



IN THE UNITED STATES TAX COURT

In the matter of: )  
 )  
 ALPHONSE MOURAD, )  
 )  
 Petitioner, )  
 ) Docket No. 18038-05L  
 v. )  
 )  
 COMMISSIONER OF INTERNAL REVENUE, )  
 )  
 Respondent. )

Courtroom 1013  
 O'Neill Federal Buidling  
 10 Causeway Street  
 Boston, Massachusetts

Tuesday  
 May 22, 2007

The above entitled matter came on for trial,  
 pursuant to notice, at 1:37 p.m.

BEFORE: HONORABLE JOSEPH H. GALE  
 Judge

APPEARANCES:

For the Petitioner:

ALPHONSE MOURAD, PRO SE  
 P.O. Box 882  
 Watertown, MA 02472

## APPEARANCES (CONT'D)

For the Respondent:

LOUISE FORBES, ESQ.  
Internal Revenue Service  
Office of Chief Counsel/SBSE  
O'Neill Federal Building  
10 Causeway Street  
Room 401  
Boston, MA 02222  
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C O N T E N T S

<u>WITNESSES:</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>	<u>VOIR DIRE</u>
<u>For the Petitioner:</u>					
Alphonse Mourad	19				
<u>For the Respondent:</u>					
(If Any.)					

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OPENING STATEMENT ON BEHALF OF THE PETITIONER:	
OPENING STATEMENT ON BEHALF OF THE RESPONDENT:	
CLOSING STATEMENT ON BEHALF OF THE PETITIONER:	
CLOSING STATEMENT ON BEHALF OF THE RESPONDENT:	

E X H I B I T S

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1 THE COURT: Mr. Mourad?

2 MR. MOURAD: I'm ready to proceed, but I did  
3 discuss with an attorney yesterday that I would be  
4 testifying regarding this motion here with all the  
5 exhibits in it, because that's the only way I can  
6 relate the facts issue and the Judge's decision, I'm  
7 going to articulate argument. Without it I won't be  
8 able to really ---

9 THE COURT: What motion are -- is that a  
10 motion that's ---

11 MR. MOURAD: This motion was sent to the  
12 Court, was dismissed. It's Petition of Alphonse  
13 Mourad's Opposition to the IRS Motion to Dismiss and  
14 was sent to the Honorable Judge Kenner. He denied it,  
15 but I just want to testify to the exhibits. I do know  
16 it's been denied, but without the exhibits I can't  
17 make argument.

18 THE COURT: Are these exhibits documents and  
19 the like that you are hoping to get into evidence? Is  
20 that what's ---

21 MR. MOURAD: That's what I would like, out  
22 of the procedure, yes. They're really on court  
23 record.

24 THE COURT: Ms. Forbes?

25 MS. FORBES: Your Honor, the Petitioner's

1 referring to the IRS motion to strike the '97 -- 1997  
2 tax year. His response was filed with the court.  
3 There were 28 exhibits.

4 I have looked at them yesterday with  
5 Petitioner and I would not stipulate to them mainly  
6 because essentially it's my opinion or Respondent's  
7 position that he's trying to reopen the 1997 tax year,  
8 which has been resolved by the Tax Court and affirmed  
9 by First Circuit.

10 Many of the exhibits are uncertified copies  
11 from the Bankruptcy Court and the Circuit. There are  
12 a couple of duplicate exhibits, such as the Notice of  
13 Determination and the Notice of Intent to Levy, but  
14 most of the exhibits are either uncertified or  
15 irrelevant to what we're here to discuss today, which  
16 is the 1995 year and the 1999 year.

17 THE COURT: Well, I wonder, let's take, for  
18 example, the Bankruptcy Court filings. Is that their  
19 only defect, simply that they aren't certified copies  
20 of the court proceedings?

21 MS. FORBES: Well, they're not cert -- not  
22 the only defect. They aren't really relevant, other  
23 than the fact that, you know, he was in a bankruptcy  
24 proceeding, as far as 1999 goes.

25 THE COURT: Well, I mean, the question, for

1 example, was it resolved in the '97 proceeding exactly  
2 when the tax credits that are at issue here were  
3 applied for? Is that addressed? I mean, was there  
4 more than one application? Has there only been one  
5 application?

6 MS. FORBES: To the best of Respondent's  
7 knowledge, there was one request for the tax credits  
8 that was granted as the First Circuit said to the  
9 owner in 1998.

10 THE COURT: In 19 -- applied for in 1997,  
11 though, and granted in '98?

12 MS. FORBES: Yes, your Honor. That's what  
13 the First Circuit found from the evidence, and, in  
14 fact, some of the -- there are at least two exhibits  
15 here that still have the docket number from the 1997  
16 Tax Court case also. That's -- and so, as far as  
17 we're con -- as far as the facts have been presented  
18 to us, there was one application, they were granted in  
19 1998, according to the First Circuit. There's no  
20 indication from the return filed by the trustee that  
21 there were any tax credits available in 1999.

22 THE COURT: In 1999.

23 MS. FORBES: Which is the year before this  
24 Court, whether -- if I may back up, your Honor. There  
25 are two years before the Court, the 1995 year and the

1 1999 year. Even though it's a CDP hearing, the tax --  
2 he's never had -- the Petitioner has never had an  
3 opportunity ---

4 THE COURT: I understand that.

5 MS. FORBES: Right. And at the appeals  
6 level he presented no evidence concerning why those  
7 liabilities were incorrect, and up to this point he's  
8 presented no evidence why those liabilities are  
9 incorrect, and there's nothing in these exhibits that  
10 would, as far as the Respondent's concerned, that  
11 would assist the Court in determining the 1995 and  
12 1999 tax liabilities.

13 THE COURT: Well, the tax credits that -- I  
14 take it these filings do evidence the application for  
15 and granting of low income housing tax credits by the  
16 trustee?

17 MS. FORBES: There was -- there is a letter  
18 that is not certified that says that the -- that the  
19 trustee is applying for the tax credit. When it was  
20 granted, there is no evidence, other than the First  
21 Circuit's determination that it was granting it. If  
22 it was applied for in 1997, it was granted for 1998.

23 THE COURT: And you -- each time you say  
24 "the First Circuit's finding," was there no finding in  
25 the Tax Court in that regard?

1 MS. FORBES: I believe that the Tax Court  
2 opinion stated that they were not available in 1997  
3 because the Petitioner had never applied for them  
4 personally. He had never applied for them at all.  
5 And I believe that was the ruling in the Tax Court  
6 case.

7 THE COURT: And the First Circuit reached a  
8 slightly different conclusion?

9 MS. FORBES: Based on the facts that were  
10 before it, there is a notation that they were actually  
11 applied for in '97 but granted for 1998.

