

FILED

OCT 14 1997

DOROTHY A. EVANS, CLERK
U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OKLAHOMA

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA

In re:)	
)	
GARY PAUL SAUNDERS and)	
VERONICA KAY SAUNDERS,)	Case No. 97-00820-M
)	
Debtors.)	Chapter 7
)	
_____)	
GARY PAUL SAUNDERS and)	
VERONICA KAY SAUNDERS,)	
)	
Plaintiffs,)	
)	
v.)	Adv. No. 97-0108-M
)	
UNITED STATES OF AMERICA,)	
)	
Defendant.)	
_____)	

JUDGMENT

THIS MATTER comes before the Court upon plaintiffs' Complaint to Determine Dischargeability of Debt filed on March 26, 1997, in which plaintiffs request the Court to determine the dischargeability of plaintiffs' federal income tax liabilities.

WHEREFORE it appearing to the Court that plaintiffs and the United States of America are in agreement as to the disposition of the above-captioned adversary proceeding as to them pursuant to the joint stipulation filed herewith, it is

ORDERED AND ADJUDGED that the stipulation between plaintiffs and the United States of America is hereby APPROVED and ADOPTED by the Court, and it is

FURTHER ORDERED as follows:

1. The plaintiffs filed a Chapter 7 petition in bankruptcy on February 25, 1997.

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Northern District of Oklahoma

2. On March 26, 1997 the plaintiffs filed the above-captioned adversary action seeking a determination of the dischargeability of federal income tax liabilities owed to the United States.

3. The plaintiffs' federal income taxes, interest and penalties owed in connection with their 1986, 1988 and 1992 tax years are properly subject to discharge in this bankruptcy proceeding, pursuant to 11 U.S.C. Section 727, if and when a discharge is entered in this case. The penalties relating to the plaintiffs' 1985, 1987, and 1989 - 1991 tax years are properly subject to discharge, pursuant to 11 U.S.C. Section 523(a)(7), if and when a discharge is entered in this case.

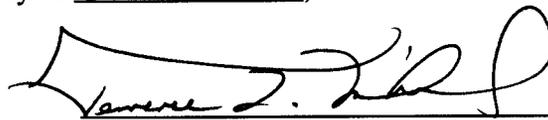
4. The plaintiffs' federal income taxes and interest for their 1985, 1987, and 1989 - 1991 tax years are not dischargeable, pursuant to 11 U.S.C. Section 523(a)(1)(B)(i).

5. The plaintiffs' federal income tax liabilities for their 1995 tax years are not dischargeable, pursuant to 11 U.S.C. Section 523(a)(1)(A) and 523(a)(1)(B)(i).

6. The United States properly filed pre-petition Notices of Federal Tax Lien in connection with the plaintiffs' 1992 federal income tax liabilities which continue in effect and attach to all existing property and rights to property, including exempt property, belonging to the plaintiffs both on and prior to the filing of the bankruptcy petition. See 11 U.S.C. § 522(c)(2)(B); 26 U.S.C. § 6322.

7. This adversary action is hereby dismissed with prejudice as to the plaintiffs and the United States of America, each party to bear its own litigation expenses, including costs and attorneys' fees.

IT IS SO ORDERED this 4th day of October, 1997.

A handwritten signature in black ink, appearing to read "Terrence L. Michael", written over a horizontal line.

TERRENCE L. MICHAEL
UNITED STATES BANKRUPTCY JUDGE