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11
12 IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF NEVADA

13 _____)
UNITED STATES OF AMERICA)

14)
Plaintiff,)

15 vs.)

16 ARTURO J. REYNOSO)

17 Defendant.)

Case No. 2:06-cv-01206-RCJ-GWF

Las Vegas, Nevada

February 5, 2007

11:24 a.m.

18
19 ORDER TO SHOW CAUSE HEARING

20
21 BEFORE THE HONORABLE ROBERT C. JONES
UNITED STATES DISTRICT COURT JUDGE

22 COURT RECORDER:

23 LILIA ABARCA DE CARTER
24 U.S. District Court

25 Proceedings recorded by electronic sound recording. Transcript
produced by transcription service.

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ORDER TO SHOW CAUSE HEARING

BEFORE THE HONORABLE ROBERT C. JONES
UNITED STATES DISTRICT COURT JUDGE

APPEARANCES:

FOR THE PLAINTIFF:

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FOR THE DEFENDANT:

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1 P R O C E E D I N G S

2 11:24:41

3 THE COURT: Thank you. Please be seated. Good morning.
4 This is in United States versus Reynoso, an Order to Show Cause.
5 Your appearances please.

6 MS. LOWE: For the United States, Virginia Lowe.

7 THE COURT: Thank you.

8 MR. REYNOSO: Arturo J. Reynoso, pro se.

9 THE COURT: Thank you, sir.

10 Go ahead. Do you file pleadings? I'll let you add to
11 them if you desire.

12 MS. LOWE: Thank you, Your Honor. Do -- would you like me to
13 go to the podium or --

14 THE COURT: Yes, uh-huh (affirmative).

15 MS. LOWE: Okay. Your Honor, the Respondent has failed to
16 comply with this Court's November 21st order enforcing the IRS
17 summons. As set forth in the declaration of Luddie Talley, which
18 was previously filed with The Court. He, the Respondent, appeared
19 at the IRS office on December 8th; however, he failed to answer
20 the questions put forth in -- to him by the revenue officer;
21 simple questions such as, are you self-employed? And, do you have
22 a savings account? He refused to answer based on the Fifth
23 Amendment.

24 Now, there is no reasonable expectation of criminal
25 prosecution for answering these questions. We -- we submit that,

1 that was a bad-faith invocation of the Fifth Amendment. He's not
2 made a reasonable effort to comply with the summons. And the
3 United States requests the compulsory sanction of COURSE OF
4 ENFORCEMENT until the contempt is purged.

5 THE COURT: Now, this is a collection action?

6 MS. LOWE: Yes, it is, Your Honor.

7 THE COURT: Your interest, of course -- the dates are correct
8 on your summons, your subpoena?

9 MS. LOWE: Yes, Your Honor.

10 THE COURT: You want dates for -- between those particular
11 dates so you can see if he has assets that would respond to the
12 liability.

13 MS. LOWE: Right. He -- any assets he have (sic) are
14 responsible. Any assets he has, IRS has a lien on and are
15 currently responsible for paying those outstanding liabilities.

16 THE COURT: All right. Okay.

17 Mr. Reynoso, I'll let you respond, sir.

18 MR. REYNOSO: Morning.

19 THE COURT: Good morning.

20 MR. REYNOSO: Your Honor, I -- do you have a chance to read
21 the objection to the United States motion to contempt.

22 THE COURT: Yes, I've read your response.

23 MR. REYNOSO: Okay. I receive a response from my response,
24 and I didn't have a chance to file. I just filed a few minutes
25 ago. And I would like to give it to you and the attorney.

1 THE COURT: No. It's too late to file a further reply, but
2 I'll certainly let you make any argument you need to.

3 MR. REYNOSO: The reason is, I've filed some new evidence
4 about this contempt, and I would like to present it to you. And
5 it's related with the evidence that we already submitted in the
6 file, the tape recording. And I would like to ask some questions
7 to Luddie Talley about the -- the -- the meeting of the --

8 THE COURT: Mm-hmm (affirmative).

9 MR. REYNOSO: -- of the summons.

10 THE COURT: No, I'm not going to let you do that, sir.

11 MR. REYNOSO: Is any reason (indiscernible) --

12 THE COURT: I'm not going to let you do it. The requirement
13 here -- Do you have any further response, sir, other than what you
14 filed?

15 MR. REYNOSO: Yes, I have here the -- the response.

16 THE COURT: Uh-huh (affirmative).

17 MR. REYNOSO: I wanted to have it ready --

18 THE COURT: What I'm going to do, sir, is I'm going to jail
19 you. I'm going to put you in jail until you respond to the
20 questions, until you provide the items that were subpoenaed. Do
21 you understand that?