12 THE COURT: Okay. Well, I'll tell you what,  
13 let's -- I think we may have to take this as the  
14 exhibits come up, but this is helpful to me, at least,  
15 to kind of get an overview of what we're talking about  
16 here, Mr. Mourad. I do hope you understand, and I  
17 tried to make this clear when we talked about this  
18 case yesterday, the -- the 1997 tax year, you know,  
19 was decided by this Court and affirmed by the First  
20 Circuit, and I won't be entertaining any challenges to  
21 what the conclusions reached by either the Tax Court  
22 or the First Circuit with respect to 1997. That is  
23 not in this case, and that's been resoundingly  
24 decided. That would have been the case in any event,  
25 and the motion to dismiss which was granted in this

1 case kind of puts both the belt and suspenders on that  
2 proposition. So, just to remove any area of confusion  
3 in the proceedings today, I want you to understand we  
4 are not reopening 1997, and if you're trying to, to  
5 paraphrase you from yesterday, you are wasting  
6 everyone's time, including your own.

7 MR. MOURAD: Okay, then. I need you to  
8 clarify one question for me, your Honor. If the  
9 attorney for the IRS, in front of the First Circuit of  
10 Appeal in the oral argument, when Judge Lynch, she  
11 asked her direct question, who applied for the tax  
12 credit, and she said the trustee, the buyer, your  
13 Honor, in 1998. Now, if you look at the exhibit of  
14 the Confirmation Plan, which we had three attorneys  
15 from Judge Kenner, I met with them that evening, and  
16 they were concerned about whether they will win the  
17 case because the trustee doesn't have site control,  
18 only the owner who owns the land and the building, the  
19 holder, has a right to a tax credit. So, therefore,  
20 Beacon Residential Property cannot apply for the tax  
21 credit without joining ownership with Alphonse Mourad  
22 because he's the one who has the ten years to satisfy  
23 statute 42(d).

24 Now, Judge Kenner, she was boxed in. She --  
25 the governments were there, they had everybody, and

1 they had to have tax credit. So, discretionary she  
2 said, okay, I solved the problem and I appoint Stephen  
3 Grey the owner; now, what is the issue? Then the  
4 attorney right here in the transcript said, "Your  
5 Honor has solved the egg and the chicken." So, to me,  
6 I said, fine, I'm willing to walk away from the  
7 property, he is the owner, now he is responsible from  
8 the day he's appointed from 1996 on. What he does is  
9 his business, because he becomes the beneficiary of  
10 the stock.

11 And that was all argument, and then the  
12 attorney asked Jane Gumbel from the state credit, did  
13 Stephen Grey join the application? She said yes. Did  
14 he satisfy site control? She said yes. Ask the  
15 state, did you join partnership on the application  
16 with Beacon Residential Property? She said yes. It's  
17 all here. Yes. Yes. Yes. So, what happened, the  
18 trustee start out taking the tax credit, which is  
19 mine, after twelve years of hard work, he took it to  
20 himself, he formed a shell corporation and they had a  
21 party, he transfer it to Beacon Residential Property,  
22 he became limited partner with Home -- Home, limited  
23 partnership, I looked at it, with Beacon Residential  
24 Property, and basically we're looking at theft here.  
25 Then -- they get the tax credit, and then

1 Judge Lynch raises another question. She said, is  
2 there any other tax liability? And on Page 23 in all  
3 the arguing he said, "Nothing I know of. The parties  
4 sold the end of '97. I don't foresee any other  
5 taxes." And therefore the Judges relied, and you're  
6 correct, like why go over the ruckus? We've been  
7 assured the '98, V&M had nothing to do with it, so  
8 what's more I'm talking about. There is no other  
9 taxes by the end of 1997, so therefore we're not going  
10 to look at the record. But you say to me, I'll agree  
11 with you, I feel bad, you're on the spot, because  
12 there's too many judgment against you, not judgment  
13 but decision, with three separate appeal judges, and  
14 Judge Gerber, who had that motion for ten months, I  
15 thought he was very unfair to me because at least -- I  
16 don't know much about law but I do know enough  
17 attorneys to read judgments and they tell me what the  
18 judge could have given you. He could at least have  
19 given me an open window to say, well, if the property  
20 was sold in '97 and then where did half a million  
21 dollars excess come profit to you as the sole  
22 shareholder in '99, so it had to come from the tax  
23 credit, and if it came from tax credit, then it wasn't  
24 paid in '97, not on '98. And the record shows here  
25 they were obtained on three installment basis, one in

1 '97, '98, and '99. You're going to confirm the plan  
2 you honor to the creditors and assure them you have a  
3 check or money to pay them without having the false  
4 allocation of tax credit in '97. Otherwise, Mourad  
5 always was the opposition to a plan as I had a \$5  
6 million check, five million five, to say we taking  
7 this property out today because we got cash. They  
8 have to prove they have allocation of funds today and  
9 that allocation was proven in '97. So I say relevant  
10 to '98 and '99. But when was it approved? It was in  
11 '97.

12                   So -- and I won an appeal with the  
13 Bankruptcy First Circuit, the two judges, I have it  
14 here, and I would like to cite at least -- they refer  
15 that -- to discuss it with the IRS court.

16                   THE COURT: Well, let's ---

17                   MR. MOURAD: Who is Your Honor.

18                   THE COURT: Let's slow down here, Mr.  
19 Mourad. I really am having a great deal of difficulty  
20 sorting out the points you're trying to make here.

21                   With respect to how you could have had  
22 income in 1999, it's my understanding -- have you read  
23 the Respondent's pretrial memorandum?

24                   MR. MOURAD: No, I didn't bother, your  
25 Honor. You tell me it.

1           THE COURT: Well, the essential answer to  
2 your question about how you could have had income in  
3 1999 is, as I understand it -- now, this is an  
4 allegation, haven't seen the proof -- but the  
5 allegation is that the Mandela, I believe it is, the  
6 Mandela property, was sold for an install -- on an  
7 installment basis, and that there were payments up to  
8 and including 1999, and that your share of the profit  
9 on that installment sale was recognized as income via  
10 your status as the sole shareholder of the "S"  
11 corporation in 1999. Now, that's what I understand to  
12 be the reason why you have --

13           MR. MOURAD: Then let me ask this question,  
14 your Honor. If the corporation was dissolved in 1998  
15 by the state, which I have a copy of it, dissolved,  
16 doesn't even exist, whether it's an "S" corporation or  
17 Al Mourad, it doesn't exist. The "S" corporation was  
18 dissolved, it's over in '98. Judge Kenner, they file  
19 a motion for decree of closing the case, was closed in  
20 '98. Now, I haven't seen yet one judge in my favor to  
21 say okay, if that installment profit came in '99,  
22 where's Mr. Mourad's check? Why seven judges having a  
23 problem to verify where's the money? At least while I  
24 sued the trustee, your Honor, in state court, they  
25 have moved it back to the federal court and the same

1 judges who's biased like Judge Torruella, he denied me  
2 a malpractice lawsuit. I walked away from the  
3 bankruptcy because Mourad has no equity, and Judge  
4 Kenner's order, no distribution out of this will go to  
5 him personally. I have a problem with that.

