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Attorneys for the United States of America

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

UNITED STATES OF AMERICA,

Plaintiff,

v.

PHILIP L. HART; JOHN DOE,
Trustee of SARAH ELIZABETH
HART TRUST; TIM E. ORTEGA,
Trustee of WHITE PEAK
VENTURES; NORTHERN ROCKIES
CORPORATION; PIONEER TITLE
COMPANY OF KOOTENAI
COUNTY, INC.; THE IDAHO STATE
TAX COMMISSION; and KOOTENAI
COUNTY, IDAHO,

Defendants.

Civil No.

UNITED STATES' COMPLAINT TO
REDUCE TAX ASSESSMENTS TO
JUDGMENT AND TO FORECLOSE
FEDERAL TAX LIENS

The plaintiff, the United States of America ("United States"), by and through
its undersigned counsel, alleges as follows:

1. By this timely suit, the United States seeks to reduce to judgment certain outstanding federal tax liabilities assessed against defendant Philip L. Hart (“Hart”) and to foreclose certain federal tax liens on a parcel of real property located in Kootenai County, Idaho (“the Property”). The Property is legally described in paragraph 21, below.

Authorization for Suit, Jurisdiction, and Venue

2. Pursuant to 26 U.S.C. §§ 7401 and 7403, this action is filed with the authorization of, and at the request of, the Secretary of the Treasury of the United States, acting through his delegate, the Associate Area Counsel of the Internal Revenue Service. The United States’ Complaint is filed at the direction of the Attorney General of the United States.

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1340 and 1345 and 26 U.S.C. §§ 7402(a) and 7403.

4. Venue is proper in the District of Idaho pursuant to 28 U.S.C. §§ 1391(b) and 1396. Hart’s federal tax liabilities accrued in this District; Hart resides in this District; and the real property at issue in this case is located within this District.

Identification of Defendants

5. Hart is an individual who resides in this judicial district. Hart has unpaid federal income tax liabilities. Hart may claim an interest in the Property.

6. Sarah Elizabeth Hart Trust is a purported trust that may claim an interest in the Property. The United States does not know the identity of the trustee of Sarah Elizabeth Hart Trust. Therefore, the United States has named “John Doe” as

the trustee of Sarah Elizabeth Hart Trust. John Doe is named as a defendant in his (or her) capacity as trustee pursuant to 26 U.S.C. § 7403(b) because, in that capacity, he (or she) may claim an interest in the Property.

7. Tim E. Ortega (“Ortega”) is an individual who is named as a defendant in his capacity as trustee of White Peak Ventures. Ortega is named as a defendant in his capacity as trustee pursuant to 26 U.S.C. § 7403(b) because, in that capacity, he may claim an interest in the Property. On information and belief, Ortega is a resident of Florida. If Ortega is no longer the trustee of White Peaks Ventures, the United States names his successor(s) in that capacity.

8. Northern Rockies Corporation is an Idaho corporation. It does business or has done business under the name Rocky Mountain Land Company. It is named as a defendant pursuant to 26 U.S.C. § 7403(b) because it may claim an interest in the Property.

9. Pioneer Title Company of Kootenai County, Inc., is an Idaho corporation. It is named as a defendant pursuant to 26 U.S.C. § 7403(b) because it may claim an interest in the Property.

10. The Idaho State Tax Commission is an agency of the State of Idaho. The Idaho State Tax Commission is named as a defendant pursuant to 26 U.S.C. § 7403(b) because it may claim an interest in the Property.

11. Kootenai County, Idaho, is named as a defendant pursuant to 26 U.S.C. § 7403(b) because it may claim an interest in the Property.

Hart's Federal Income Tax Liabilities

12. As set forth more fully in the table below, a duly authorized delegate of the Secretary of the Treasury timely assessed deficiencies against Hart for unpaid individual federal income taxes, penalties, and interest for each year from 1996 to 2008, inclusive. Furthermore, as a result of the unpaid balances of the assessments, penalties and interest have accrued and continue to accrue on the assessed balances, as set forth more fully in the table below:*