22 MR. REYNOSO: Your Honor, yes, I understand. Your Honor, I
23 don't agree with this because the questions that they were asking
24 me in the -- in the form that they submitted, 433 (a) doesn't show
25 any ONV Number. And according -- according with the Privacy Act,

1 Title 44 -- Title 44, Section 3512, it states that I cannot be
2 penalized for providing information if doesn't show a valid ONV
3 number. And this is a -- a protection for the public. I cannot
4 be penalized to refusing to provide information. It doesn't show
5 a ONM -- ONV Number. And I -- I would like to show you this.
6 It's a critical information.

7 MR. REYNOSO: (Indiscernible.) Excuse me, Judge, one second.

8 THE COURT: Mm-hmm (affirmative).

9 MR. REYNOSO: (Indiscernible) -- Oh, right here.

10 THE COURT: No. I won't let you approach, sir, but I'll let
11 you tell me what it is that you're referring to.

12 MR. REYNOSO: Okay. The Title 44 of the U.S. Code. It says:

13 Public Printing and Document, Chapter 35. Coordination
14 of Federal Information Policies from Chapter One, Federal
15 Information Policy. Section 3512, Public Protection. It
16 says:

17 (a) Notwithstanding any other provision of the law, no
18 person shall be subject to any penalty for failing to comply
19 with a collection of information that is subject to this
20 chapter if -

21 (1) the collection of information does not display a
22 valid control number assigned by the Director in accor --
23 accordance with this subchapter; or

24 (2) the agency fails to inform the person who is to
25 respond to the collection of information that such person is

1 not required to respond to the collection of information
2 unless it displays a valid control number.

3 (b) The protection provided by this section may be
4 raised in any form for a complete defense, bar -- complete
5 defense, bar or otherwise at any time during the agency admin
6 -- administrative process or judic -- judicial action
7 applicable therefore (sic).

8 THE COURT: Anything else, sir? May I ask a question? Did
9 you bring with you the information required in the subpoena?

10 MR. REYNOSO: At the time of the s -- of the summons, I have
11 the documents.

12 THE COURT: Uh-huh (affirmative).

13 MR. REYNOSO: I --

14 THE COURT: You have the documents for the period requested
15 and for -- as listed in the subpoena -- summons.

16 MR. REYNOSO: Your Honor, I was there, and I never -- they --
17 they -- Luddie Talley never request those documents and never put
18 me under oath as required by the Internal Rev -- Revenue Manual.
19 He didn't never put me under oath. I was complying with the --
20 with the summons.

21 THE COURT: Uh-huh (affirmative)

22 MR. REYNOSO: I bring the papers. I was trying to plead the
23 Fifth Amendment as my right.

24 THE COURT: No. My question is, did you bring them with you
25 today?

1 MR. REYNOSO: No, I don't have the --

2 THE COURT: Okay. I'm going to order -- order the marshal
3 forward to arrest the gentleman. You'll be held in CIVIL
4 CONTEMPT, sir. Each day at nine a.m. I'll ask the marshal to
5 present you back here again so that you may respond. You will
6 answer the questions. You have the right to invoke the Fifth
7 Amendment, of course, unless it's not pertinent to the particular
8 question. And you must produce the papers. Otherwise, you'll be
9 jailed. You will be jailed in CIVIL CONTEMPT until you decide to
10 answer.

11 I do warn the Government. I'm not going to go on for
12 ever with this.

13 And -- but you -- you are required to respond, sir, to
14 the subpoena. I'm sorry. And you do have to answer it in spite
15 of the defenses that you've proffered. Do you understand?

16 MR. REYNOSO: No, Your Honor, I don't understand. You say
17 that you read my motion for objection to the United States.

18 THE COURT: I read your response, yes.

19 MR. REYNOSO: And did you have the time to hear the CD?

20 THE COURT: Hear the what?

21 MR. REYNOSO: The -- the CD who was -- put in -- in the -- in
22 the file?

23 THE COURT: You talking about the transcript?

24 MR. REYNOSO: No. No, the transcript? No, the CD. We file a
25 CD.

1 THE COURT: Oh, a CD --

2 MR. REYNOSO: The tape?

3 THE COURT: -- I did not listen to the CD, but I read the
4 transcript.

5 MR. REYNOSO: Because the CD shows there I was trying to
6 plead the Fifth Amendment. I was there with two -- with cases --

7 THE COURT: Okay.

8 MR. REYNOSO: -- and they failed to --

9 THE COURT: Now --

10 MR. REYNOSO: -- to ask me for those questions.

11 THE COURT: I do apologize, but let me interrupt, and I'll
12 ask you one more time before I order your arrest, will you get on
13 the stand now and answer the questions subject, of course, to your
14 right to -- to invoke the Fifth Amendment. And are you in a
15 position to present the paperwork that's responsive to the
16 subpoena?

