

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

UNITED STATES OF AMERICA,	:	
Plaintiff,	:	
	:	
v.	:	Case No. 13-cr-20371
	:	Hon. Victoria A. Roberts
DOREEN HENDRICKSON,	:	
Defendant.	:	

**REPLY TO GOVERNMENT'S RESPONSE TO DOREEN
HENDRICKSON'S MOTION TO VACATE**

1. The government fails to save its case from the fatal taint of its fraud committed during trial, and simply extends the fraud in its effort to do so.

The government suggests that Melissa Siskind's misrepresentations in Court of the actions involved in Defense Exhibit 562 as being simply audit-related were not misrepresentations at all. It says, "In fact, none of the three civil actions referenced in Exhibit 562 were injunction suits" (Response, p. 6).

Nonsense! As proven by the content of one of its own misrepresented exhibits, (Govt. Ex. 48), and Mrs. Hendrickson's Motion and her accompanying Exhibits 1 and 2, the summonses involved in these cases were all issued in an effort to determine whether 'Cracking the Code' author Peter Hendrickson could be found liable to penalties for promoting an abusive tax shelter, and enjoined. These summonses were in no way concerned with a mere audit, and they were entirely concerned with an injunctive effort targeting Mr. Hendrickson.

That the actions were labeled "summons enforcements" instead of "injunction suits" is irrelevant-- the government's own documents declare the summonses to have been issued *to determine "whether [Hendrickson] can be enjoined..."* (Motion Ex. 2, emphasis added; see also Motion Ex. 1). The attempt to suggest otherwise in the government's Response is simply a stubborn continuation of Siskind's fraud in trial, by which she sought to falsely impeach Mrs. Hendrickson in apparent recognition of having failed to carry the government's burdens of proof as to the charges in the case.¹ The complete mendacity of this fraud is illustrated by Siskind's astonishing effort to excuse her mischaracterization of the dismissed actions: "Because revenue agents are responsible for conducting civil tax audits, it was entirely proper for government counsel to refer to [RA Heidi Beukema's] activities in that manner." (Response, p. 8.) Siskind reasons that because these agents do the one thing, EVERYTHING they do can be properly described that way, even when so doing knowingly misstates facts to a trial jury.

2. The government fails to save its case with arguments that viable remedies existed which could have overcome the harm of Andrew Wise's behavior.

The government argues that there were remedies available to Mrs. Hendrickson by which the harms she suffered from the hobbling of her defense perpetrated by Andrew Wise could have been mitigated. This is not true.

¹ Why else go to the trouble and risks of digging up and misrepresenting documents as she did?

Any effort to "mitigate" the damage of Mr. Wise's improper behavior would have left Mrs. Hendrickson with bruises and band-aids on the face of her defense. Making an objection to the Court to force Wise to complete the questioning would have invited the communication of his hostility toward Mrs. Hendrickson, with all its adverse implications. Replacing him in order to complete this vital questioning would have telegraphed that hostility and all its adverse implications. Even merely re-opening the defense case the next day for the completion of Mrs. Hendrickson's questions would have given the impression of an incoherent defense which views its own presentation as inadequate, and is scrambling to shore itself up.

In short, no "remediation" could have unwound the clock and left Mrs. Hendrickson standing unscathed and un-bandaged before her jury as she should have been; and all that is without adding in the damage unfairly wreaked upon her by Melissa Siskind's fraudulent representations to the jury, still to come even after any plainly inadequate, plainly harmful-on-their-own-merit efforts to "remediate" Mr. Wise's harms might have been undertaken.

3. The government fails to save its case in the face of the insufficiency of its evidence regarding the elements of willfulness, comprehensibility, the ability to comply, and lawfulness.

A. Good faith/willfulness.

The government tries to work around its failure to produce evidence on "good faith"/"willfulness" by mis-defining the element. The government says,

"Clearly, nothing the defendant was ever told by a court or a government agency was going to cause her to change her mind," going on to say, "...that is not good faith. That is willfulness." (Resp. p. 16.)

But leaving aside the massive volume of judicial rulings and government actions that support Mrs. Hendrickson's beliefs-- pretty much every bit of which was kept from appearing in trial on government objections-- and that the alleged sincerity of the pronouncements cited by the government is adulterated by hearingless "findings" of disputed "facts", the presentation and adoption of unsigned, admittedly informal "examination reports", citations to completely inapposite precedents as the basis for rulings and so forth, what the government describes here IS "good faith". *Good faith is not measured by subordination to the alleged opinions of others-- even others with official positions.* Good faith is a matter of one's own sincerity.