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31, 2011, Including Accruals
1996	03/12/2001	\$12,497.00 - tax assessed per examination, confirmed by decision of U.S. Tax Court	\$0.00 [†]	\$15,207.43
	03/12/2001	\$10,000.00 - sanction imposed by U.S. Tax Court		
	03/12/2001	\$3,124.00 - penalty for failing to file tax return		
	03/12/2001	\$665.00 - penalty for failing to make estimated tax payments		
	03/12/2001	\$6,087.61 - assessed interest		
	11/17/2003	\$2,000.00 - sanction imposed by Court of Appeals		
	11/14/2005	\$3,124.24 - penalty for failing to pay tax due		
	12/13/2010	\$40.00 - fees and collection costs		
	12/20/2010	\$606.90 - assessed interest		
	01/10/2011	\$491.73 - assessed interest		
	02/07/2011	\$945.97 - assessed interest		
	06/13/2011	\$3,179.10 - assessed interest		

* Accrual figures are projected based on current unpaid assessed balances.

[†] This balance is given through July 18, 2011.

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31,2011, Including Accruals
1997	01/03/2005	\$10,250.00 - tax assessed per late-filed return	\$72,777.12	\$145,430.64
	01/03/2005	\$2,306.25 - penalty for failing to file tax return		
	01/03/2005	\$548.37 - penalty for failing to make estimated tax payments		
	01/03/2005	\$2,562.50 - penalty for failing to pay tax due		
	01/03/2005	\$6,087.61 - assessed interest		
	06/02/2008	\$31,114.00 - additional tax assessed per examination		
	06/02/2008	\$8,034.75 - penalty for failing to file tax return		
	06/02/2008	\$6,222.80 - accuracy-related penalty		
	11/16/2009	\$6.00 - fees and collection costs		
	10/25/2010	\$40.00 - fees and collection costs		
	11/29/2010	\$4,511.13 - penalty for failing to pay tax due		
1998	01/03/2005	\$5,899.00 - tax assessed per late-filed return	\$32,376.08	\$59,959.27
	01/03/2005	\$1,327.28 - penalty for failing to file tax return		
	01/03/2005	\$269.92 - penalty for failing to make estimated tax payments		
	01/03/2005	\$1,474.75 - penalty for failing to pay tax due		
	01/03/2005	\$3,285.57 - assessed interest		
	06/02/2008	\$12,522.00 - additional tax assessed per examination		
	06/02/2008	\$3,277.97 - penalty for failing to file tax return		
	06/02/2008	\$2,504.40 - accuracy-related penalty		
	11/29/2010	\$1,815.19 - penalty for failing to pay tax due		

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31,2011, Including Accruals
1999	01/03/2005	\$5,543.00 - tax assessed per late-filed return	\$28,757.58	\$49,556.74
	01/03/2005	\$1,247.18 - penalty for failing to file tax return		
	01/03/2005	\$268.27 - penalty for failing to make estimated tax payments		
	01/03/2005	\$1,385.75 - penalty for failing to pay tax due		
	01/03/2005	\$2,322.81 - assessed interest		
	06/02/2008	\$10,454.00 - additional tax assessed per examination		
	06/02/2008	\$2,752.07 - penalty for failing to file tax return		
	06/02/2008	\$2,090.80 - accuracy-related penalty		
2000	11/29/2010	\$1,513.83 - penalty for failing to pay tax due	\$46,614.82	\$74,883.52
	12/06/2010	\$1,179.87 - penalty for failing to pay tax due		
	01/03/2005	\$10,952.00 - tax assessed per late-filed return		
	01/03/2005	\$2,464.20 - penalty for failing to file tax return		
	01/03/2005	\$584.98 - penalty for failing to make estimated tax payments		
	01/03/2005	\$2,464.20 - penalty for failing to pay tax due		
	01/03/2005	\$3,049.54 - assessed interest		
	06/02/2008	\$15,619.00 - additional tax assessed per examination		
06/02/2008	\$4,178.55 - penalty for failing to file tax return	\$3,123.80 - accuracy-related penalty		
06/02/2008	\$3,123.80 - accuracy-related penalty			
11/10/2008	\$4,178.55 - penalty for failing to pay tax due			