6 THE COURT: All right, Mr. Mourad. I think  
7 the only way we're going to make some progress here is  
8 for you -- you have -- is there any issue regarding  
9 the burden of proof in this case? Has that been ---

10 MS. FORBES: No, your Honor. The burden of  
11 proof would be on the Petitioner to show that he had  
12 no liabilities for that particular tax year, the tax  
13 years at issue.

14 THE COURT: Well, has the Petitioner  
15 complied with 7491? Petitioner -- I guess that Mr.  
16 Mourad refused to meet with you prior to yesterday; is  
17 that right?

18 MS. FORBES: Yes, your Honor, and there was  
19 no real meeting with the Appeals Officer, it was a  
20 telephonic conference. Even though he brought up the  
21 fact that he was -- he implied that he was disputing  
22 his tax liabilities for those years, there's nothing  
23 in the administrative file to indicate he presented  
24 any documentation which would lend the Appeals Officer  
25 or myself to indicate that there was a -- that we

1 should be reducing the liability.

2 THE COURT: All right. And that's  
3 essentially -- it seems to me that's consistent with  
4 what you've said in some of your filings, Mr. Mourad,  
5 that you didn't want to sit down and talk to the IRS.

6 MR. MOURAD: Because I'm not, your Honor,  
7 there's nothing to talk about.

8 THE COURT: I'm sorry?

9 MR. MOURAD: Because I no more acknowledge  
10 myself to be the owner since '96.

11 THE COURT: All right. But you didn't sit  
12 down with the IRS.

13 MR. MOURAD: No, because, to be honest with  
14 you, I've been shut out before. I have sat down. I  
15 have seen -- and I don't want to go into it now --  
16 understand -- on the stand, accused of fraud, and I  
17 was arrested for misrepresentation meeting with IRS  
18 agent.

19 THE COURT: Okay.

20 MR. MOURAD: And I won't the rest of my  
21 life.

22 THE COURT: All right. Well, then, I'm  
23 satisfied with respect to 7491, that there's been no  
24 shifting of the burden of proof, and therefore, Mr.  
25 Mourad, it's your -- you have the burden here of

1 proving that the liability that the government says  
2 you owe with respect to 1995 and 1999 is incorrect,  
3 and so I will -- I think, in terms of how we will  
4 proceed here, in order for your testimony to be  
5 counted as competent evidence I need to swear you in,  
6 and you can, you know, provide whatever testimony you  
7 can with respect to the years and why this liability  
8 is wrong, and if you have exhibits, we will see  
9 whether -- we will deal with those as they come up.  
10 And when you've made your presentation, Ms. Forbes  
11 will have the opportunity to cross-examine you and  
12 then you can have the opportunity after that to  
13 clarify any additional point you want that stems from  
14 her questioning of you.

15 MR. MOURAD: Appreciate it.

16 THE COURT: Then I would ask the Trial Clerk  
17 to swear you in, Mr. Mourad.

18 Whereupon,

19 ALPHONSE MOURAD

20 was called as a witness and, having been duly sworn,  
21 was examined and testified as follows:

22 THE CLERK: Will you please state your full  
23 name and most current address for the record.

24 MR. MOURAD: My name is Alphonse Mourad.  
25 I'm the Petitioner. And my P.O. Box is 882,

1 Watertown, Mass. zip code 02472.

2 THE CLERK: Thank you.

3 THE COURT: All right, Mr. Mourad, and if  
4 you would like to remain seated, that is fine for  
5 purposes of presenting your case.

6 DIRECT EXAMINATION

7 MR. MOURAD: Your Honor, I bought -- I  
8 bought the Mandela developments, me and two partners,  
9 back in 1981 from HUD. It's a Section 8 housing,  
10 hundred percent Section 8 housing. In 1994, two of my  
11 partners, they were disengaged, and then I converted  
12 from a "C" corporation to an "S" corporation, and I  
13 became the sole shareholder of V&M Management, I owned  
14 a hundred percent of the stock.

15 In the beginning I had some difficulties  
16 with HUD managing the property, and we're not going to  
17 spend time with that. The sale was fraudul. There's  
18 a procedure, HUD's supposed to notify the Boston  
19 Redevelopment Authority, there's an excise tax on the  
20 property, you're supposed to have a public hearing,  
21 bring the property up to the code. Essentially it  
22 would cost HUD several million dollars and HUD -- I  
23 didn't know that till later -- they owed two hundred -  
24 - 2,800,000 on the property. So, therefore, it  
25 started from there sour, and there was a lawsuit filed

1 against HUD, and HUD basically were looking eventually  
2 for a way out of this lawsuit.

3           Then I decided I want to be able to leave  
4 the property and go to another businesses; this is not  
5 something I want to be involved with. In trying to  
6 sell the property in 1984, I did have a buyer and  
7 unfortunately the city, the mayor, and Boston  
8 Redevelopment Authority, they were involved in a back  
9 room deal with a buyer, been a concession on him, they  
10 would not approve the Mandela sale unless he meets  
11 other requirement where they were not pertained to  
12 mine. So I became a hostage at that point for a year.

13           We went to court and Judge King found in my  
14 favor and he award me \$50,000 and he did acknowledge  
15 the conditions. And that was in The Boston Globe, the  
16 articles all over, it was a scandal. So therefore you  
17 can see the city, state, everybody now start to get  
18 upset, how do we get rid of Mr. Mourad.

19           Then the Attorney General for seven, eight  
20 years they try to put me in receivership. First they  
21 apply for receivership back in the '90s and the judge  
22 removed the case back to the federal court because it  
23 was a federal subsidies, and then when we took it back  
24 to the judge he recused himself. Then the attorney  
25 joined in with the government trying to put me in

1 receivership, and then Judge Wolfe did not allow the  
2 receivership and he said work a settlement. And  
3 because of that litigation, I realize the interest  
4 rate in Massachusetts on policy was 18 percent. I was  
5 able to reduce that from 18 to 14 percent.