Everything Mrs. Hendrickson has said or done shouts of her sincerity to the heavens. Her uncompromised adherence to her beliefs even in the face of purported official disagreements with her, and the harm that has been visited upon her under the pretexts of those purported disagreements shouts the loudest.

Argument that Mrs. Hendrickson SHOULD think differently is not evidence that she DOES think differently. But this is all the government offers. As in the matters of comprehensibility and ability to comply, the government utterly failed

to offer *any* evidence sufficient to prove-- or even attempting to prove-- its case on the element of good-faith/willfulness in the mind of any reasonable juror.²

B. Comprehensibility and ability to comply.

The government offers a lengthy argument on these issues in its Response, but nothing to overcome the evidence presented in trial that the order to not file returns based on claims purportedly appearing in 'Cracking the Code' is both incomprehensible and incapable of being complied with because those claims *do not* appear in 'Cracking the Code'. See Exhibit 1. The government lied about the content of the book in bringing its complaint into Judge Edmunds' court and prompted an incomprehensible, incoherent order. It now must lay in that bed.

Similarly, the order to prepare returns-- sworn affidavits which are only real when freely and sincerely made-- saying what the signer does not believe to be true is both incomprehensible and impossible.

The government produced no evidence in trial disputing the fact that an insincere declaration cannot qualify as a return. The best it managed was the sorry spectacle of two US attorneys disgracing themselves trying to avoid admitting this, highlighted by Daniel Applegate actually opining that a false return could be valid if its falseness was not apparent-- see Exhibit 2.

² As noted earlier, this lack of evidence is doubtless the reason for the resort to fraud, and the fact that the jury returned a conviction despite this utter lack of evidence demonstrates that the fraud did, in fact, deceive the court.

Mrs. Hendrickson does not believe what she is ordered to say. See Exhibit 3.

C. Lawfulness

In its ongoing effort to evade the "lawfulness" issue in this case, the government has persistently represented judicial rulings as having "approved" the orders in the case. In so doing, the Government tacitly admits that lawfulness IS an element of the offense charged, as the terms of 18 U.S.C. § 401(3) plainly declare.

At the government's request, the jury never made a determination of "lawfulness". No court has actually addressed the First Amendment issues involved in these orders as revealed in unrebutted evidence in trial (see Mrs. Hendrickson's Motion, pp. 18-19); or even merely the invalidity of these orders under 26 U.S.C. 7402(a) in light of the government's authorization and mandate at 26 U.S.C. § 6020(b) to make returns of its own. Thus, the "lawfulness" element of the offense charged in this case stands entirely unproven, while the violation of the First Amendment inherent in the orders renders them transparently unlawful.

Conclusion

The standard of consideration of a Rule 29/33 Motion is taking all evidence in a light most favorable to the government. In this case there IS no evidence favorable to the government. All that the government presented in trial were self-serving assertions and conclusions by government lawyers, a lot of loud, vigorous "appeal to authority" fallacies, and a fraud.

Not a single witness testified in compromise of Mrs. Hendrickson's good faith. Not a single witness testified to support the comprehensibility of the orders involved in this case, or to explain how the orders could be complied with.

The element of "lawfulness" was taken out of the jury's consideration at the government's request, but even the proposition that this issue had been addressed by other courts at other times was contradicted by undisputed testimony in trial. There is a reason the government failed to produce evidence of any ruling actually addressing and upholding the orders as lawful: The orders are NOT lawful, and no court will say otherwise; on the contrary, every court in the land and throughout all of American history has unequivocally condemned orders such as these as transparently and abhorrently unlawful.

The government utterly failed to prove its case against Mrs. Hendrickson, and instead secured her conviction by nothing but deception, exploitation of Andrew Wise's bad behavior, endless sharp practice, and fallacious appeals to juror prejudices. That conviction should be VACATED and a JUDGMENT OF ACQUITTAL ENTERED, or, at the least, a NEW TRIAL should be ordered.

Respectfully Submitted,

Doreen Hendrickson, *in propria persona*
August 28, 2014

EXHIBIT 1
July 23-25, 2014 Trial Transcripts

Volume Three

Page 8, Lines 22 - 25

Page 11, Line 10 - Page 14, Line 8

Volume Four

Page 20, Line 9 - Page 22, Line 2

Volume Five

Page 65, Lines 14 - 24

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Page 68, Line 4 - Page 69, Line 11

Page 69, Line 11 - Page 71, Line 2

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case No. 13-20371

-vs-

DOREEN HENDRICKSON,

Detroit, Michigan

Defendant.