17 MR. REYNOSO: Your Honor, if -- if I would present documents
18 I don't -- I don't really -- I don't know what the documents I --
19 they are requesting the last time I told you before.

20 THE COURT: Mm-hmm (affirmative).

21 MR. REYNOSO: I -- I don't even know what the documents they
22 are requesting. I already told you that I was not required for
23 any agency, any Federal agency, to keep books and records --

24 THE COURT: Here's --

25 MR. REYNOSO: -- and I --

1 THE COURT: -- here's what it said. Here's what the summons
2 said:

3 These records and documents include but are not limited
4 to; all bank statements, checkbooks, canceled checks, saving
5 account passbooks, records of certificates of deposit for the
6 period from May 1, 2006 to July 31, 2006.

7 MR. REYNOSO: Yeah. Last time I request that they -- what is
8 the records of certificate of deposit, and I asked which -- who
9 has to sign those deposits, and I never have an answer. Also,
10 Judge, last time that I was here, I make a petition for abatement,
11 and there was not any objection. And also it was not ruled by
12 you.

13 THE COURT: Okay. I got all of that.

14 MR. REYNOSO: And I would like to know why.

15 THE COURT: My question --

16 MR. REYNOSO: I'm sorry.

17 THE COURT: -- my question, sir, is, do you have with you,
18 are you prepared to present to us these items; bank statements,
19 checkbooks, canceled checks, saving account passbooks, records of
20 certificates of deposit for the period from May 1, 2006 to July
21 31, 2006? Do you have that paperwork?

22 MR. REYNOSO: I -- I'm not sure if I have those paperwork. I
23 -- try to collect for two weeks --

24 THE COURT: Uh-huh (affirmative).

25 MR. REYNOSO: -- all the paper that I could be thinking that

1 I could be -- that they were asking for.

2 THE COURT: Uh-huh (affirmative).

3 MR. REYNOSO: This information that they --

4 THE COURT: Did you bring that with you, sir?

5 MR. REYNOSO: -- are asking has -- seven -- seven years ago.

6 This is --

7 THE COURT: Did you ask -- did you bring it with you, sir?

8 MR. REYNOSO: No, I don't have any --

9 THE COURT: Okay.

10 MR. REYNOSO: -- any documents right now.

11 THE COURT: Do you have a spouse or family member that can
12 bring you such documents?

13 MR. REYNOSO: Well, no, because it's in my office.

14 THE COURT: Uh-huh (affirmative).

15 MR. REYNOSO: Down in my office.

16 THE COURT: Do you have a secretary?

17 MR. REYNOSO: The paper that I was searching (indiscernible).

18 THE COURT: Okay.

19 MR. REYNOSO: Uh-huh (affirmative).

20 THE COURT: I'm going to order your arrest at this time,
21 please.

22 MR. REYNOSO: Your Honor, if --

23 THE COURT: Sir, that's enough.

24 THE MARSHAL: Put your hands behind your back.

25 THE COURT: Stop now.

1 MR. REYNOSO: This -- um -- um --

2 THE MARSHAL: Put your hands behind your back.

3 MR. REYNOSO: Do I have any right for appeal?

4 THE COURT: Yes, and I'll inform --

5 MR. REYNOSO: Can I --

6 THE COURT: -- you of that right before I ask the marshal to
7 have you leave. Just a moment. Okay. You are under arrest now,
8 sir. This is CIVIL CONTEMPT. You'll be jailed by the marshal for
9 each 24-hour period. I'll ask the marshal to return you here,
10 please, at nine a.m. so that you can tell me when you're ready to
11 comply with my order.

12 To be very clear, the order was that you provide answers
13 to the questions here in court on the stand in front of the judge
14 and before the IRS to the questions posed subject to your right to
15 invoke the Fifth Amendment.

16 And, number two, that you produce this paperwork
17 required in the summons, which I've already read to you. Your
18 rights of appeal; you have a right to request a Writ of Habeas
19 Corpus. You have the right, certainly, to appeal this order.
20 I'll want a written order here of arrest. It will be reflected
21 both in the minutes, and I'll ask the IRS for a Proposed Order of
22 Contempt --

23 MR. REYNOSO: Mm-hmm (affirmative).

24 THE COURT: -- with the findings that I've made here that you
25 are in contempt. You have failed and you've refused to comply

1 with the order of The Court. I think the order is very clear what
2 you have to do, those two things. And I'm going to let you come
3 back each morning at nine a.m. and ask you if you're ready to
4 comply. If you are, of course, I'll let you comply.

