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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

United States of America,	}	No. CV-22-01452-PHX-SPL
	}	
Plaintiff,	}	ORDER
vs.	}	
	}	
Cynthia A. Lake, et al.,	}	
	}	
Defendants.	}	

On July 6, 2023, the Court entered judgment in favor of Plaintiff United States of America and against Defendant Cynthia A. Lake, personally and in her capacities as the Personal Representative, Distributee, or Successor in Interest of the Estate of Wayne R. Lake and as the Trustee of the Living Trust Agreement of Wayne Ronald Lake and Cynthia A. Lake. (Docs. 29–30). The Court also ordered that the United States’s tax liens encumbering the property located at 5121 E. Windrose Drive, Scottsdale, Arizona 85254 (the “Subject Property”) are foreclosed. The legal description of the Subject Property is as follows:

Lot Maricopa 71, Cactus Glen Unit 2, according to Book 190
of Maps, Page 39, records of Maricopa County, Arizona.

On August 14, 2023, the United States filed a motion for an order authorizing sale of the Subject Property. (Doc. 33). Upon review,

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///

1 **IT IS ORDERED** that the Motion Authorizing Sale (Doc. 33) is **granted**.

2 **IT IS FURTHER ORDERED** as follows:

- 3 1. The United States Marshal for the District of Arizona or an Internal Revenue
4 Service Property Appraisal and Liquidation Specialist (“PALS”) is authorized
5 and directed under 28 U.S.C. §§ 2001 and 2002 to offer for public sale and to
6 sell the Subject Property. The United States may choose either the United States
7 Marshal or a PALS to carry out the sale under this Order and shall make the
8 arrangements for the sale as set forth in this Order.
- 9 2. The Marshal or PALS is authorized to have free access to the Subject Property
10 and to take all actions necessary to preserve the Subject Property, including, but
11 not limited to, retaining a locksmith or other person to change or install locks or
12 other security devices on any part of the Subject Property, until deed(s) to the
13 Subject Property are delivered to the ultimate purchaser(s).
- 14 3. The terms and conditions of the sales are as follows:
- 15 a. the sale of the Subject Property shall be free and clear of all interests,
16 including the interests of: the United States, Estate of Wayne R. Lake,
17 Cynthia A. Lake, and Maricopa County;
- 18 b. the sale shall be subject to building lines, if established, all laws,
19 ordinances, and governmental regulations (including building and zoning
20 ordinances) affecting the Subject Property, and easements and restrictions
21 of record, if any;
- 22 c. the sale shall be held at the courthouse of the county or city in which the
23 Subject Property is located, on the premises of the Subject Property, or at
24 any other place in accordance with the provisions of 28 U.S.C. §§ 2001
25 and 2002;
- 26 d. the date and time for the sale are to be announced by the United States
27 Marshal or the PALS;
- 28 e. a notice of sale shall be published once a week for at least four

1 consecutive weeks before the sale, in at least one newspaper regularly
2 issued and of general circulation in Maricopa County, and, at the
3 discretion of the Marshal or the PALS, by any other notice deemed
4 appropriate. The notice shall contain a description of the Subject Property
5 and shall contain the terms and conditions of sale in this order of sale;

6 f. the minimum bids for the sale will be set by the Internal Revenue Service.
7 If the minimum bid for the Subject Property is not met or exceeded, the
8 Marshal or the PALS may, without further permission of this Court, and
9 under the terms and conditions in this order of sale, hold a new public
10 sale, if necessary, and reduce the minimum bid or sell to the second
11 highest bidder;

12 g. the successful bidder(s) at the sale shall be required to deposit at the time
13 of the sale with the Marshal or the PALS a minimum of ten percent of the
14 bid for the applicable property, with the deposit to be made by certified
15 or cashier's check payable to the United States District Court for the
16 District of Arizona. Before being permitted to bid at the sale, bidders shall
17 display to the Marshal or the PALS proof that they are able to comply
18 with this requirement. No bids will be received from any person(s) who
19 have not presented proof that, if they are the successful bidders(s), they
20 can make the deposit required by this order of sale;