July 23, 2014

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TRANSCRIPT OF TRIAL - VOLUME THREE
BEFORE THE HONORABLE VICTORIA A. ROBERTS
UNITED STATES DISTRICT COURT JUDGE, and a Jury.

APPEARANCES:

For the Government:

Melissa Siskind, Esq.

Jeffrey McLellan, Esq.

For the Defendant:

Doreen Hendrickson, Pro Per

Standby Counsel:

Andrew Wise, Esq.

Proceedings taken by mechanical stenography, transcript
produced by computer-aided transcription

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1 MRS. HENDRICKSON: May I do it later then when I need it later?

2 THE COURT: You may. You may try. All right.

3 MRS. HENDRICKSON: Thank you. This one is a little more awkward,
4 but let's see.

5 THE COURT: Is that the one that has been admitted into evidence?

6 MS. SISKIND: It's a copy of it. The original book is in the Exhibit Binder.

7 THE COURT: Thank you. So Mr. Metcalfe --

8 MRS. HENDRICKSON: (Interjecting) Oh, okay. That's convenient.

9 THE COURT: You can use the one --

10 MRS. HENDRICKSON: (Interjecting) Actually 'cause I did highlighting
11 in this one that I want him to look at and I didn't do highlighting in that one.

12 THE COURT: For the time being, let's allow the witness to use the one
13 that is at the witness box. If you need to point out something to him particularly, you
14 can do that. What exhibit number is it?

15 THE WITNESS: Exhibit 34, Your Honor.

16 THE COURT: Thank you.

17 MRS. HENDRICKSON: If you would turn to the first page --

18 THE COURT: Excuse me. My book goes to 33.

19 MS. SISKIND: At the beginning of court on Monday I provided your
20 courtroom deputy with a red well that contained Exhibits 34 on.

21 THE COURT: Oh, I see it. Thank you. Your question?

22 Q. (By Ms. Hendrickson continuing) Okay. This is page like lower case i. Would
23 you read the highlighted portion please, the very first words?

24 A. Let's get this said aloud and clear right at the outset. If you have taxable
25 income, you are subject to the income tax.

1 MRS. HENDRICKSON: Interesting.

2 THE COURT: And Mrs. Hendrickson, just ask questions and don't
3 comment please.

4 Q. (By Ms. Hendrickson continuing) If the claim that only Federal, State and local
5 Government workers are subject to income taxes is not found in the book, that's not in
6 the book, anyone filing a return based on what is in the book would be okay and
7 wouldn't have violated this Order?

8 MS. SISKIND: Objection. Same objection.

9 THE COURT: Sustained.

10 Q. (By Ms. Hendrickson continuing) Okay. Mr. Metcalfe, yesterday you said you
11 read this book, right?

12 A. Yes, I did.

13 Q. You also said that it was on the basis of what you read there that you wrote in
14 your Complaint and in one of the Orders you asked for from Judge Edmunds that this
15 book claims that only Federal, State, local Government workers are subject to the
16 income tax. So if you would please, I'll have to go with this since you don't have it
17 now. Turn to page 12 in *Cracking the Code*, the copy that you have, and would you
18 please read the highlighted portions there and on the next page?

19 A. On July 1st, 1862 in the heat of the Civil War and in the face of looming and
20 intractable revenue troubles for the Northern Government, its Congress passed the
21 Revenue Act of 1862, being an Act to provide Internal Revenue to support the
22 Government and to pay interest on the public debt. Among the lengthy list of
23 measures imposing a variety of excises and duties were the following sections under
24 the heading Income Duty. Section 86. And be it further enacted that on and after the
25 first day of August, 1862, there should be levied, collected and paid on all salaries of

1 officers or payments to persons in the civil military of officers or payments to persons
2 in the civil military, naval or other employment or service of the United States,
3 including Senators and Representatives and Delegates in Congress when exceeding
4 the rate of \$600 per annum, a duty of three percentum. Section 90. And be it further
5 enacted that there shall be levied, collected and paid annually upon the annual gains,
6 profits or income of every person residing in the United States, whether derived from
7 any kind of property, rents, interest, dividends, salaries, or from any profession, trade,
8 employment, or vocation carried on in the United States or elsewhere or from any
9 other source whatever, except as herein after mentioned. If such annual gains, profits
10 or income exceed the sum of \$600 and do not exceed the sum of \$10,000, a duty of
11 three percentum on the amount of such annual gains, profits or income over and
12 above the said sum of \$600.