6           There was a problem with the 121A taxes  
7 which is suppose to be -- lower, lower taxes of  
8 Chapter 59, normal city tax, in this case was double.  
9 I have written to HUD, the Inspector General, the  
10 fact affordable housing in the City of Boston they've  
11 been robbed, and the utility were charging high  
12 commercial rate versus residential rate. So I became  
13 quite controversial a problem to the City, to the BRA,  
14 to the State, and was quite embarrassing for them  
15 because that affected all affordable housing and  
16 affected policies.

17           So, therefore, the Attorney Generals tried  
18 to go back for receivership with the Boston  
19 Redevelopment Authority and the State and everyone in  
20 front of Judge Catherine White in 1994. They lost  
21 that receivership. So, they came back around and they  
22 found a junior mortgagor by the name Mario Negosier,  
23 who was able to go in, I have the money for him, was a  
24 note of 13,500. I had the money to pay him the whole  
25 entire five notes. It went back front of Judge

1 Catherine White and Judge Catherine White did not  
2 allow the receivership because she understood under  
3 Section 121A of excise tax the only time affordability  
4 would be lost under foreclosure, and she said my  
5 obligation today is to protect the tenants, so I will  
6 not allow foreclosure and I will consolidate the  
7 foreclosure with other litigation with HUD, the State,  
8 Department of Revenue.

9           Then the biggest case was still pending,  
10 they never ruled on it, they never will, is what is  
11 the formula for excise tax. If I am correct and the  
12 judge to rule on it, then the State will be liable to  
13 refund \$800 million to everyone who was under 121A  
14 agreement of the excise tax. So really the government  
15 said, we can't afford to go into litigation, we can't  
16 afford a decision, we need to get Mourad out of here,  
17 and then Mourad became about by naming Mandela after  
18 President Nelson Mandela in '87, I supported the  
19 incorporation was to become a separate city from  
20 Boston, and therefore I became a thorn to what the  
21 real agenda is in Boston.

22           The bottom line, what they were trying to  
23 accomplish, is very simple. It's called  
24 regentrification (sic). Mandela sits on six acres of  
25 land, it's a very valuable, they had a billion-dollar

1 little city to be built, extension to Faneuil Hall,  
2 City of Boston. They moved all the City government  
3 there, and I was in their way, and they definitely  
4 didn't want affordable housing, they don't want crime  
5 there, and they don't want Section 8 housing because  
6 there was a demand for the land much higher than Al  
7 Mourad, so they all joined together, went in front  
8 Judge Catherine -- Judge Carroll, in the Bankruptcy.  
9 Now, Judge Carroll based the bankruptcy -- and I would  
10 like to read that, whether it's accepted as an exhibit  
11 or not, your Honor, I appreciate it.

12 THE COURT: We're now to what I understood  
13 to be your declaration of bankruptcy in ---

14 MR. MOURAD: Correct. To save refuge for  
15 reorganization.

16 THE COURT: In early 1996.

17 MR. MOURAD: '96.

18 THE COURT: All right.

19 MR. MOURAD: So, I went to the bankruptcy in  
20 '96 and -- let's see here -- what's interesting, your  
21 Honor, none of the creditors applied, they asked for a  
22 trusteeship. The motion, Boston Redevelopment  
23 Authority, the Commonwealth of Massachusetts,  
24 Department of Revenue, and the City of Boston seek for  
25 appointment trustee. That was the motion.

1           Now, here's a statement from Mr. Shapiro who  
2 litigated for Mayor Flynn back in the days of BRA, he  
3 made over half a million dollars. He made me drop the  
4 lawsuit against officials so he could work with me and  
5 to work cooperative. Once I dropped the personal  
6 lawsuit then they went for receivership. I mean, this  
7 case is unusual.

8           THE COURT: I don't understand what you just  
9 said.

10          MR. MOURAD: That's okay. I'll read what he  
11 said basically to get an idea how the government ---

12          THE COURT: What are you reading from?

13          MR. MOURAD: Exhibit 14, your Honor.

14          THE COURT: Now, this is Exhibit 14 to the  
15 document ---

16          MR. MOURAD: Receivership, what started  
17 receivership.

18          THE COURT: Just a minute. Is this Exhibit  
19 14 to the document that's entitled "Petitioner  
20 Alphonse Mourad's Opposition to the IRS Motion to  
21 Dismiss"?

22          MR. MOURAD: No, the one I have here is a  
23 motion for Boston Redevelopment Authority for a  
24 trusteeship. Do we have the same one? Exhibit 14  
25 here is a bankruptcy ---

1 THE COURT: You're not following me now.  
2 The document is Exhibit 14 to what?

3 MR. MOURAD: Motion of the Boston  
4 Redevelopment Authority on the Commission to Appoint a  
5 Trustee.

6 THE COURT: Are you reading from Exhibit 14?

7 MR. MOURAD: Correct.

8 THE COURT: What is Exhibit 14 contained in?

9 MR. MOURAD: Exhibit contain just a  
10 background where every one of the government officials  
11 they said we will not do business with Mr. Mourad.

12 THE COURT: Mr. Mourad, try again. Is it  
13 Exhibit 14 to a filing you made in this court?

14 MR. MOURAD: No. No. That's just a  
15 background, what I'm explaining to you. Have nothing  
16 to do with this court. We can ignore it then.

17 THE COURT: Ms. Forbes -- I had thought that  
18 you -- Ms. Forbes -- just bear with me. Ms. Forbes, I  
19 thought we were talking about exhibits to -- that the  
20 Petitioner filed with this Court as exhibits to his  
21 Opposition to Respondent's Motion to Dismiss. Am I  
22 wrong about that?

23 MS. FORBES: That was my understanding. If  
24 I could ---

25 MR. MOURAD: My apology, your Honor. I will

1 avoid that. This is only background. But I will go  
2 to exhibit of the Court, and I agree with you, so we  
3 won't waste any time.

4 THE COURT: Okay. I have no idea what that  
5 was, so let's ---

6 MR. MOURAD: Okay. Your Honor, if we go to  
7 Exhibit 17.

8 THE COURT: Exhibit 17 of what?

9 MR. MOURAD: This deals with what's on the  
10 record regarding the trustee file first application to  
11 a tax credit.

12 THE COURT: In what court's proceeding?

13 MR. MOURAD: This was done on the Tax Court,  
14 because I have exhibits of the other attorneys all in  
15 here, of the appeal, what the judges ruled on. When  
16 Judge Lynch, he said we'll look at the records, all  
17 these exhibits were part of the record. Judge Lynch  
18 did not look at them. If she has looked at them she  
19 will have realized that the trustee did apply in 1997  
20 for V&M Management.

21 THE COURT: Okay. So what -- so now we're  
22 dealing with exhibits to the appeal of the Tax Court  
23 decision for the First Circuit.