5 The marshal will certainly let you make phone calls
6 either to an attorney to file an appeal or request further help,
7 or, most appropriately, to someone who can obtain the -- that
8 paperwork from your office so that you can comply here at nine
9 a.m. on each respective morning. Those --

10 MR. REYNOSO: Your Honor --

11 THE COURT: Those are your rights. I'll let you ask one more
12 question.

13 MR. REYNOSO: Your Honor, if I agree to come with you, in
14 front of you --

15 THE COURT: Right.

16 MR. REYNOSO: -- and you set up a time --

17 THE COURT: Mm-hmm (affirmative).

18 MR. REYNOSO: -- and I come with the documents that I bring
19 the other time with the -- the attorney, it would be necessary of
20 the arrest because I'm no -- I'm always complying with your order,
21 always. Is it necessary to put me in jail in order to comply?

22 THE COURT: If --

23 MR. REYNOSO: Because if I promise you --

24 THE COURT: If you will make such a promise, and I'm
25 convinced that you will keep the promise, the arrest would not be

1 necessary.

2 MR. REYNOSO: Yeah. I will -- I would come anytime that you
3 would say and I would be here.

4 THE COURT: Okay.

5 MR. REYNOSO: It would be better for me to be here, and you
6 can see what happened in the -- when I answer the questions -- I --
7 -- I request the questions and -- and I think it would be --

8 THE COURT: Okay. Now, let me make sure I understand. You
9 will -- you're promising to comply with my request. Let's say I
10 order you to come back here at nine a.m. tomorrow morning.

11 MR. REYNOSO: Okay.

12 THE COURT: On your own volition.

13 MR. REYNOSO: Mm-hmm (affirmative).

14 THE COURT: You will keep the promise. You will come here.
15 You will answer questions subject to your right to invoke the
16 Fifth Amendment. You will answer the questions.

17 And number two, you will bring the documents, any and
18 all that you have, and you will not destroy. You will bring with
19 you any and all bank statements, checkbooks, canceled checks,
20 saving account passbooks, records of certificates of deposit for
21 the period from May 1, 2006 to July 31, 2006.

22 MR. REYNOSO: Yes, Your Honor.

23 THE COURT: Do you understand that's what I'm ordering.

24 MR. REYNOSO: I would promise, yes.

25 THE COURT: Uh-huh (affirmative). Okay. And the only

1 question is whether I should require a small bond, a token bond or
2 not. I -- do you --

3 MR. REYNOSO: You don't trust me?

4 THE COURT: Does the IRS --

5 MR. REYNOSO: I will be here.

6 THE COURT: I understand. Does the IRS --

7 MS. LOWE: Your -- Your Honor, Mr. Talley is here right now,
8 and we're prepared -- he can actually answer the questions today
9 right now and then provide the documents tomorrow because we can
10 go ahead and ask the questions with -- and then he -- he can then
11 go ahead and get the documents and provide those tomorrow. That
12 is also another possibility.

13 THE COURT: That's true. That would avoid arrest, sir, if
14 you will get on the stand and answer questions. Again, subject to
15 your right of Fifth Amendment, and I'll advise your further on
16 your Fifth Amendment. Are you prepared to do that today, sir?

17 MR. REYNOSO: And not bring the documents that I have?

18 THE COURT: Until tomorrow. You can bring the documents
19 tomorrow, but I'm going to require you to get on the stand and ask
20 -- answer the simple questions.

21 MR. REYNOSO: Okay.

22 MR. REYNOSO: All right. I'll order the marshal to release
23 you.

24 THE MARSHAL: (Indiscernible) hands.

25 MR. REYNOSO: Hey, you hurt me.

1 THE MARSHAL: Relax.

2 MR. REYNOSO: Hmm?

3 THE MARSHAL: Relax.

4 MR. REYNOSO: Your hand --

5 THE MARSHAL: Relax. I'll do it. I'll do it. Relax.

6 MR. REYNOSO: I'm telling you that you are hurting me.

7 THE MARSHAL: Relax.

8 MR. REYNOSO: (Indiscernible.)

9 THE COURT: No talking please until the arrest is finished.

10 THE MARSHAL: Okay.

11 THE COURT: Thank you. I appreciate the marshal, if you will

12 remain just for a few more minutes.

