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1 SANTA ANA, CALIFORNIA; MONDAY, NOVEMBER 22, 2021; 3:01 P.M.

2 (The following proceedings were

3 held via videoconference:)

4 THE COURT: Good afternoon.

03:01 5 I'm going to ask the clerk to take the appearances
03:01 6 of counsel.

03:01 7 THE CLERK: Calling CV-21-07843, United States
03:01 8 versus Hawk Consultancy, LLC, and CV-21-07841, United States
03:02 9 of America versus Saeedeh Mirshahi.

03:02 10 Counsel, please state your appearances starting
03:02 11 with the plaintiff.

03:02 12 MR. GREENE: Good afternoon, Your Honor. Gavin
03:02 13 Greene, Assistant United States Attorney, on behalf of the
03:02 14 United States and its agency, the Internal Revenue Service.

03:02 15 THE COURT: Good afternoon.

03:02 16 MR. ROBBINS: Good afternoon, Your Honor. Edward
03:02 17 Robbins. I'm the lawyer for Hawk Consultancy and Saeedeh
03:02 18 Mirshahi. They are the respondents in this case.

03:02 19 THE COURT: Good afternoon.

03:02 20 I want to remind everyone that recording, copying,
03:02 21 photographing, and rebroadcasting of court proceedings is
03:02 22 prohibited by federal law. And a violation of this
03:02 23 prohibition may result in the imposition of sanctions,
03:02 24 including suspension of your license to practice before this
03:02 25 Court, referral to the State Bar, denial of your right to

03:02 1 appear at future proceedings, criminal prosecution,
03:02 2 contempt, and any other sanctions deemed necessary by the
03:02 3 Court.

03:03 4 Please mute your device when you're not speaking.

03:03 5 I have reviewed the documents filed in support of
03:03 6 the enforcement of the IRS summons, and I have reviewed the
03:03 7 opposition.

03:03 8 Mr. Robbins, do you care to be heard?

03:03 9 MR. ROBBINS: Yes. If I could have about five
03:03 10 minutes, Your Honor.

03:03 11 THE COURT: That's five minutes too long, but go
03:03 12 ahead.

03:03 13 MR. ROBBINS: Well, I understand the Court's view,
03:03 14 and I can tell the Court that the analysis -- my initial
03:03 15 analysis of this was that the -- now, the requirements are
03:03 16 obviously satisfied. The government acts in good faith.
03:03 17 There is nothing unusual about the document request. So we
03:03 18 were concerned when we learned that Baxendale had been
03:03 19 discharged in bankruptcy and thought that that might be --
03:04 20 and we just got that information relatively recent to the
03:04 21 filing of the case. We thought that that bit of information
03:04 22 might be something that the HMRC people would address,
03:04 23 because it not --

03:04 24 So this is no good, and if I -- I mean, given the
03:04 25 theory, Your Honor, if I might, there's no question there's

03:04 1 good faith by the IRS, right, the federal government. If,
03:04 2 however, the IRS learns that the HMRC application is
03:04 3 unlawful, well, then if they continue to go forward --

03:04 4 THE COURT: Okay, but we know it's not unlawful,
03:04 5 and we know --

03:04 6 MR. ROBBINS: I'm not sure about that as of this
03:04 7 morning.

03:04 8 THE COURT: Well, I guess I am. I mean, I'm -- if
03:05 9 you've got something that says it's unlawful, let's get to
03:05 10 it because everything that's been filed in front of me,
03:05 11 including your expert so-called opinion, is irrelevant.

03:05 12 MR. ROBBINS: Well, if we can all agree that the
03:05 13 application is predicated on an investigation of
03:05 14 Mr. Baxendale-Walker's personal income tax liabilities for
03:05 15 2007 to 2018 -- that's the government's --

03:05 16 THE COURT: What you need to tell me, and the only
03:05 17 thing that really matters, is whether or not the government
03:05 18 has satisfied the requirements set forth in Powell.

03:05 19 MR. ROBBINS: As of now, yes.

03:05 20 THE COURT: If they've done that, that's all --
03:05 21 that's all that's before me right now. If you've got
03:05 22 something else, you need to go back to London or wherever
03:05 23 and raise it.

03:05 24 MR. ROBBINS: Well, we will have something I
03:05 25 believe within ten days or so. The information from --

03:06 1 THE COURT: Well, that's going to be a little late
03:06 2 because your client's going to be ordered to comply with
03:06 3 this subpoena, and if he doesn't, he's going to be back in
03:06 4 here and the stakes are going to be considerably raised
03:06 5 because he's going to be in contempt of a Court order.

03:06 6 MR. ROBBINS: I understand that, Your Honor.

03:06 7 THE COURT: Okay.

03:06 8 MR. ROBBINS: But I suggest to the Court that if
03:06 9 circumstances change as to the government's good faith that
03:06 10 that order will need to be revisited.

03:06 11 THE COURT: Well, sir, if and when that happens,
03:06 12 that's fine. But right now the only thing that's before me
03:06 13 is that the IRS has satisfied the requirements set forth in
03:06 14 Powell, and it is entitled to enforcement of its summons.

03:06 15 MR. ROBBINS: Correct.

03:06 16 THE COURT: I mean --

03:06 17 MR. ROBBINS: I don't disagree with that.

03:06 18 THE COURT: -- to the extent that there is a
03:06 19 question about the status of the investigation, the
03:06 20 government has confirmed that its investigation is ongoing,
03:06 21 and there is an ongoing need for the information requested
03:07 22 in the summons issued to the respondents. And the opinion
03:07 23 of your expert is irrelevant and speculative. He himself
03:07 24 admits he can't determine whether any exceptions apply in
03:07 25 this case.