24 MR. MOURAD: That's correct, your Honor.  
25 Appreciate that.

1 THE COURT: Now, what is that -- what does  
2 that exhibit purport to be? Just read the title.

3 MR. MOURAD: Yes. This exhibit was to Miss  
4 Jane Wallace Gumbel, Director, Department of Housing  
5 and Community Development, 100 Cambridge Street. It  
6 says, "Miss Gumbel, Attached one stop application for  
7 Mandela apartment applying for an allocation of low  
8 income housing tax credit, State housing  
9 stabilization, at or -- funds."

10 THE COURT: So, this is the -- what you  
11 claim is the application for the low income housing  
12 credit for the Mandela apartments?

13 MR. MOURAD: That is the key, for the whole  
14 application, that's the first stop, they call it. The  
15 whole case is built on that.

16 MS. FORBES: Excuse me, your Honor.

17 THE COURT: Yes, Ms. Forbes.

18 MS. FORBES: If I could assist the Court.  
19 It is Exhibit 17, what Mr. Mourad is referring to is  
20 Exhibit 17 in his Opposition to the Motion to Dismiss.  
21 It's Exhibit 17, it's -- the top of the letter's from  
22 Recovery Group, it was Exhibit 8J in the Tax Court  
23 proceeding.

24 THE COURT: Okay. Exhibit 17. I see it  
25 now. It's a -- it's a letter with the letterhead of

1 the Recovery Group?

2 MR. MOURAD: That's correct.

3 THE COURT: And it's a letter dated August  
4 26th, 1997.

5 MR. MOURAD: That's correct.

6 THE COURT: All right. And what -- what is  
7 this letter again, just to be clear?

8 MR. MOURAD: This letter determines the  
9 trustee has site control and he applied on behalf of  
10 V&M Management, not Beacon. If you look at the  
11 signature, Stephen Grey, Chapter 11 Trustee, V&M  
12 Management, Inc. So it took V&M Management to apply  
13 for the tax credit in '97 in order for Beacon to join  
14 in and get the tax credit. Without that letter,  
15 Beacon Management alone could not obtain the tax  
16 credit, so the tax credit was approved in '97. The  
17 allocation was approved in '97.

18 THE COURT: The letter, question is, will it  
19 come in as evidence. What is the Respondent's  
20 position?

21 MS. FORBES: Your Honor, we would object to  
22 the admission of the letter. It -- it does not  
23 support -- it's irrelevant to the 1999 year, the 1995  
24 year. It is simply a letter written in August of '97  
25 that the Tax Court has already considered in the '97

1 tax year. It does not go to prove the Petitioner's  
2 position that it was granted in '97. Both this Court  
3 and the First Circuit have already stated that the  
4 credit was not granted for 1997.

5 THE COURT: Is there any reason that the  
6 Respondent doubts the authenticity of this letter?  
7 Let's put aside relevance for a moment and just do you  
8 think this letter is other than what it purports to  
9 be?

10 MS. FORBES: No, your Honor, I don't.

11 THE COURT: Do we have a copy of this letter  
12 that is separate from this bound version here in the  
13 previous submission by ---

14 MR. MOURAD: Yes, your Honor, you have it on  
15 the attorney who did the exhibits, it's in here.

16 THE COURT: I need an individual copy of it  
17 if it's going to come into evidence in this case.

18 MR. MOURAD: I would take one out of here  
19 and I will make you one, your Honor. I will take one  
20 of the binders off right now and make you one. I have  
21 other binders.

22 THE COURT: All right. This would -- where  
23 would this fall in the sequence?

24 THE CLERK: Of the exhibits?

25 THE COURT: Yes. There were ten joint

1 exhibits, so this would be 11P. All right. I'll let  
2 you at a break do the disassemblage. I'm going to  
3 treat Petitioner's having moved for the admission of  
4 11P, which is an August 26, 1997, letter addressed to  
5 Ms. Jane Wallace Gumbel, Director of the Department of  
6 Housing and Community Development, from Stephen S.  
7 Grey, the Chapter 11 Trustee, V&M Management, Inc. Is  
8 there objection?

9 MS. FORBES: Of relevancy, your Honor.

10 THE COURT: On relevancy grounds?

11 Overruled. 11P is admitted.

12 (Exhibit 11P was marked for  
13 identification and admitted  
14 in evidence.)

15 MR. MOURAD: Thank you, your Honor. Now,  
16 Exhibit 19, your Honor ---

17 THE COURT: That's Exhibit 19 of your  
18 previous Opposition to Respondent's Motion to Dismiss?

19 MR. MOURAD: Correct. It's also part of the  
20 record.

21 THE COURT: And this is a filing in the  
22 bankruptcy proceeding.

23 MR. MOURAD: This is a confirmation plan  
24 that approved the tax credit on Stephen Grey, the  
25 owner.

1 THE COURT: Well, it appears to me to be a  
2 transcript.

3 MR. MOURAD: Correct. It is a transcript.

4 THE COURT: All right. Let me ask you, Ms.  
5 Forbes, this, I take it is -- does the Respondent have  
6 any reason to doubt that this represents a proceeding  
7 in the bankruptcy of V&M Management?

8 MS. FORBES: No, your Honor.

9 THE COURT: Have you seen the document  
10 previously?

11 MS. FORBES: I have seen the document when  
12 the Petitioner filed his motion in opposition to our  
13 motion to dismiss. The only question I have is it is  
14 not a complete transcript of the proceeding.

15 THE COURT: Well, I think your completeness  
16 objection is well taken. I wonder if we could reach  
17 an agreement that this complete portion of this  
18 transcript could be admitted into evidence in this  
19 case.

20 MS. FORBES: Your Honor, I would agree that  
21 this could be entered as a document that was entered  
22 in the docket -- in the docket number for 1997 and  
23 appears to be a portion of what may have been entered  
24 as an exhibit.

25 THE COURT: Well, what I would propose is



1 clarify how long Mr. Mourad will have to complete the  
2 record?

3 THE COURT: I'll give you 21 days.

4 MR. MOURAD: Thank you, your Honor. Exhibit  
5 21, your Honor.

6 THE CLERK: This will be due on June 12th.

7 MR. MOURAD: That'll be fine.

8 THE COURT: All right. You were referring  
9 to Exhibit 21 of that same Opposition's Response to  
10 Motion to Dismiss.

11 MR. MOURAD: Correct. Yes.

12 THE COURT: All right.

13 MR. MOURAD: --- the quitclaim was ---

14 THE COURT: Bear with me one second; I  
15 haven't found 21. All right.

16 MR. MOURAD: Yes. Stephen Grey, he's the  
17 one who signed on the deed to the buyer, was not  
18 Alphonse Mourad of V&M Management. He was in total  
19 control as the seller.

