

1 IN THE UNITED STATES DISTRICT COURT

2 FOR THE DISTRICT OF OREGON

3 UNITED STATES OF AMERICA, )  
 ) Case No. CR-98-529-BR

4 Plaintiff, )  
 )

5 v. ) June 19, 2001  
 )

6 APRIL BARNES (1), )

7 DAVID BARNES (2), )

8 DAVID CROSS (3), )

9 WALTER J. HOYT (4), )

10 PHYLLIS KING (5), )

11 DARREL SMITH (6), )

12 Defendants. )

13 ) Portland, Oregon

14 TRANSCRIPT OF PROCEEDINGS

15 (Excerpt of proceedings)

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18 BEFORE THE HONORABLE ROBERT E. JONES

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1 (The following excerpted proceedings were held on  
2 Tuesday, June 19, 2001)  
3 THE COURT: I do want to say something, if you could  
4 have a seat.  
5 The three gentlemen back there, the prosecution  
6 witnesses, if you could stand.  
7 I wanted to thank you for your intense work over --  
8 how many years collectively? 20 years, about? Obviously,  
9 you're very dedicated public servants, and this has been a  
10 tremendous undertaking on your behalf, and your efforts should  
11 not be unrecognized.  
12 I do ask you to take this message back to the  
13 Government, and I'll also ask the U.S. attorneys involved in  
14 this case to communicate this request from the Court.  
15 That the victims in this case were not people that got  
16 into this as a matter of personal greed. That the victims in  
17 this case were truly victimized by a person who was capable of  
18 the greatest deceit -- deceitful practices, who deceived  
19 everyone around him, including those closest to him. And  
20 because of that -- and these people made this request for tax  
21 relief on a good faith basis and are not culpable in any way.  
22 It's my strongest recommendation that those remaining cases  
23 that remain open be resolved by denying the tax shelter but to  
24 eliminate any penalties or any interests that may have  
25 accumulated.

1 This puts so many thousands of people in an impossible  
2 position to pay anything. And as I understand it, it's the  
3 present policy of the Government to attempt to make reasonable  
4 accommodation and compromises and settlements on these cases.  
5 So for what it's worth, having heard all of the  
6 testimony -- which the people making those decisions haven't  
7 heard -- and having lived with this case now for this long  
8 period of time, it's my -- the Court's strongest recommendation  
9 that the -- this request be honored.

10 MR. GARTEN: Thank you, your Honor.

11 THE CLERK: Court's in recess.

12 (Conclusion of proceedings.)

13 (Conclusion of excerpt.)

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