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31,2011, Including Accruals
2001	01/03/2005	\$12,614.00* - tax assessed per late-filed return	\$20,077.65†	\$29,327.45
	01/03/2005	\$2,838.15* - penalty for failing to file tax return		
	01/03/2005	\$3,153.50* - penalty for failing to pay tax due		
	01/03/2005	\$1,472.00 - assessed interest		
2002	01/03/2005	\$6,933.00 - tax assessed per late-filed return	\$28,110.57	\$41,622.78
	01/03/2005	\$1,559.93 - penalty for failing to file tax return		
	01/03/2005	\$231.69 - penalty for failing to make estimated tax payments		
	01/03/2005	\$727.96 - penalty for failing to pay tax due		
	01/03/2005	\$693.58 - assessed interest		
	06/02/2008	\$9,874.00 - additional tax assessed per examination		
	06/02/2008	\$2,641.82 - penalty for failing to file tax return		
	06/02/2008	\$1,974.80 - accuracy-related penalty		
11/15/2010	\$3,473.79 - penalty for failing to pay tax due			

* These figures incorporate abatements made after the assessment dates.

† This balance is given through October 18, 2011.

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31,2011, Including Accruals
2003	08/08/2005	\$5,516.00 - tax assessed per late-filed return	\$20,049.41	\$30,427.31
	08/08/2005	\$847.91* - penalty for failing to file tax return		
	08/08/2005	\$332.60 - penalty for failing to make estimated tax payments		
	08/08/2005	\$889.63 - penalty for failing to pay tax due		
	10/03/2005	\$520.72 - assessed interest		
	12/19/2005	\$6.00 - fees and collection costs		
	06/02/2008	\$8,137.00 - additional tax assessed per examination		
	06/02/2008	\$2,172.15 - penalty for failing to file tax return		
	06/02/2008	\$1,627.40 - accuracy-related penalty		
2004	07/11/2005	\$14,181.69* - tax assessed per return	\$18,121.17	\$24,635.26
	07/11/2005	\$433.30 - penalty for failing to make estimated tax payments		
	07/11/2005	\$226.81 - penalty for failing to pay tax due		
	07/11/2005	\$217.78 - assessed interest		
	12/05/2005	\$6.00 - fees and collection costs		
	11/15/2010	\$3,291.38 - penalty for failing to pay tax due		

* These figures incorporate abatements made after the assessment dates.

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31,2011, Including Accruals
2005	10/01/2007	\$16,060.00 - tax assessed per late-filed return	\$15,722.44	\$18,788.70
	10/01/2007	\$2,140.65 - penalty for failing to file tax return		
	10/01/2007	\$353.20 - penalty for failing to make estimated tax payments		
	10/01/2007	\$856.26 - penalty for failing to pay tax due		
	10/01/2007 11/15/2010	\$1,330.09 - assessed interest \$1,522.24 - penalty for failing to pay tax due		
2006	04/06/2009	\$15,134.00 - tax assessed per late-filed return	\$23,527.96	\$25,863.37
	04/06/2009	\$3,147.30 - penalty for failing to file tax return		
	04/06/2009	\$653.00 - penalty for failing to make estimated tax payments		
	04/06/2009	\$1,678.56 - penalty for failing to pay tax due		
	04/06/2009	\$2,236.66 - assessed interest		
	06/01/2009 11/15/2010	\$6.00 - fees and collection costs \$1,818.44 - penalty for failing to pay tax due		
2007	11/29/2010	\$11,676.00 - tax assessed per late-filed return	\$16,401.76	\$17,531.50
	11/29/2010	\$2,335.95 - penalty for failing to file tax return		
	11/29/2010	\$466.00 - penalty for failing to make estimated tax payments		
	11/29/2010	\$1,661.12 - penalty for failing to pay tax due		
	11/29/2010	\$1,536.69 - assessed interest		
	02/07/2010	\$20.00 - fees and collection costs		

Tax Year	Assessment Date	Amount of Assessment & Reason for Assessment	Unpaid Assessed Balance to Apr. 18, 2011	Unpaid Balance to Oct. 31, 2011, Including Accruals
2008	11/23/2009	\$13,977.00 - tax assessed per return	\$13,272.88	\$16,469.51
	11/23/2009	\$403.00 - penalty for failing to make estimated tax payments		
	11/23/2009	\$483.32 - penalty for failing to pay tax due		
	11/23/2009	\$297.56 - assessed interest		
	02/08/2010	\$6.00 - fees and collection costs		

13. As a result of the unpaid assessments described in the preceding paragraph and the accompanying table, together with Hart's refusal or neglect to pay the assessed sums upon the Internal Revenue Service giving notice and making demand, pursuant to 26 U.S.C. §§ 6321 and 6322, tax liens arose in favor of the United States upon all property and rights to property belonging to Hart as of the date of each assessment.