13 THE MARSHAL: Yes, sir.

14 THE COURT: And I'll release you in a moment.

15 All right, sir, you are now no longer under arrest. I

16 would -- but I'm assuming that you are going to comply with my

17 order. You're going to come up on the stand under oath and answer

18 the questions, and tomorrow at nine a.m. you'll present the

19 documentation required in the summons; is that correct?

20 MR. REYNOSO: Yes.

21 THE COURT: If I understood correctly. Okay.

22 MR. REYNOSO: That's correct.

23 THE COURT: If you'll come up to the stand please.

24 MR. REYNOSO: Can I bring my briefcase?

25 THE COURT: You can.

1 MR. REYNOSO: Your Honor, this is an adversary procedure,
2 right?

3 THE COURT: This is what?

4 MR. REYNOSO: An adversary procedure?

5 THE COURT: Well, in bankruptcy we have something called an
6 adversary procedure.

7 MR. REYNOSO: Did I --

8 THE COURT: This is -- this is answering questions to the
9 summons. Usually it's --

10 MR. REYNOSO: Did I have the right to answer -- to cross exam
11 the -- the person in charge of the summons?

12 THE COURT: No, you don't --

13 MR. REYNOSO: Well --

14 THE COURT: -- have that right.

15 MR. REYNOSO: -- well, the Supreme Court says that I have the
16 right to -- to cross exam. Why not -- do I have that -- that
17 right?

18 THE COURT: You will have the right to give cross examination
19 answers. You do not have the right to inquire under oath of the
20 person who issued the summons. Is that clear? In other words,
21 she -- she's going to ask questions, or Mr. Talley's going to ask
22 questions. You'll answer them or you'll invoke the Fifth
23 Amendment privilege, and then I'll give you a response when
24 they're done of giving further answers yourself. You will not be
25 given the right to call them for examination.

1 MR. REYNOSO: Uh-huh (affirmative).

2 THE COURT: Do you understand that?

3 MR. REYNOSO: Your Honor, I will not have probably to state
4 in the -- in the -- to have an examination, but that -- but do I
5 have any right to have -- to hire an attorney and help me with
6 this because I don't know the law. I'm not doing this for
7 (indiscernible) and, obviously --

8 THE COURT: Sure you have.

9 MR. REYNOSO: I have a lot of concerns about the --

10 THE COURT: You have no right to have the Government appoint
11 for you an attorney, but you certainly have the right -- you have
12 the right to appear at the summons and examination with an
13 attorney. You have the right to have an attorney.

14 MR. REYNOSO: And -- and -- and if -- if I hire an attorney,
15 and I come back to give my testimony with an attorney because I
16 don't have the law.

17 THE COURT: No.

18 MR. REYNOSO: It could be -- remember my -- my liberty right
19 now is in jeopardy. I would like to also see how you obtain
20 jurisdiction over me. I would like to know how -- how you get the
21 jurisdiction over me.

22 THE COURT: I'm not going to let you come back later, sir.
23 This is the time and The Court gave you clear notice; so if you're
24 willing, I'm -- I'm asking you to come up to the stand now and
25 provide your testimony.

1 MS. LOWE: Would you like Mr. Talley at the podium?

2 THE COURT: Please.

3 MS. LOWE: Okay.

4 THE COURT: Uh-huh (affirmative).

5 THE COURT: Thank you, Mr. Reynoso. If you'll remain
6 standing and raise your right hand, please.

7 MS. LOWE: Go ahead and ask your questions and give him time
8 to answer and then if the judge (indiscernible) will respond.

9 THE CLERK: Do you solemnly swear the testimony you will give
10 in this case now before this Court will be the truth, the whole
11 truth and nothing but the truth, so help you God?

12 MR. REYNOSO: I swear.

13 (Oath administered)

14 ARTURO JAVIER REYNOSO

15 called as a witness on behalf of the plaintiff, testified as
16 follows on:

17 DIRECT EXAMINATION

18 THE CLERK: Please be seated.

19 THE COURT: Thank you, sir. Please be seated.

20 THE CLERK: For the record state your full name.

21 A I'm sorry.

22 THE COURT: Your full name please.

23 A Arturo Javier Reynoso.

24 THE CLERK: Please spell your last name.

25 A R-e-y-n-o-s-o.

1 THE CLERK: Which city and state do you reside?

2 A What? I'm sorry.

3 THE CLERK: City and state that you reside.

4 A That I what?

5 THE COURT: Where do you reside, city and state?

6 A Where I live?

7 THE COURT: Yeah, not your address --

8 A Las Vegas, Nevada.

9 THE COURT: Mm-hmm. Very good. All right.

10 I'll let you ask questions.

11 Sir, if you wish to invoke your Fifth Amendment
12 privilege, you may invoke it, then if Counsel objects, I'll rule
13 on whether you can properly invoke it. If I sustain that, that's
14 fine. You don't have to answer. If I overrule it, you must
15 answer the question.