21 h. the balance of the purchase price for the Subject Property is to be paid to
22 the United States Marshall or a PALS (whichever person is conducting
23 the sale) within 30 days after the date the bid is accepted, by a certified
24 or cashier's check payable to the "U.S. District Court for the District of
25 Arizona." If the bidder fails to fulfill this requirement, the deposit shall
26 be forfeited and shall be applied to cover the expenses of the sale,
27 including commissions due under 28 U.S.C. § 1921(c), with any amount
28 remaining to be applied to the income tax liabilities of the Lakes at issue

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- herein. The Subject Property shall be again offered for sale under the terms and conditions of this order of sale. The United States may bid as a creditor against its judgment without tender of cash;
- i. the sale of the Subject Property shall be subject to confirmation by this Court. The Marshal or a PALS shall file a report of sale with the Court for the Subject Property, together with a proposed order of confirmation of sale, within 20 days from the date of receipt of the balance of the purchase price;
 - j. on confirmation of the sale, the Marshal or PALS shall execute and deliver deed(s) of judicial sale conveying the appropriate parcel(s) of the Subject Property to the purchaser(s);
 - k. on confirmation of the sale, all interests in, liens against, or claims to, the Subject Property that are held or asserted by all parties to this action are discharged and extinguished;
 - l. on confirmation of the sale, the recorder of deeds for Maricopa County, Arizona, shall cause transfer of the Subject Property to be reflected upon that county's register of title; and
 - m. the sale is ordered pursuant to 28 U.S.C. § 2001 and is made without right of redemption.
4. Until the Subject Property is sold, Cynthia A. Lake shall take all reasonable steps necessary to preserve the property (including all buildings, improvements, fixtures and appurtenances on the property) in its current condition including, without limitation, maintaining a fire and casualty insurance policy on the property. Cynthia A. Lake shall neither commit waste against the Subject Property nor cause or permit anyone else to do so. Cynthia A. Lake shall neither do anything that tends to reduce the value or marketability of the Subject Property nor cause or permit anyone else to do so. Cynthia A. Lake shall not record any instruments, publish any notice, or take any other action (such as

1 running newspaper advertisements or posting signs) that may directly or
2 indirectly tend to adversely affect the value of the Subject Property or that may
3 tend to deter or discourage potential bidders from participating in the public
4 auction, nor shall they cause or permit anyone else to do so. Violation of this
5 paragraph will constitute, and be punishable as, contempt of Court.

6 5. All persons occupying any of the Subject Property shall vacate the Subject
7 Property permanently within 30 days of the date of this Order, each taking with
8 them his or her personal property (but leaving all improvements, buildings,
9 fixtures, and appurtenances to the property). If any person fails or refuses to
10 vacate the Subject Property by the time specified in this Order, the United States,
11 including the PALS and the United States Marshals Service, is authorized to take
12 whatever action it deems appropriate to remove such person from the premises,
13 whether or not the sale of such property is being conducted by a PALS. If any
14 person fails or refuses to remove his or her personal property from the Subject
15 Property by the time specified herein, the personal property remaining on the
16 property thereafter is deemed forfeited and abandoned, and the United States is
17 authorized to remove it and to dispose of it in any manner it deems appropriate,
18 including sale, in which case the proceeds of the sale are to be applied first to
19 the expenses of sale and the balance to be paid to the Clerk of this Court for
20 further distribution.

21 6. The proceeds arising from the sale of the Subject Property are to be paid to the
22 Clerk of this Court and applied as far as they shall be sufficient to the following
23 items, in the order specified:

24 i. To the United States Marshal or the PALS (whichever conducted the
25 sale as arranged by the United States) for the costs of the sale,
26 including any expense of maintaining the Subject Property prior to
27 sale;

28 ii. To Maricopa County for any real property tax and/or special

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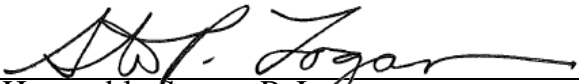
assessment liens that are entitled to priority over prior security interests under Arizona law and pursuant to 26 U.S.C. § 6323(b)(6), if any exist;

iii. To the United States to satisfy the federal tax liens, in an amount according to proof at that time; and

iv. If any proceeds remain, to the remaining Defendants according to their relative priorities and interests as determined by the Court.

Any balance remaining after the above payments shall be held by the Clerk until further order of the Court.

Dated this 21st day of September, 2023.



Honorable Steven P. Logan
United States District Judge