14. After the Internal Revenue Service determined that Hart owed additional tax, penalty, and interest for the 1996 year, Hart petitioned the United States Tax Court for review of the determination.

15. In the case *Hart v. Commissioner*, No. 16155-98, the United States Tax Court determined that for 1996, Hart had a deficiency in federal income tax of \$12,497; a penalty for failing to file a tax return of \$3,124; and a penalty for failing to make estimated tax payments of \$665. The United States Tax Court further entered a sanction against Hart in the amount of \$10,000.

16. In the case *Hart v. Commissioner*, No. 01-70173, the United States Court of Appeals for the Ninth Circuit affirmed the decision of the United States Tax Court described in the preceding paragraph. The Court of Appeals further entered a sanction against Hart in the amount of \$2,000.

17. Hart petitioned the United States Supreme Court for a writ of certiorari to correct the decision of the Court of Appeals described in the preceding paragraph. The Supreme Court denied Hart's petition for the writ.

18. On or about December 21, 2002, and pursuant to 26 U.S.C. § 6330, Hart requested a hearing by the Internal Revenue Service Office of Appeals in order to review a proposed action to collect Hart's 1996 federal income tax liabilities.

19. On or about December 29, 2002, the Internal Revenue Service received the request described in the preceding paragraph.

20. On or about October 30, 2003, the Internal Revenue Service issued its final decision concerning the request described in paragraph 18.

The Property and Encumbrances on the Property

21. By Warranty Deed dated March 10, 1995, Northern Rockies Corporation transferred to Hart certain real property located in Kootenai County, Idaho. The real property is located at 4430 E. Sarah Loop, Athol, Idaho. The Kootenai County Assessor's Office has assigned the real property the parcel number 072305200100. The real property is legally described as follows:

Lot 10, Block 5-20, Shamrock Ranch Phase V, according to the plat recorded in Book G of Plats, Pages 301, 301A, 301B and 301C, records of Kootenai County, Idaho. (Bitterroot Ranch – BIT 5.10.20)

The March 10, 1995, Warranty Deed was recorded in the Kootenai County Recorder's Office on October 26, 1995, and was assigned instrument number 1419742.

22. On January 12, 1996, Northern Rockies Corporation executed a Corrected Warranty Deed dated March 10, 1995, concerning the Property. The Corrected Warranty Deed amended the legal description of the Property to the description given in the preceding paragraph. The Corrected Warranty Deed was recorded in the Kootenai County Recorder's Office on January 12, 1996, and was assigned instrument number 1429833.

23. On or about March 29, 1995, Hart executed a Deed of Trust, secured by the Property. The Trustee named on the Deed of Trust was Pioneer Title Company of Kootenai County, Inc. The Beneficiary named on the Deed of Trust was Northern Rockies Corporation. The Deed of Trust reflected that Hart owed Northern Rockies Corporation \$10,000.00. The Deed of Trust was recorded in the Kootenai County Recorder's Office on October 26, 1995, and was assigned instrument number 1419743.

24. On or about March 29, 1995, Hart executed another Deed of Trust, secured by the Property. The Trustee named on the Deed of Trust was Pioneer Title Company of Kootenai County, Inc. The Beneficiary named on the Deed of Trust

was Northern Rockies Corporation. The Deed of Trust reflected that Hart owed Northern Rockies Corporation \$33,226.00. The Deed of Trust was recorded in the Kootenai County Recorder's Office on October 26, 1995, and was assigned instrument number 1419744.

25. On or about July 23, 1996, Pioneer Title Company of Kootenai County, Inc., executed a Deed of Reconveyance as Trustee of the Deed of Trust described in paragraph 23, above. The Deed of Reconveyance was recorded in the Kootenai County Recorder's Office on July 24, 1996, and was assigned instrument number 1455054.

26. On information and belief, Hart has paid the sum due to Northern Rockies Corporation under the agreement secured by the Deed of Trust described in paragraph 24, above.

27. On information and belief, Northern Rockies Corporation does not presently hold any interest in the Property.

28. On information and belief, Pioneer Title Company of Kootenai County, Inc., does not presently hold any interest in the Property.

29. On or about August 8, 1997, Hart executed a Real Property Deed to Trust, through which he purported to convey his interest in the Property to Tim E. Ortega as Trustee of White Peak Ventures. The Real Property Deed to Trust was recorded in the Kootenai County Recorder's Office on August 8, 1997, and was assigned instrument number 1500642.