20 THE COURT: All right. So, this Exhibit 21  
21 is -- your assertion is that this is the deed by which  
22 the Mandela apartments were transferred?

23 MR. MOURAD: By the appointed order, Stephen  
24 Grey, but just kind of individually.

25 THE COURT: Transferred to the ---

1 MR. MOURAD: Beacon Residential Properties.

2 THE COURT: --- purchased this from V&M  
3 Management, Inc., bankruptcy.

4 MR. MOURAD: Correct.

5 THE COURT: Or from the bankruptcy trustee.

6 MR. MOURAD: I did not sign on that deed.  
7 It was not on behalf of V&M. Was him personally being  
8 the owner selling it directly.

9 THE COURT: Ms. Forbes, I'll treat this as a  
10 Petitioner's attempt to introduce into evidence what  
11 would become Exhibit 13J. It's currently Exhibit 21.  
12 What's the Respondent's position?

13 MS. FORBES: I have no objection to its  
14 introduce -- introduction as 13P, I believe.

15 THE COURT: I'm sorry. I misspoke. 13P,  
16 yes. All right. Again, that will be one where you're  
17 going to need to take apart one of these binders, and  
18 Exhibit 21 of the Petitioner's Opposition to the  
19 Motion to Dismiss will become Exhibit 13P.

20 (Exhibit 21 was admitted in  
21 evidence as Exhibit 13P.)

22 MR. MOURAD: Exhibit 24, your Honor.

23 THE COURT: All right. There's no need --  
24 we needn't waste any time there. This is the decision  
25 in a case in -- by the U.S. Court of Appeals for the

1 First Circuit?

2 MR. MOURAD: Correct. I just brought it to  
3 share one phrase with Your Honor.

4 THE COURT: Well, I would just say, just so  
5 you understand, I can take judicial notice of this.  
6 It's a ---

7 MR. MOURAD: Yes, that's all. I have no  
8 problem.

9 THE COURT: All right.

10 MR. MOURAD: On Page 7, the -- equity  
11 interest in the debtor was of no problem and it was  
12 not disputed. The shareholder was a party and active  
13 participant in the plan of confirmation process that  
14 the matter was actually litigated. The qualification  
15 or to show other interest was necessary for the plan  
16 of confirmation and the confirmation was valid. I  
17 think that's not the one I meant.

18 THE COURT: All right. For purposes ---

19 MR. MOURAD: There's one, your Honor say, if  
20 the tax credit was obtained in '97 we would have  
21 awarded the stockholder. That's my point in this one  
22 here.

23 THE COURT: All right. Well, with respect  
24 to this, you can just cite to that case, giving its  
25 citation, 321 F 3rd 6.

1 MR. MOURAD: Right. Okay. Thanks. I will  
2 do that. To dissolve the corporation ---

3 THE COURT: Where are you now?

4 MR. MOURAD: Exhibit 25.

5 THE COURT: What is Exhibit 25?

6 MR. MOURAD: The dissolution date 8/31/98,  
7 that's when the corporation was dissolved by the  
8 State, so I'm not a lawyer, your Honor. Does that  
9 mean the corporation still exists or is it off the  
10 books? Even if it's an "S" corporation, I need your  
11 help on that one. If it's not -- if it's not, I have  
12 no problem with it.

13 THE COURT: Well, I'm not prepared ---

14 MR. MOURAD: But I think that's what it  
15 says, the "S" corporation was dissolved in '98, so  
16 therefore we just dissolved -- it's shown up prior to  
17 '99 because the trustee did not keep the fee, paying  
18 for the fee to keep a corporation. I know I -- I  
19 owned the corporation fifteen years. Every year.  
20 Otherwise I would lose my "S" corporation. My  
21 accountant made sure of that, and my lawyer.

22 THE COURT: Well, it would appear that the  
23 Petitioner is attempting to offer what is included as  
24 Exhibit 25 in his Opposition to Respondent's Motion to  
25 Dismiss as evidence in this case. Ms. Forbes, what's

1 Respondent's position?

2 MS. FORBES: Your Honor, Exhibit 25 has  
3 multiple pages. The first three pages appear to be  
4 printouts from the Secretary of State's or  
5 Commonwealth's office, and then we have various orders  
6 from the Bankruptcy Court. Is he introducing the  
7 entire exhibit, a portion of the exhibit?

8 THE COURT: What's your intention, Mr.  
9 Mourad?

10 MR. MOURAD: My intention, if the  
11 corporation is dissolved on that date then it doesn't  
12 exist as an "S" ---

13 THE COURT: The question is much more  
14 specific. This exhibit has several pages. What are  
15 you trying ---

16 MR. MOURAD: That's all they give me on the  
17 computer when I went there, your Honor, to the clerk,  
18 they said, that's all we have, few pages. There  
19 wasn't any more. That's all I could obtain. Now, if  
20 there's a way to go around and get more, I have no  
21 idea.

22 THE COURT: I wasn't -- I wasn't seeking  
23 more paper. I was seeking to understand what are you  
24 trying to introduce into evidence here?

25 MR. MOURAD: Well, did the corporation

1 dissolve in 1998 by the State, and if it did, does it  
2 still exist today from '99.

3 THE COURT: That would appear, then, to only  
4 cover the first three pages of this, report, the  
5 dissolution of corporation; is that right?

6 MR. MOURAD: That's correct. That's my  
7 point.

8 THE COURT: First three pages of Exhibit 25,  
9 is there objection?

10 MS. FORBES: No, your Honor.

11 THE COURT: Exhibit 25 of Respondent -- of  
12 the Petitioner's Opposition to the Motion to Dismiss  
13 will be admitted into the case as Exhibit -- where are  
14 we?

15 THE CLERK: Fifteen -- 14P, your Honor.

16 THE COURT: 14P. The first three pages of  
17 Exhibit 25.

18 (First three pages of Exhibit  
19 25 admitted in evidence as  
20 Exhibit 14P.)

21 MR. MOURAD: Exhibit 13, your Honor.

22 THE COURT: Thirteen?

23 MR. MOURAD: Yes.

24 THE COURT: Of that same opposition?

25 MR. MOURAD: Same -- same page.

1 THE COURT: All right. I have it.

2 MR. MOURAD: Your Honor, appreciate it if  
3 you look at Page 7 with me. Page 7.

4 THE COURT: All right.

5 MR. MOURAD: On the bottom -- possibly  
6 arguing but does not develop that he should be  
7 released on paying taxes because once Grey was  
8 appointed trustee he became owner of the record. With  
9 Grey as its beneficial owner, see Wilson v.  
10 Commissioner so-and-so, then it says, however, Mourad  
11 may break and expand his argument before the IRS tax.

