you made to any senior lien holders on the property after the foreclosure sale, if you provide the us with a timely reimbursement request and we approve that request

## Requests for Maintenance Expenses and/or Payments to Senior Lien Holders

If you plan to request reimbursement for maintenance expenses or payments made to a senior lien holder, you have 15 days from the date of this letter to do so. For your request, we need your signed statement itemizing any amounts claimed. Your statement must include the following as well as any supporting evidence:

- Maintenance expense: Include documentation of any income or fair rental value received for the property
- Reimbursement for payments made to senior lien holder: Include a waiver or other document that will be effective, upon redemption by the United States, to discharge the property from, or transfer to the United States, any interest in or lien on the property that may have arisen under local law from payment made to a senior lien holder.

If your request for reimbursement for payments to a senior lien holder is denied, you will receive a notice of denial within 30 days of the receipt of your request, or 15 days before expiration of the period for redemption, whichever is later.

No amount may be reimbursed to you for maintenance expenses or payments made to a senior lien holder unless we redeem the property and you file a timely request for reimbursement. If you need more time to prepare your request, we may be able to give you an extension.

### Redemption Payment

If we redeem the property, we will issue our check to the individual identified on Form 15597, Foreclosure Sale Purchaser Contact Information Request, before the redemption period expires. Please complete the attached Form 15597 and return it to us in the enclosed envelope within 15 days from the date of this letter.

If you have any questions, please contact me at

Sincerely,

Enclosures:  
Form 15597  
Form OBD-225  
Envelope

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#### Privacy Act and Paperwork Reduction Act Notice

Judicial and Non-Judicial foreclosure sale purchasers of real estate are asked to provide the information requested on Form 15597. We ask for the information on this form to carry out the Internal Revenue laws of the United States. Under the provisions of 28 USC 2410(c) and 26 USC 7425(d), where a sale of real estate is made to satisfy a lien prior to that of the United States' lien under the internal revenue laws, the United States shall have the right to redeem the real estate within a period of 120 days from the date of such sale or the period allowable for redemption under State law, whichever is longer. Routine uses of this information include contacting the foreclosure sale purchaser to proffer the amount to be paid for the United States to redeem the property, giving it to the Department of Justice for civil litigation, to Registrars where the United States redemption documents will be filed. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103. The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping 2 hrs., 0 min., Learning about the law or the form, 2 hrs., 0 min., Preparing and sending the form to the IRS, 5 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, IR-6526, 1111 Constitution Ave. NW, Washington, DC 20224. Do not send this form to this address. Instead, return the Form 15597 in the envelope enclosed with this letter.

**Letter 5597 (1-2011)**  
Catalog Number 55716V



# Form OBD 225—Application for Release of Right of Redemption in Respect of Federal Tax Liens

U.S. Department of Justice  
Washington, D.C. 20530

## Application for Release of Right of Redemption in Respect of Federal Tax Liens

### PART A - TO BE EXECUTED BY APPLICANT

(See instructions on reverse)

Title of Case (Give exact and complete data)

\_\_\_\_\_ hereby makes application for the release of the described property from the right of redemption of the United States Code, Section 2410(c), or under the applicable state law where the United States is joined as a party, and represents as follows:

#### 1. Property Data

Address	Description
Type	Use

#### 2. Appraisal Action

Date	Name of Appraiser	Fair Market Value	Forced Sale Value
_____	_____	_____	_____

#### 3. Foreclosure Action

Date of Sale	Name and Address of Purchaser	Purchase Price
_____	_____	_____

#### 4. Encumbrances and Charges to be Considered

Date	Description	Amount	Date and Place of Filing
_____	_____	_____	_____

**5. Federal Tax Liens**

Amount	Name and Address of Taxpayer	Date and Place of Filing

**6. Other Pertinent Information**

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**7. Statement of Applicant**

This application is accompanied by a cashier's check or hereby offered for release of the right of redemption of the United States. Should this application be rejected, the return of such cashier's or certified check will be accepted without interest. I declare, under the penalties of perjury, that this application (including any accompanying schedules, exhibits, affidavits, and statements) has been examined by me and to the best of my knowledge and belief is true, correct and complete.

Name of Applicant (type or print)	Amount of Check	Date
Address	Signature	

Previous editions of this form are obsolete

FORM OBD - 225

May 93

[cited in [USAM 6-6.700](#)]

**PART B - FOR GOVERNMENT USE**

Release Recommended  <input type="checkbox"/> No <input type="checkbox"/> Yes	Reasons for Recommending Rejection, if any		
Date	Signature (District Director, Internal Revenue Service)		
Release Recommended  <input type="checkbox"/> No <input type="checkbox"/> Yes	D.J. File Number	CMN	Signature of United States Attorney
FOR USE OF OFFICIAL AUTHORIZED TO TAKE FINAL ACTION:			
Application is  <input type="checkbox"/> Accepted <input type="checkbox"/>	Date	Signature of Appropriate Official	