30. On or about August 25, 1997, Hart executed a second Real Property Deed to Trust through which he purported to convey his interest in the Property to Tim E. Ortega as Trustee of White Peak Ventures. The Real Property Deed to Trust was recorded in the Kootenai County Recorder's Office on August 25, 1997, and was assigned instrument number 1502594. This second Real Property Deed to Trust was executed in order to correct the legal description of the Property.

31. On or about August 9, 1997, Ortega, as Trustee of White Peak Ventures, executed a Warranty Deed which purported to convey the Property to John Doe, Trustee of Sarah Elizabeth Hart Trust. The Warranty Deed was recorded in the Kootenai County Recorder's Office on December 18, 1997, and was assigned instrument number 1517837.

32. On the dates shown in the table below, a duly authorized delegate of the Secretary of the Treasury recorded, in the Kootenai County Recorder's Office, Notices of Federal Tax Lien concerning certain unpaid assessments described in paragraph 12, above. As shown in the table below, some of these Notices of Federal Tax Lien named Sarah Elizabeth Hart Trust as Hart's nominee.

Date Recorded	Instrument Number	Taxpayer Named
March 23, 2004	1865262	Philip Lewis Hart
March 21, 2005	1936373	Philip Lewis Hart
December 2, 2005	1998885	Philip Lewis Hart
January 30, 2006	2010532	Philip Lewis Hart
December 24, 2007	2137508000	Philip L Hart
April 28, 2008	2156246000	Sarah Elizabeth Hart Trust, nominee of Philip L. Hart
May 15, 2009	2211488000	Philip L Hart

Date Recorded	Instrument Number	Taxpayer Named
October 26, 2009	2237919000	Philip L Hart
January 11, 2010	2248668000	Philip L Hart
September 29, 2010	2284013000	Sarah Elizabeth Hart Trust as nominee of Philip L Hart
January 10, 2011	2298115000	Philip L Hart

33. On November 22, 2010, a duly authorized delegate of the Secretary of the Treasury timely refiled the Notice of Federal Tax Lien that had been filed on April 28, 2008. The refiled Notice of Federal Tax Lien was recorded in the Kootenai County Recorder's Office on November 22, 2010, and was assigned instrument number 2291282000.

34. On November 22, 2010, a duly authorized delegate of the Secretary of the Treasury timely refiled the Notice of Federal Tax Lien that had been filed on March 23, 2004. The refiled Notice of Federal Tax Lien named Sarah Elizabeth Hart Trust as the nominee of Philip L. Hart. The refiled Notice of Federal Tax Lien was recorded in the Kootenai County Recorder's Office on November 22, 2010, and was assigned instrument number 2291283000.

**Count I: Reduce to Judgment Unpaid
Federal Income Tax Assessments Made Against Hart**

35. The United States incorporates by reference the allegations made in paragraphs 1 to 34, above.

36. Despite proper notice and demand for payment of the tax liabilities described in paragraph 12, above, and the table accompanying that paragraph, Hart has neglected, failed, or refused to make full payment to the United States of the assessed amounts and the interest and penalties accrued thereon.

37. Hart is personally liable for the unpaid balances of the assessments described in paragraph 12, above, together with the interest and penalties accruing thereon. Including interest and penalties accruing through October 31, 2011, Hart is personally liable for \$549,703.48.

38. The United States is entitled to judgment against Hart in the total sum of \$549,703.48 as of October 31, 2011.

Count II: Set Aside Fraudulent Transfer

39. The United States incorporates by reference the allegations made in paragraphs 1 to 38, above.

40. The United States' federal tax liens, created by operation of law as described in paragraph 13, above, attached to the Property upon assessment of the tax liabilities described in paragraph 12, above.

41. Hart filed his 1994 and 1995 federal income tax returns prior to August 8, 1997. On his 1994 and 1995 federal income tax returns, Hart claimed that his wages could not constitutionally be taxed.

42. Prior to August 8, 1997, Hart knew that the Internal Revenue Service was examining his 1994 and 1995 federal income tax returns.

43. Prior to August 8, 1997, Hart knew that he owed the United States federal income tax liabilities for 1994, 1995, and 1996.

44. On information and belief, the conveyances of the Property described in paragraphs 29 to 31 were steps in a single pre-arranged transaction.