16 So I'll let you ask the questions. I assume you don't
17 have too many.

18 MR. TALLEY: Thank you, sir.

19 THE COURT: Okay. Please.

20 BY MR. TALLEY:

21 Q Mr. Reynoso, would you verify that you reside at 808 Glen
22 Abbey Circle, Las Vegas, Nevada?

23 A Did I what?

24 Q Do you reside, do you live at 808 Glen Abbey Circle?

25 A Yes, I do.

1 Q Okay. And your phone number is?
2 A 877-9092.
3 Q Your marital status, are you married?
4 A Yes, I am.
5 Q Do you recall your spouse's social security number?
6 A I'm sorry?
7 Q Your wife's social security number.
8 A My social security number?
9 Q Your wife's, your spouse's.
10 A No, I don't know.
11 Q Okay. Do you own your home or rent it?
12 A Do I what?
13 Q Do you own or rent the home at 808 Glen Abbey?
14 A I refuse to answer that question on the basis that he can be
15 in jeopardy my personal property as a private citizen. It
16 can be used civil and criminal audits.
17 MS. LOWE: I object, Your Honor. That's not a proper
18 invocation --
19 THE COURT: I --
20 MS. LOWE: -- of the Fifth Amendment.
21 THE COURT: I'm going to overrule it, Mr. Reynoso. You
22 can't invoke it for that question. There's no jeopardy for you
23 criminally based upon giving an answer to that question. The
24 question is, do you rent or own that residence?
25 A Your Honor, this is about the collection of a tax liability.

1 THE COURT: That's correct.

2 A Yes. I -- it doesn't exceed (indiscernible) tax liability,
3 and -- and the reason that I'm -- I'm am saying is because my
4 property and my liberty right now is in jeopardy.

5 THE COURT: Not your liberty, sir, but your property may be
6 in jeopardy because of a collection action.

7 A Right.

8 THE COURT: Because it does not jeopardize your criminal
9 interest, I'm going to overrule the objection. You must answer.
10 You can take exceptions for appeal, but you must answer that
11 question. Do you rent or own the residence where you reside?

12 A It would be used -- in against me criminally or civilly?

13 THE COURT: No, it cannot be used against you criminally.

14 A It cannot be used? Can I have a --

15 THE COURT: Civilly, it will be used against you. It may be
16 used against you in order to collect the IRS debt that they claim.

17 A But I don't have the proof that they have a tax liability,
18 Your Honor.

19 THE COURT: Mm-hmm.

20 A And my liberty and my property --

21 THE COURT: I understand, but that's not a proper answer to
22 the question.

23 A Okay.

24 THE COURT: Nor is the time to raise that.

25 A Yes, I do.

1 THE COURT: You do what, rent or own?

2 A Own.

3 Q Is there a mortgage on that property?

4 A Yes.

5 Q Who is the mortgage holder?

6 A I don't remember but tomorrow I can provide that information.

7 Q Thank you. Can you give an approximation of the balance due
8 on the mortgage?

9 A I believe it's 260.

10 Q Two hundred sixty thousand?

11 A Two hundred and sixty thousand.

12 Q Okay. Do you have other dependants in your household other
13 than your wife?

14 A Dependants?

15 Q Children.

16 A People that I've -- I've paying for living?

17 Q Yes.

18 A Yes.

19 Q May I have first names and relationships, please?

20 A I -- I refuse to answer that question. It's -- for the
21 collection it doesn't have anything -- I plead the Fifth
22 Amendment.

23 MS. LOWE: I Object. It's not a proper invocation of the
24 Fifth Amendment.

25 THE COURT: I'm going to overrule it, sir. We just want the

1 first name, don't want the last name, just the first name and
2 relationship.

3 A All right. Could you repeat the question, please?

4 Q Could you give me the first name and relationship of the
5 people that you pay for their living, as you describe it.

6 A Jarred.

7 THE COURT: In that residence.

8 MR. TALLEY: Yeah.

9 THE COURT: Yes, please, go ahead.

10 A In the --

11 Q What was the name?

12 A I'm -- I'm -- I'm -- I was confused.

13 THE COURT: In -- in that residence.

14 A Are you helping him?

15 THE COURT: He's asking, in that residence, the first name
16 and relationship of each person you support who lives with you in
17 that residence.