### 35. Instructions Regarding Applications for Releases of Rights of Redemption

PART A - To be executed by applicant

The application on obverse side of this sheet is to be completed in applying for any release of right of redemption of the United States in respect of federal tax liens arising under 28 U.S.C. Section 2401(c), or under state law when the United States is joined as a party. In making application for such release, applicant must complete obverse side hereof and submit original and three (3) copies to the United States Attorney for the district in which property subject to right is located in accordance with the following instructions:

1. **Property Data**—State address and legal description of property as it appears in the foreclosure or quiet title complaint. Attach additional sheets if necessary. Indicate type and use of property. As to type, indicate whether it is commercial or residential; as to use, indicate whether it is personal residence, rental property, etc.
2. **Appraisal Action** - State fair market value and forced sale value as of current date as established by written appraisals of two (2) disinterested personal qualified to render appraisals. Written



appraisals in triplicate must accompany application, together with brief statement setting forth each appraiser's qualifications. Any Federal Agency may submit its own value in lieu of two written appraisals.

3. **Foreclosure Information** - Give date of foreclosure sale, name and address of purchaser, and purchase price. Attach copy of decree of foreclosure or other judicial proceeding.
4. **Encumbrances and Charges to be Considered** - List all encumbrances and charges which applicant requests be taken into consideration in valuing the right of redemption, in order of priority, together with sufficient information to establish or identify such priority. Attach additional sheets if necessary in supplying the information requested.
5. **Federal Tax Liens** - List applicable notices of federal tax liens in chronological order, using additional sheets if necessary in supplying the information requested.
6. **Other Pertinent Information** - List any other information which in the opinion of the applicant, might have a bearing upon the determination to be made.
7. This application must be accompanied by a cashier's or certified check payable to the "Internal Revenue Service" in an amount equal to the value of the right of redemption of the United States as best estimated by the applicant based on the information contained in this application, but in no event can the consideration offered for the release be less than \$50.00 (except in the case of applications by agencies of the United States Government). The remittance shall be retained by the United States Attorney, and should this application be rejected such cashier's or certified check will be returned without interest.

## **PART B - For Government Use**

The United States Attorney will forward the original and two copies of application together with one set of the appraisals to District Director of Internal Revenue for his/her verification and recommendation. The Internal Revenue Service will return the original application to the United States Attorney who must satisfy him/herself that amount offered is at least equal to the value of right of redemption of the United States. He/she may take into consideration his/her own experience and familiarity with this or similar property in the area. Also, he/she may take into consideration forced sale value when it bears a realistic relationship to fair market value. The United States Attorney upon satisfying him/herself that acceptance is in best interest of the United States and with concurrence of Internal Revenue Service is authorized to accept any application to release right involving (1) real property on which is located a single-family residence, (2) all other property having fair market value not in excess of \$200,000, and (3) any application of any Federal Agency. If the United States Attorney concludes that acceptance of any application is not in the best interest of the United States, he/she is authorized to reject such application. When the United States Attorney takes final action, a *complete copy* of the application should be sent to the Tax Division, U.S. Department of Justice. When the United States Attorney is not authorized to take final action, the *original* application and all appraisals and schedules which he/she has should be sent to the Tax Division.

**Internal Revenue Service**

**Department of the Treasury**

Property Location (purchased at foreclosure sale):

Date:

Foreclosure Sale Date:

Contact Person:

Contact Person's Telephone Number:

Contact Person's Address:

Dear

We have received information that you purchased the property identified above at a foreclosure sale. The Internal Revenue Service has the right to redeem this property from you because the property is subject to a federal tax lien junior to the foreclosing lien.

We are considering redeeming this property and have until \_\_\_\_\_ to take action. We may release our right to redemption if you pay an amount determined to be equal to our redemption right. We have enclosed Publication 487, How to Prepare Application to Release Property Secured by Federal Tax Lien, which describes how to apply for a release. If the right of redemption is determined to be without value, you will not be required to pay to obtain a release.

If we redeem the property, we will pay the sum of:

- The amount you paid for the property at the foreclosure sale, including the amount of the obligation secured by the foreclosing lien to the extent satisfied by the sale if you were the holder of that lien
- The amount of interest paid at the rate of six percent a year for the period from the date of the sale to the date of redemption
- An amount equal to the expenses you incurred to maintain the property less any income received from the property. Income includes a reasonable rental value of the property but this rental value is limited to use of the property by you, use with your consent, or rental use at less than the property's reasonable rental value
- Payments you made to any senior lien holders on the property after the foreclosure sale, if you provide the us with a timely reimbursement request and we approve that request

## Requests for Maintenance Expenses and/or Payments to Senior Lien Holders

If you plan to request reimbursement for maintenance expenses or payments made to a senior lien holder, you have 15 days from the date of this letter to do so. For your request, we need your signed statement itemizing any amounts claimed. Your statement must include the following as well as any supporting evidence:

- Maintenance expense: Include documentation of any income or fair rental value received for the property
- Reimbursement for payments made to senior lien holder: Include a waiver or other document that will be effective, upon redemption by the United States, to discharge the property from, or transfer to the United States, any interest in or lien on the property that may have arisen under local law from payment made to a senior lien holder.