45. On information and belief, Hart's daughter is the beneficiary of Sarah Elizabeth Hart Trust.

46. Despite the transfers of the Property described in paragraphs 29 to 31, above, Hart has continued to reside at the Property.

47. On information and belief, Hart pays local property taxes assessed upon the Property or causes those taxes to be paid.

48. On information and belief, Hart does not pay rent in exchange for continuing to reside at the Property.

49. On information and belief, Hart did not receive consideration reasonably equivalent to the value of the Property in exchange for the Property when he conveyed it to Ortega, as Trustee of White Peak Ventures.

50. On information and belief, White Peak Ventures did not receive consideration reasonably equivalent to the value of the Property in exchange for the Property when it conveyed the Property to John Doe, as Trustee for Sarah Elizabeth Hart Trust.

51. The name of the trustee of Sarah Elizabeth Hart Trust is not given in the Warranty Deed described in paragraph 31.

52. Sarah Elizabeth Hart Trust has not been registered in the Idaho state courts.

53. On information and belief, Hart is the trustee of Sarah Elizabeth Hart Trust.

54. Hart arranged for and participated in the transfers of the Property described in paragraphs 29 to 31, above, with the actual intent of hindering, delaying, and defrauding the United States in its attempt to collect Hart's federal income taxes.

55. On information and belief, Ortega, in his capacity as Trustee of White Peak Ventures, participated in the transfers of the Property described in paragraphs 29 to 31, above, with the actual intent of hindering, delaying, and defrauding the United States in its attempt to collect Hart's federal income taxes.

56. Sarah Elizabeth Hart Trust lacks economic substance.

57. The United States is entitled to judgment declaring that the purported transaction described in paragraphs 29 to 31, above, is fraudulent and of no effect as to the United States.

**Count III: Determine that Hart Is the
True and Beneficial Owner of the Property**

58. The United States incorporates by reference the allegations made in paragraphs 1 to 57, above.

59. The purported entity known as Sarah Elizabeth Hart Trust is a sham entity and should be disregarded.

60. To the extent that it retains an ownership interest in the Property, White Peak Ventures is a sham entity and should be disregarded.

61. The United States is entitled to judgment declaring that with respect to the ownership of the Property, Sarah Elizabeth Hart Trust is Hart's nominee or alter ego.

62. The United States is entitled to judgment declaring that to the extent it retains an ownership interest in the Property and with respect to that ownership, White Peak Ventures is Hart's nominee or alter ego.

Count IV: Foreclose the United States' Tax Liens Upon the Property

63. The United States incorporates by reference the allegations made in paragraphs 1 to 62, above.

64. The United States' federal tax liens have priority over all other interests in the Property, subject to any relevant exceptions in 26 U.S.C. § 6323.

65. Under 26 U.S.C. § 7403(c), the United States is entitled to a decree of sale for the Property in order to enforce its tax liens.

WHEREFORE, the United States respectfully requests the following relief:

A. Judgment in favor of the United States and against Hart for his unpaid federal income tax liabilities, in the total sum of \$549,703.48 as of October 31, 2011, plus interest accruing thereon as provided by law;

B. Judgment that by virtue of the unpaid assessments described in paragraph 12, above, the United States has valid and subsisting federal tax liens on all property and rights to property belonging to Hart, whether real or personal, wherever located, and whether presently held or hereinafter acquired, expressly including the Property;

C. Judgment that the purported transaction described in paragraphs 29 to 31, above, is a fraudulent transfer and void and must be set aside with respect to the United States;

D. Judgment that, to the extent that John Doe, as Trustee of Sarah Elizabeth Hart Trust, holds title to the Property, he (or she) does so as Hart's nominee or alter ego;

E. Judgment that, to the extent that Ortega, as Trustee of White Peaks Ventures, holds title to the Property, he does so as Hart's nominee or alter ego;

F. Judgment that Hart is the true and beneficial owner of the Property;

G. That the federal tax liens on the Property are foreclosed, and that the Property shall be sold, and that the proceeds from the sale shall be distributed in accordance with the Court's findings as to the validity and priority of the liens and claims of all parties;

H. That the United States shall be granted its costs in bringing this action; and

I. That the United States shall be granted any other and further relief as is just and proper.

Respectfully submitted this 27th day of October, 2011.

WENDY J. OLSON
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