18 A Jarred, son.

19 Q And the relationship?

20 A Lucille. Son.

21 Q Thank you. Next one. Who else, anybody else?

22 A No.

23 Q Okay. Are either of them over the age of 18 years?

24 A I'm sorry.

25 Q Are either of your dependants over the age of 18 years?

1 A No.

2 Q Are you or your spouse self-employed or operate a business?

3 A No.

4 Q Are you employed by someone?

5 A No.

6 Q Do you receive income from sources other than a business or
7 an employer?

8 A Do I receive what?

9 Q Income.

10 A Income what?

11 Q Do you receive income from any other sources?

12 A Do I receive income from other sources?

13 Q Yes.

14 A I don't understand your question. Could you define income?
15 What is income? It's a profit corporation. I don't have any
16 profit corporation if you mean income.

17 Q Check --

18 THE COURT: I'll allow a clarification. Are you asking, do
19 you receive money?

20 Q Yes, do you receive money?

21 A Yes.

22 Q Where do you receive it from?

23 A I'm sorry.

24 Q From what sources do you receive it?

25 A When? When -- what -- what day are you asking me, today or

1 2001, 2002 or 2003, I mean 2003?

2 Q Today will be fine.

3 A For (indiscernible) sources? So which sources I receive?

4 Q Yes.

5 A I am a real estate agent.

6 Q So then you are self-employed?

7 A No, I am not.

8 Q What agency do you work for?

9 A General Realty. But I don't work for them. I don't work for

10 them. They hold -- they hold my license.

11 Q Then you're self-employed?

12 A Nope.

13 Q How do you describe it?

14 A I'm a (indiscernible) real estate agent.

15 Q Okay. The com -- are you a commissioned sales person?

16 A That's correct.

17 Q And who pay you the commissions?

18 A The title company give it to the broker, and the broker

19 provide it to me.

20 Q Okay. And at the end of the year, how is that reported to

21 you, the total amount that's given you?

22 A I'm sorry?

23 Q At the end of the year, how is it reported to you --

24 A I don't --

25 Q -- the total amount of compensation that you received?

1 A I don't know.

2 Q Do you get a W-2?

3 A Nope.

4 Q Do you get a 1099?

5 A I believe they send a 1099.

6 Q Okay. Thank you. Do you have a checking account, Mr.

7 Reynoso?

8 A No, I don't. Oh, I'm sorry. Yes, I have checking account.

9 Q And what is the name of the financial institution that you

10 maintain that account with?

11 A Nevada Federal Bank.

12 Q Is that the only checking account that you have?

13 A Yes.

14 Q Do you have a savings account?

15 A Do what?

16 Q Savings account?

17 A Yes.

18 Q And who is that with?

19 A Nevada Federal Credit Union.

20 Q Okay. Do you have any other type of a savings account or an

21 account that would permit you to withdraw funds?

22 A No.

23 Q Are you familiar with the financial institution that's called

24 Americans for Lawful Financial Independence and Information?

25 A I'm sorry. Am I familiar with what?

1 Q Americans for Lawful Financial Independence and Information.
2 A Nope.
3 Q Are you familiar with a unit of that, that's called
4 Integrated Cart Interface System or My ICIS?
5 A Nope. I -- ICIS?
6 Q Yes, sir.
7 A I remember that, I -- I've -- one time I -- I searched some
8 information about ICIS.
9 Q Did you establish an account with them?
10 A Nope.
11 Q Does an internet user named Festin mean anything to you?
12 A Is a what?
13 Q In con -- Festin, F-e-s-t-i-n -- in connection with My ICIS?
14 A I don't remember. I don't remember.
15 Q Do you recall using the name, Festin Tin, on the same
16 account?
17 A I don't remember.
18 Q Okay.
19 A I want to mention something. I was intended to open an
20 account and I never did.
21 Q Okay. Do you own the property located at 620 Madison Street?
22 A Yes.
23 Q Okay. Would you -- as I recall, that is a four-plex unit; is
24 that correct?
25 A It's in a house with the three units.

1 Q A house with --
2 A With the three units.
3 Q With three units.
4 A Mm-hmm (affirmative).
5 Q Okay.
6 A Are those units rented out?
7 Q Yes, two of them.
8 A Okay.
9 Q And the house?
10 A Yes.
11 Q It's rented out also?
12 A Yes.
13 Q Can you provide me the names of the tenants?
14 A I don't remember the names, but I can provide it tomorrow.
15 Q Thank you.
16 A Because I have the contracts name -- I mean the -- what --
17 rental contracts.
18 Q Okay. Thank you. Is there a mortgage on that property?
19 A Yes.
20 Q Who is the mortgage holder?
21 A I don't remember which the mortgage on that property.
22 Q Would you provide that tomorrow, too?
23 A Yes.
24 Q Thank you. Is there a balance owing on that property?
25 A Yes.