13 Q. Okay. Now on page 15, would you please read the highlighted portion?

14 A. Subsequent acts changed the rate and eventually added progressivity, but the
15 imposition of the tax and the specifications of and exclusions from its object remain.

16 Q. Okay, thank you. Would you please turn to page 68?

17 A. However, in the preface to the Internal Revenue Code of 1939 describing its
18 nature as a compilation, we find the following: The title contains no provision except
19 for effective date not derived from the law approved prior to January 3rd, 1939, the
20 whole body of Internal Revenue law in effect on January 2nd, 1939, therefore has its
21 ultimate origin in 164 separate enactments of Congress. The earliest of these was
22 approved July 1st, 1862; the latest, June 16th, 1938.

23 Q. Thank you. Would you please turn to page 126?

24 A. Now here is the definition of a withholding agent and the title in the sections to
25 which that definition refers. Title 26, Section 7701, paragraph 16: Withholding agent.

1 The term withholding agent means any person required to deduct and withhold any
2 tax under the provisions of Section 1441, 1442, 1443 or 1461. Section 1441,
3 withholding of tax on nonresident aliens. Section 1442, withholding of tax on foreign
4 corporations.

5 Q. And please turn to page 129.

6 A. 1441, withholding of tax on nonresident aliens. A, general rule. Except as
7 otherwise provided in Subsection C, all persons and whatever capacity acting,
8 including lessees or mortgagers of real or personal property, fiduciaries, employees
9 and all officers and employees of the United States having the control, receipt,
10 custody, disposal or payment of any of the items of income specified in Subsection B,
11 to the extent that any of such items constitutes gross income from sources within the
12 United States of any nonresident alien individual or of any foreign partnership shall,
13 except as otherwise provided in regulations prescribed by the Secretary under
14 Section 874, deduct and withhold from such items a tax equal to 30% thereof.
15 Section 1442, withholding of tax on foreign corporations. A, general rule. In the case
16 of foreign corporations subject to taxation under the subtitle, there shall be deducted
17 and withheld at the source in the same manner and on the same items of income as
18 provided in Section 1441 a tax equal to 30% thereof.

19 Q. Now Mr. Metcalfe, on page 149 and 150 please.

20 A. Section 3402, income tax collected at source. P, voluntary withholding
21 agreements. Three, authority for other voluntary withholding. The Secretary's
22 authorized by regulations to provide for withholding, A, from the remuneration for
23 services performed by an employee for the employee's employer which without regard
24 to this paragraph does not constitute wages and, B, from any other type of payment
25 with respect to which the Secretary finds that withholding would be appropriate under

1 the provisions of this chapter. If the employer and employee or the persons making
2 and the persons receiving such other type of payment agree to such withholding, such
3 agreement shall be in the form and the manner as a Secretary may by regulations
4 prescribe. For purposes of this chapter and so much of subtitle F as relates to this
5 chapter, remuneration or other payments with respect to which such agreement is
6 made shall be treated as if they were wages paid by an employer to an employee to
7 the extent that such remuneration is paid or other payments are made during the
8 period for which the agreement is in effect.

9 Q. Okay, thank you. Now this book was a newer edition that was into print
10 already when I filed my --

11 MS. SISKIND: Objection, Your Honor.

12 THE COURT: Yes.

13 MRS. HENDRICKSON: Okay, I'm sorry. I'm not following the rules.

14 THE COURT: I'm sorry, Mrs. Hendrickson. Can I speak?

15 MRS. HENDRICKSON: Sorry.

16 THE COURT: Before you publish or try to publish exhibits to the Jury,
17 you have to lay a foundation to get it admitted.

18 MRS. HENDRICKSON: Okay. Mr. Metcalfe, this is another copy of
19 *Cracking the Code* and for ease I put its publication date on it, and so this one would
20 have been in print already when I filed my 2008 returns and so the next section that I
21 would like to cover is pertinent. Do you recognize this as a copy of *Cracking the Code*
22 anyhow?

23 THE WITNESS: I'm not sure I've ever seen that before.

24 THE COURT: Excuse me, Mr. Metcalfe. Excuse me. Do you have an
25 objection?

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case No. 13-20371

-vs-

DOREEN HENDRICKSON,

Detroit, Michigan

Defendant.