03:07 1 Furthermore, the IRS need not establish the good
03:07 2 faith of the United Kingdom. And your argument about the
03:07 3 investigation is wrong, flat out wrong. Respondents'
03:07 4 suggestion that that bankruptcy somehow undermines the
03:07 5 legitimate purposes of the summons is irrelevant and
03:07 6 speculative, and the respondents are ordered to comply with
03:07 7 that summons.

03:07 8 Now, when are they going to be in a position to
03:07 9 comply -- when does the IRS want compliance with the
03:07 10 summons?

03:07 11 MR. GREENE: Your Honor, this is Gavin Greene with
03:08 12 the United States.

03:08 13 The Internal Revenue Service would request that
03:08 14 the documents be produced on Tuesday, December 14, at 10:00
03:08 15 a.m. to Revenue Officer Christine Lam at the address on the
03:08 16 summons.

03:08 17 THE COURT: Is there some reason that the
03:08 18 respondents can't comply by December 13th?

03:08 19 MR. GREENE: 14th, Your Honor. I requested
03:08 20 Tuesday, the 14th.

03:08 21 THE COURT: I'm sorry, Tuesday, the 14th.

03:08 22 Mr. Robbins.

03:08 23 MR. ROBBINS: I'd have to consult with my clients.
03:08 24 The volume of the documents is substantial, but surely
03:08 25 they'll be able to come up with documents by that time --

03:08 1 some documents anyway.

03:09 2 THE COURT: I'm going to ask the government to
03:09 3 provide me with a proposed order, and I'll sign that. The
03:09 4 respondents are ordered to comply with the IRS summons by
03:09 5 December 14th.

03:09 6 I'm sorry. What time was that? 11:00 a.m.?

03:09 7 MR. GREENE: 10:00 a.m., Your Honor.

03:09 8 THE COURT: 10:00 a.m. on the date and time set
03:09 9 forth in the summons. Any failure by the respondents to
03:09 10 comply with that summons by that date will subject them to
03:09 11 possible contempt proceedings.

03:09 12 All right, I understand that your client has
03:10 13 joined. I think he is listening to this proceeding. I'm
03:10 14 going to have him join us so that he understands exactly
03:10 15 what he's supposed to do.

03:10 16 MR. ROBBINS: I need to -- Your Honor, excuse me,
03:10 17 it's a woman.

03:10 18 THE COURT: Okay. That's fine. Let's -- I'm
03:10 19 going to ask the clerk to have her join us.

03:10 20 MS. MIRSHAHI: Good afternoon, Your Honor.

03:10 21 THE COURT: Good afternoon.

03:10 22 Can you announce your appearance for the record?
03:11 23 Your name, please?

03:11 24 MS. MIRSHAHI: Yes. My name is Saeedeh Mirshahi.
03:11 25 I apologize. I'm driving, so I'm -- it's -- I was just

03:11 1 listening in.

03:11 2 THE COURT: Okay. Well, the Court has ordered
03:11 3 that you are to comply with that summons by December 14th at
03:11 4 10:00 a.m. In other words, you need to produce those
03:11 5 documents and whatever testimony the government might want.
03:11 6 So do you understand?

03:11 7 MS. MIRSHAHI: I do. I would respectfully ask for
03:11 8 more time if possible.

03:11 9 THE COURT: Well, you can talk with the -- you and
03:11 10 your lawyer can talk with the IRS and see if they want to
03:11 11 work something out. But absent something being worked out
03:11 12 with the IRS, you need to supply those documents and appear
03:11 13 at the date and time on that summons, which I understand is
03:11 14 December 14th at 10:00 a.m. If you fail to comply, that
03:12 15 could subject you to possible contempt proceedings. Do you
03:12 16 understand?

03:12 17 MS. MIRSHAHI: Yes, Your Honor. Yes, I do. Thank
03:12 18 you.

03:12 19 THE COURT: All right. Thank you.

03:12 20 So, Mr. Robbins, if you need to work something
03:12 21 out, why don't you get together with Mr. Greene if you're
03:12 22 going to need some additional time.

03:12 23 MR. ROBBINS: Yes, Your Honor.

03:12 24 THE COURT: Okay, is there anything else that we
03:12 25 need to take up this afternoon? I'm going to ask the

03:12 1 government to prepare a proposed order and to submit that.

03:12 2 MR. GREENE: We'll prepare a proposed order and
03:12 3 submit it to the Court, Your Honor.

03:12 4 THE COURT: All right. And make sure Mr. Robbins
03:12 5 gets a copy.

03:12 6 MR. GREENE: Yes, Your Honor.

03:12 7 THE COURT: All right, is there anything else?

03:12 8 MR. ROBBINS: Nothing from the respondents, Your
03:12 9 Honor.

03:12 10 MR. GREENE: Nothing from the government either.

03:12 11 THE COURT: All right. Thank you very much.

03:12 12 We're adjourned.

03:12 13 MR. ROBBINS: Thank you, Your Honor.

03:12 14 MR. GREENE: Thank you.

03:12 15 (Whereupon, the proceedings were concluded.)

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CERTIFICATE

I hereby certify that pursuant to Section 753,
Title 28, United States Code, the foregoing is a true and
correct transcript of the stenographically reported
proceedings held in the above-entitled matter and that the
transcript page format is in conformance with the
regulations of the Judicial Conference of the United States.

Date: November 24, 2021

/s/ Sharon A. Seffens 11/24/21

SHARON A. SEFFENS, U.S. COURT REPORTER