12 THE COURT: Well, is this a published  
13 opinion, do you know, Ms. Forbes?

14 MS. FORBES: I'm wondering if it's the  
15 previous -- it appears to be a published opinion. I  
16 mean, I have not checked to see whether or not it is.

17 THE COURT: Do you have any reason to doubt  
18 this is the decision of the United States Bankruptcy  
19 Appellate Panel for the First Circuit?

20 MS. FORBES: No, your Honor.

21 THE COURT: I wonder if we might just admit  
22 it on that basis.

23 MS. FORBES: Yes. Yes, your Honor.

24 THE COURT: For convenience. All right.  
25 Exhibit 13J. I'm sorry. Exhibit 13 of the

1 Petitioner's Opposition will be admitted as Exhibit --

2 THE CLERK: 15P.

3 THE COURT: --- 15P. All right.

4 (Opposition motion Exhibit 13  
5 admitted in evidence as  
6 Exhibit 15P.)

7 THE COURT: You can direct my attention to  
8 it on brief.

9 MR. MOURAD: Okay. Thanks, your Honor.  
10 Then Exhibit 7.

11 THE COURT: All right.

12 MR. MOURAD: That would be the oral argument  
13 and the misrepresentation of attorney to the three  
14 judges. I think that's Page 22 or 23 that Judge Lynch  
15 was assured there was no further taxes. And what's  
16 most important, on the last page, Page 23, rebuttal,  
17 my attorney who did the appeal, it says, "Your Honor,  
18 I can make -- The Court: You have got a few brief --  
19 Mr. Riordan: I'm going to be very brief. The  
20 statement by the IRS as to what happened here is  
21 incorrect. What happened is, is V&M had to apply for  
22 the credit because the buyer couldn't qualify. The  
23 application for the credit was made while Mr. Mourad  
24 was allegedly that and I'm submitting a relief -- a  
25 reply brief. If the buyer could not have qualified

1 for the credit unless they have held the property for  
2 ten years, or unless it was transferred by qualified  
3 buyer, there is no doubt. The Court: We'll look at  
4 the record. Thank you."

5 THE COURT: Ms. Forbes, do you have any  
6 reason to doubt this is the transcript of the oral  
7 argument before  
8 the ---

9 MS. FORBES: No, your Honor.

10 THE COURT: On that basis, Exhibit 7 to  
11 Petitioner's Opposition will be admitted as Exhibit 16  
12 -- is that right?

13 THE CLERK: Correct.

14 THE COURT: 16J in this case. I'm sorry.  
15 16P.

16 (Exhibit 7 of Opposition  
17 Motion admitted in evidence  
18 as Exhibit 16P.)

19 MR. MOURAD: Now, the 1995, your Honor, that  
20 could be resolved, could be an error. I -- I did ask  
21 for help. The examiner who helped me ---

22 THE COURT: You're shifting now off of the  
23 low income credit.

24 MR. MOURAD: Okay. Let's stay with that.

25 THE COURT: No, no. Have you moved on to --

1 -

2 MR. MOURAD: No, I -- keep me focused,  
3 because I have a tendency to be a little bit -- I know  
4 so much of that case, and I appreciate that. I'll --  
5 I will stay with that one here.

6 THE COURT: So we're back on the low income  
7 housing credit.

8 MR. MOURAD: Yes. I don't want to get off  
9 the track, and you are correct. I appreciate that.  
10 Exhibit 22, your Honor.

11 THE COURT: Exhibit 22?

12 MR. MOURAD: Yes. I'm sorry. Am I -- yes,  
13 22.

14 THE COURT: You may have reached my limit  
15 here.

16 MR. MOURAD: Okay, then, that's fine, we'll  
17 let it go. That's it.

18 THE COURT: I'm not taking the pretrial  
19 memorandum from Respondent in the 1997 Tax Court case.

20 MR. MOURAD: No, on the third or fourth page  
21 it said Mourad did not prove he had ten years of  
22 ownership, and that's not true. All my records have  
23 been filed on the appeal. But that's not relevant.  
24 Let me -- one more exhibit maybe.

25 THE COURT: Let the record reflect just for

1 clarity the Petitioner wished to introduce the trial  
2 memorandum from Respondent in the Tax Court case under  
3 Docket No. 7873-01, and I have ruled it inadmissible.

4 MR. MOURAD: Exhibit 27, your Honor. It  
5 might be relevant, it might be not. You will help me  
6 out with it. What I'm trying to prove here, when I  
7 appeared by the three judges, Judge Kenner ordered the  
8 trustee to disclose any more funds in the corporation,  
9 and that was at the year 2000, and it still had a  
10 hundred and twenty-one thousand nine-seventy-four, and  
11 maybe my question is why is this money there 2000  
12 still in V&M account and why it's not dissolved way  
13 back, maybe that's my point. All the claims were  
14 paid. That was his money left aside.

15 THE COURT: I have some doubts about the  
16 relevance.

17 MR. MOURAD: That's okay. No problem.

18 THE COURT: All right.

19 MR. MOURAD: I appreciate that. I think we  
20 have enough for the tax credit. I appreciate your  
21 allowing these exhibits.

22 THE COURT: All right.

23 MR. MOURAD: Very much.

24 THE COURT: Now, did you -- I may regret  
25 asking this question -- what about 1995?

1           MR. MOURAD: '95 is simple, your Honor. I  
2 don't think we need to waste time on it. It could be  
3 an error. When I met with the examiner, I brought my  
4 1994 tax with me and I had had previous investment tax  
5 interest losses of \$968, nine hundred sixty thousand.  
6 The property itself in 1995 lost \$81,000, but for  
7 some reason the trustee said non passable, maybe  
8 because he felt he's the owner and he doesn't want to  
9 give it to me. But in any case, I told the agent,  
10 clearly if my accountant doing my taxes today and I  
11 have previous losses of nine hundred thousand, would  
12 be written against '95 for the \$7,000 at that time he  
13 assessed me, and I shouldn't be assessed. He said no,  
14 we can't do it because it's supposed to be one year,  
15 the statute, I don't know how true it is. But at the  
16 same time he took the nine hundred and sixty thousand  
17 and he applied it deductible for 1997. Doesn't make  
18 sense to me. I called up one of the collection agency  
19 and I told them, they were kind of laughing, they says  
20 I can't believe he will give you the credit from '94  
21 to '97 but he won't give it to you for '95, and it's a  
22 small amount of money. So I'm not going to argue  
23 about it either way. I just feel like could be a  
24 washout if they agree to it. It's not worth the case.