1 Q Approximately?

2 A Hmm. I believe (indiscernible) eight -- 280 or 270. I don't
3 remember.

4 Q Okay. Will you provide that information tomorrow?

5 A Yes.

6 Q Thank you. Do you own an automobile?

7 A Yes.

8 Q What kind is it, please?

9 A It's a Mercedes.

10 Q Year?

11 A 1999.

12 Q Is there a balance owing on it?

13 A No.

14 Q Does General Realty owe you any money right now?

15 A Nope.

16 Q Okay.

17 MR. TALLEY: In the interest of The Court's time, I would be
18 done with the questions for now.

19 THE COURT: Okay.

20 MR. TALLEY: (Indiscernible.)

21 THE COURT: Thank you, sir. Did you have any additional
22 answers that you want to provide or are you fine?

23 MR. REYNOSO: I would like to ask some questions to him.

24 THE COURT: You can't do that, sorry.

25 MR. REYNOSO: No?

1 THE COURT: You'll return tomorrow at nine a.m. with the
2 documents that you said you would provide today and with the
3 documents listed here in the summons; is that correct? I have
4 your promise that you'll do that?

5 MR. REYNOSO: Yes.

6 THE COURT: Yes. Okay. Thank you, Mr. Reynoso, if you'll
7 return tomorrow at nine a.m. tomorrow, please, here in court.
8 Counsel -- Counsel will be here present.

9 MR. REYNOSO: You say that I do not have the chance to cross
10 examination.

11 THE COURT: Correct.

12 MR. REYNOSO: Will you able to provide me with the proof of
13 the tax liability that you are talking and you --

14 THE COURT: No.

15 MR. REYNOSO: -- to IRS. No? Is any reason?

16 THE COURT: No. This isn't the right forum to do that, sir.

17 MR. REYNOSO: Well, which -- what would be the right forum to
18 request that --

19 THE COURT: The right forum would have been on a Notice of
20 Proposed Assessment by the IRS --

21 MR. REYNOSO: Yeah, but that --

22 THE COURT: -- would have been after you pay the tax and you
23 can file a claim --

24 MR. TALLEY: It was Nevada.

25 THE COURT: -- and they -- the IRS denies that claim --

1 MR. TALLEY: If you -- if you need it.

2 THE COURT: -- then you can file a complaint in United States
3 District Court, then we would be the proper forum.

4 MR. REYNOSO: Mm-hmm (affirmative).

5 THE COURT: Otherwise, the proper forum is either an audit or
6 the Court of Claims or the Tax Court, and after you pay the debt
7 and they refuse to pay it back to you, then in the U.S. District
8 Court. That's the proper --

9 MR. REYNOSO: Yeah. But on the petition that they originally
10 put, they say that they have a probable cause and they submit it
11 with you, and you say that you have a proof that the probable
12 cause was in this case --

13 THE COURT: No.

14 MR. REYNOSO: -- and I want to request that proof.

15 THE COURT: No, I have no proof, nor am I required to give
16 you anything, sir. This is simply an enforcement collection
17 action.

18 MR. REYNOSO: An enforcement collection and action?

19 THE COURT: That is correct.

20 MR. REYNOSO: But if I raise the -- that this information, it
21 doesn't have ONV Number. And that you also says that you cannot
22 provide me jurisdiction about me. And I also say that Ms. Pound
23 didn't have an oath of -- of signing, or signature bond?

24 THE COURT: Right.

25 MR. REYNOSO: Do you have one, Mr. Jones?

1 THE COURT: No, sir. And that's all the --

2 MR. REYNOSO: But you don't have?

3 THE COURT: That's all questions I'm going to --

4 MR. REYNOSO: Okay.

5 THE COURT: -- answer. Thank you. I do take your promise.

6 You'll be back at nine a.m. tomorrow.

7 MR. REYNOSO: Sure, I will.

8 THE COURT: Thank you, Mr. Reynoso.

9 Thank you. Court will be in recess.

10 THE CLERK: All rise.

11 12:00:08

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TRANSCRIBER'S CERTIFICATE

I, Kristene Honzik, hereby certify that the foregoing pages numbered 2 through 33 are true, accurate, and complete transcript of proceedings in Case No. 2:06-cv-01206-RCJ-GWF, United States of America versus Reynoso, transcribed by me from a copy of the electronic sound recording to the best of my knowledge and ability.

Date

Kristene Honzik, Transcriber