July 24, 2014

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TRANSCRIPT OF TRIAL - VOLUME FOUR
BEFORE THE HONORABLE VICTORIA A. ROBERTS
UNITED STATES DISTRICT COURT JUDGE, and a Jury.

APPEARANCES:

For the Government:

Melissa Siskind, Esq.

Jeffrey McLellan, Esq.

For the Defendant:

Doreen Hendrickson, Pro Per

Standby Counsel:

Andrew Wise, Esq.

Proceedings taken by mechanical stenography, transcript
produced by computer-aided transcription

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1 THE COURT: Your objection is?

2 MR. McLELLAN: This is a reference to something other than the
3 evidence that's in front of this witness about someone else's testimony and asking for
4 a comparison between the two sources of information. It's a conclusory -- or it calls
5 for a conclusion.

6 THE COURT: Sustained.

7 MRS. HENDRICKSON: May I address that?

8 THE COURT: No.

9 Q. (By Mrs. Hendrickson continuing) Okay. Hal, would you please open that
10 book to page 88?

11 A. Okay.

12 Q. And start reading from -- let me see if I can put this on the screen. If you start
13 reading at the top and through the italicized quotes on page 89.

14 A. Starting with the Constitution, that paragraph?

15 Q. Starting with consequently and then through the italicized quote.

16 A. Okay. Consequently, the only lawful objects of the income tax are activities for
17 which one is paid by the Federal Government or a Federal agency or instrumentality.
18 Activities effectively connected with the performance of the functions of a public office,
19 activities as a Federal, Federal instrumentality or Federally-chartered State worker or
20 activities as a paid officer of a Federal corporation such as those on this not
21 necessarily comprehensive list -- and there follows a list of many, many Federal
22 agencies. Would you care for me to read them? The Central Bank for Cooperatives,
23 The Federal Deposit Insurance Corporation, Federal Home Loan Banks. This group
24 of entities of course are all Federal corporations.

25 Q. Okay. And down to -- and let's see. Through the italicized quotes on this

1 page, on page 89 the next page.

2 A. Page 89.

3 Q. You can start with as we've learned?

4 A. As we've learned, it is only upon these activities that Congress has actually laid
5 the tax. We also have seen that the amount of taxable activity engaged in is
6 measured by the receipts it produces which are themselves misleadingly referred to
7 as income and are treated, for all practical purposes, as things being taxed. The
8 convention is meaningless as far as how much tax is paid, but it contributes to the
9 scheme by producing the appearance that the law always lays a tax on the receipt of
10 money. Thus, another way of summarizing what is taxed would be remuneration or
11 benefits, either immediate or deferred, paid by the Federal Government, its agencies,
12 instrumentalities and State Governments. And further, proceeds of and from Federal
13 corporations and instrumentalities such as those listed above, as well as national
14 banks, railroads, et cetera and the proceeds of, from -- and from the conduct of a
15 trade or business.

16 Q. Okay. The next section is on page 126, and I don't have this one highlighted,
17 but I can tell you. This goes back to the section that you read earlier on withholding.

18 A. Ah-hum.

19 Q. Would you read the section starting with now here is and through the first set of
20 italics?

21 A. Okay. Now here is the definition of a withholding agent and the titles of the
22 sections to which that definition refers. Title 26, Section 7701, paragraph 16.
23 Withholding agent. The term withholding agent means any person required to deduct
24 and withhold any tax under the provisions of Sections 1441, 42, 1443 and 1461.
25 Section 1441, withholding of tax on nonresident aliens. Section 1442, withholding of

1 tax on foreign corporations. Section 1443, foreign tax exempt organizations. Section
2 1461, liability for withheld tax.

3 Q. Okay. Did the information such as this found throughout the book inform your
4 conclusion about withholding and how the income tax is to be applied?

5 MR. McLELLAN: Objection, Your Honor.

6 THE COURT: What's your objection?

7 MR. McLELLAN: She's specifically asking about something that formed
8 his conclusion that calls for a conclusion.

9 THE COURT: Thank you. Mrs. Hendrickson, this witness -- the
10 objection is sustained and this witness is not going to be able to testify about his
11 interpretation of anything in that book. So if you've got questions along those lines,
12 you cannot ask those questions. The book is in evidence. The Jury will have it. They
13 are the ones who have to decide what that book means, if they believe it is pertinent
14 to what they have to do. So it's the evidence and they have to interpret it, not this
15 witness and none of your other witnesses.