25           THE COURT: Well, as I understand the

1 government's position here is that you had no  
2 investment income in '95 to use this investment  
3 interest deduction against. Is that -- that it, Ms.  
4 Forbes?

5 MS. FORBES: Yes, your Honor. You need a  
6 net investment ---

7 THE COURT: Income.

8 MS. FORBES: --- income to use the credit,  
9 the expense deduction, and he did not have any  
10 according to the documents.

11 MR. MOURAD: I don't know much about taxes.  
12 I thought that money could be used even in the future  
13 against any profit. That's what I was told by an  
14 accountant. Doesn't matter when.

15 THE COURT: It's Respondent's position that  
16 it was in fact used with respect to 1997, and if you  
17 have any evidence to the contrary ---

18 MR. MOURAD: Well, we did use it. I have it  
19 here, your Honor.

20 THE COURT: Okay. Then I'll ---

21 MR. MOURAD: He did make an adjustment and  
22 he used all of it for '97. That's my argument.  
23 That's what I can't understand.

24 THE COURT: Okay.

25 MR. MOURAD: Then let me bring that exhibit

1 in here and it gives an explanation.

2 (Pause.)

3 THE COURT: Are you looking for the revenue  
4 agent's explanation of this question?

5 MR. MOURAD: No, I'm looking for the one he  
6 prepared the '97 and he gave me the credit, all of it,  
7 against the profit of '97. It's right in here.

8 THE COURT: Well, isn't that going to work  
9 against your position? I mean, if it -- if the ---

10 MR. MOURAD: Well, I think my argument is --  
11 -

12 THE COURT: It should have been allowed  
13 against '95.

14 MR. MOURAD: It should have -- it should  
15 have been allowed '95 and it shouldn't be allowed  
16 against '97 because I was not the owner.

17 THE COURT: I see.

18 MR. MOURAD: It should have been kept for  
19 the future. That's my money. And if I am the owner  
20 for '97, then give me my tax credit, I want to pay you  
21 the money. Maybe that's what I'm trying to explain.

22 THE COURT: Yeah. And are you making any  
23 effort at understanding Respondent's position there,  
24 that the 1995 year did not show net investment income  
25 and therefore you couldn't use investment interest

1 expense against it?

2 MR. MOURAD: I know that. I'm not really  
3 familiar with it. But I'm willing to drop it. I  
4 would just -- let's go for '99 and '97 tax credit. A  
5 small amount. It's irrelevant.

6 THE COURT: Okay.

7 MR. MOURAD: Why waste the time on it. I  
8 think -- now, I have another order. You tell me, your  
9 Honor, if it's relevant or not. When I filed the  
10 malpractice lawsuit, the same judge, Judge Torruella  
11 who sat on the same panel, he make -- he states on his  
12 decision the fact was dropped because Mourad has no  
13 equity and no distribution from the sale according to  
14 the bankruptcy order, so therefore I have no standing  
15 to bring the lawsuit. And to me, if I had no  
16 standing, why do I owe any money to anything? I  
17 wasn't the owner. Maybe that will confuse the issue.

18 THE COURT: I think it will.

19 MR. MOURAD: Okay. Thank you.

20 THE COURT: Yes.

21 MR. MOURAD: I appreciate it. Then I'm  
22 done. We have enough. I'm finished.

23 THE COURT: All right. Ms. Forbes, any  
24 cross-examination?

25 MS. FORBES: No, your Honor.

1 THE COURT: All right, then. The -- I'll  
2 permit the parties to file briefs in the case, with  
3 opening briefs 75 days from today.

4 THE CLERK: August 6th.

5 THE COURT: And reply brief 45 days  
6 thereafter.

7 THE CLERK: September 19th.

8 THE COURT: And remember, Mr. Mourad, you  
9 have until June 12th to get the complete transcript of  
10 the bankruptcy plan of reorganization or -- or what I  
11 should say was Exhibit 19 in your Opposition to  
12 Respondent's Motion to Dismiss.

13 MR. MOURAD: Right.

14 THE COURT: That's an incomplete portion of  
15 the transcript. We need a complete transcript.

16 MR. MOURAD: It would be helpful, your  
17 Honor, I did so much here and I didn't keep notes,  
18 would I be getting -- I would appreciate a copy of  
19 giving me exactly what I have to do, so I can follow  
20 through with it?

21 THE COURT: Well, the ---

22 MR. MOURAD: Even from the attorney.

23 THE COURT: You mean with respect to the  
24 other parts ---

25 MR. MOURAD: Today. All the exhibits, all

1 that, so I could kind of make sure I relax and put it  
2 all together.

3 THE COURT: We would need to get that  
4 together, except with respect to the Exhibit 19, we  
5 need to get that together.

6 MR. MOURAD: Today?

7 THE COURT: Today.

8 MR. MOURAD: Excellent. That saves me --  
9 then I know what to do.

10 THE COURT: Yeah. And the -- I'm hoping  
11 that the Trial Clerk's notes are sufficient to match  
12 up -- and you understand that we were talking about  
13 exhibits ---

14 THE CLERK: Petitioner's opposition ---

15 THE COURT: Yes. In fact, I'll give you the  
16 -- for that. Matching up those exhibits to the  
17 exhibits as numbered in this case.

18 MR. MOURAD: Exactly.

19 THE COURT: Then the one thing that will be  
20 done beyond today is solving the problem of  
21 incompleteness with respect to Exhibit 19 of the -- of  
22 your Opposition to Respondent's Motion to Dismiss.  
23 All right. If there are no further matters, I will  
24 recess the Court and the record in this case will  
25 remain open for the sole purpose of accepting the

1 complete version of Exhibit 19 by June 12th.

2 MR. MOURAD: I thank you very much, your  
3 Honor.

4 THE COURT: Thank you all.

5 (Whereupon, at 2:40 p.m., the trial in the  
6 above-entitled matter was concluded.)

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Certificate of Transcriber and Proofreader

CASE NAME: Mourad v. Commissioner

DOCKET NUMBER: 18038-05L

We, the undersigned, do hereby certify that the foregoing pages, numbers 1 through 50, inclusive, are the true, accurate and complete transcript prepared from the verbal recording made by electronic recording by Carol Summers, on Tuesday, May 22, 2007 before the United States Tax Court at its session in Boston, Massachusetts, in accordance with the applicable provisions of the current verbatim reporting contract of the Court, and have verified the accuracy of the transcript by comparing the typewritten transcript against the verbal recording.

Meredith Bruce

(Transcriber) 5/22/07

Jennifer Goguen

(Proofreader) 5/22/07

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