If your request for reimbursement for payments to a senior lien holder is denied, you will receive a notice of denial within 30 days of the receipt of your request, or 15 days before expiration of the period for redemption, whichever is later.

No amount may be reimbursed to you for maintenance expenses or payments made to a senior lien holder unless we redeem the property and you file a timely request for reimbursement. If you need more time to prepare your request, we may be able to give you an extension.

### Redemption Payment

If we redeem the property, we will issue our check to the individual identified on Form 15597, Foreclosure Sale Purchaser Contact Information Request, before the redemption period expires. Please complete the attached Form 15597 and return it to us in the enclosed envelope within 15 days from the date of this letter.

If you have any questions, please contact me at

Sincerely,

Enclosures:  
Form 15597  
Publication 487  
Envelope

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**Letter 5597 (1-2011)**  
Catalog Number 55716V



# Requesting the United States to Release Its Right to Redeem Property Secured by a Federal Tax Lien

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**There is no standard form available for an application for Requesting the United States to Release Its Right to Redeem Property Secured by a Federal Tax Lien. Prepare your request in the form of a typed letter and submit it with all accompanying documents to:**

IRS, Attn: Technical Services Advisory Group Manager

*(Address Application to the IRS office that filed the lien. Use Publication 4235, Technical Services Advisory Group Addresses, to determine where to mail your request.)*

## General Information

Section 7425(d) of the Internal Revenue Code provides that the United States may redeem real property sold in a nonjudicial proceeding when the sale is made to satisfy a lien prior to that of the government. The Technical Services Advisory Group Manager for the Internal Revenue Area in which the property is located has been delegated authority to release any right to redeem property.

The government may release its right of redemption if you pay the Internal Revenue Service an amount equal to the value of that right; or if the IRS determines that the right of redemption is valueless.

Please follow all applicable instructions in this publication when you apply for a release by the United States of its right to redeem property under IRC Section 7425(d).

## General Instructions

1. Do not send any payment with your application. The Technical Services Advisory Group Manager will notify you of any amount due after your application is investigated and approved. When your payment (*if required*) is received, the Technical Services Advisory Group Manager will issue you a release of the right to redeem property.
2. Please send payment in cash, or by United States postal or bank money order, or a certified, cashier's or treasurer's check. Any payment made with uncertified funds will delay issuance of the release of the right to redeem until the funds are validated and honored. NOTE: Any questions regarding payment can be addressed with the Technical Services advisor assigned to handle the investigation.

3. JUDICIAL PROCEEDINGS – You can get an application for a release of right to redeem property from the United States Attorney's office for the judicial district in which the property subject to the right of redemption is located, if the United States has been properly named a party defendant in a judicial proceeding under Section 2410 of Title 28, United States Code.

## Specific Instructions

**Important:** You **must** include the date of your application.

1. Please give the name and address of the person requesting the United States to release its right to redeem property under Internal Revenue Code (IRC) section 7425(d).
2. Describe the property for which you are requesting the United States to release its right of redemption. Use the description in the title or deed to the property, or attach a certified copy of the title or deed. Include street address, city and state. Indicate whether it is a personal residence, rental property, commercial property, unimproved property, etc., at the time of the nonjudicial sale.
3. Furnish the following information about the nonjudicial sale (*such as a foreclosure, execution, state or local tax sale*):
  - Date sale was held.
  - Name and address of the Technical Services Advisory Group Manager to whom the notice of sale was sent (*if known*).
  - Name and address of purchaser.
  - Purchase price.
4. If the property owner at the date of this application was not the purchaser at the nonjudicial sale, give the owner's name and address.

5. List the encumbrances you want to have considered. For each encumbrance show:
  - Name and address of holder.
  - Description of the encumbrance.
  - Date it arose.
  - If the encumbrance was recorded, give the date and place.
  - The original principal amount of the encumbrance and the interest rate.
  - The principal amount due as of the date of the application, if known. (*Show costs and accrued interest separately.*)
  - Your family relationship, if any, to the holder of any other encumbrance on the property.
6. Attach a copy of each Notice of Federal Tax Lien affecting the property, or furnish the following information as it appears on each filed Notice of Federal Tax Lien:
  - Name of the Internal Revenue Area Office.
  - Name and address of the taxpayer.
  - Date and place each notice was filed.
7. Give your estimate of the fair market value of the real property with a detailed explanation of how you arrived at the estimate.
8. The Technical Services Advisory Group Manager may request you to furnish additional information.
9. Provide a daytime telephone number and E-mail address (*if available*) where you may be reached.
10. Provide the name, address, telephone number and E-mail address of your attorney or representative, if you have retained one.
11. You must make the following declaration over your signature and title. "Under the penalties of perjury, I declare that I have examined this application (*including any accompanying schedules, exhibits, affidavits, and statements*) and to the best of my knowledge and belief it is true, correct, and complete."