16 MRS. HENDRICKSON: Okay. All right. Thank you, Hal.

17 THE WITNESS: No questions? Nothing else?

18 MRS. HENDRICKSON: No, that's it. Thanks.

19 THE COURT: Do you have a Cross-examination of this witness?

20 **CROSS-EXAMINATION**

21 **BY MR. McLELLAN:**

22 Q. Briefly, Your Honor. Good morning, Mr. O'Boyle?

23 A. Good morning.

24 Q. My name is Jeff McLellan and I'm an attorney for the United States in this
25 matter?

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case No. 13-20371

-vs-

DOREEN HENDRICKSON,

Detroit, Michigan

Defendant.

July 25, 2014

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TRANSCRIPT OF TRIAL - VOLUME FIVE
BEFORE THE HONORABLE VICTORIA A. ROBERTS
UNITED STATES DISTRICT COURT JUDGE, and a Jury.

APPEARANCES:

For the Government:

Melissa Siskind, Esq.

Jeffrey McLellan, Esq.

For the Defendant:

Doreen Hendrickson, Pro Per

Standby Counsel:

Andrew Wise, Esq.

Proceedings taken by mechanical stenography, transcript
produced by computer-aided transcription

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Govt 47, 48, 49	(Legal filings)	(Marked only)
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1 MRS. HENDRICKSON: Okay.

2 THE COURT: Thank you.

3 MRS. HENDRICKSON: You're welcome. These two out-of-town
4 attorneys doing their professional best to distract you from that actual charge and to
5 condition you to go back to the jury room thinking that this is a tax case and that the
6 issue in this case is what is allegedly correct about the taxable status of my earnings.
7 What is or is not correct about the tax and its application to me has nothing to do with
8 the charge in this case.

9 In this case, I am charged with nothing but wilfully disobeying supposedly clear
10 and specific lawful Orders with which it is possible to comply, that command me to
11 declare someone else's views about the tax over my own sworn signature and
12 pretend them to be my own or go to prison. The only thing that matters is whether the
13 Orders involved meet those standards and whether I wilfully disobeyed them.

14 Let's talk about clear and specific first. One of the Orders commands me to
15 refrain from filing tax documents based on the belief that only Federal, State and local
16 Government workers are subject to the income tax, conflated apparently for the very
17 purpose of confusing you with the assertion that this notion is about the legal nature of
18 the income tax found in the book *Cracking the Code*. Well, it is not true that only
19 Federal, State and local Government workers are subject to the income tax and it is
20 also not true that this notion is found in *Cracking the Code*. You heard Robert
21 Metcalfe demonstrate that for you quite decisively on Wednesday when he was
22 actually made to read aloud from a book he claimed to have read before presenting
23 that falsehood as grounds for bringing a Government lawsuit against my husband and
24 me back in 2006.

25 I'd like to read just a little bit further from that book. I'll put it on the screen if

1 you'd like to follow along: First a pleasant report. Although this book, CTC, contains
2 several warnings that those who stand up and act in accordance with the real
3 requirements and limitations of the law can expect to meet with strenuous and nearly
4 lawless resistance from the Government, I've been pleasantly surprised in this regard.

5 This is the author speaking: Shortly after the book first went to print, I became
6 the first American in history to secure refund of Social Security and Medicare
7 contributions along with everything else withheld when my own Federal refund claim
8 for 2002 was properly honored. Since then, thousands of CTC readers from across
9 the country -- across America -- sorry -- have risen up to uphold the law and the vast
10 majority have also enjoyed law-abiding responses from both the Federal and many
11 State Governments. The amounts recovered have ranged from as little as 78 cents to
12 over \$134,000 in one refund. Nonetheless, I do not intend to revoke or even modify
13 that warning. Some readers have been targeted by obnoxious tax agency efforts to
14 confuse and discourage claimants. Happily, the numbers subjected to these efforts is
15 small and even among this small group it often turns out that the real focus or pretext
16 for the agency attention is some pre-CTC bad practice that resists being undone or
17 has residual consequences. This tax agency behavior has remained within the law,
18 but it demonstrates a deliberate and increasingly frantic Government policy or
19 resistance to the inconvenient truth. In a few cases, these efforts have taken the form
20 of the misapplication of the frivolous return statute as discussed in about 1040s and
21 claiming refunds. A few other readers have been treated to a variety of other more
22 inventive, if utterly corrupt efforts to discourage their claims. For instance, some
23 have received a Notice declaring an appealable disallowance of claim because you
24 based your claim on your erroneous view that wages and salaries do not constitute
25 taxable income. Of course, nothing could be further from the truth. Readers of

1 *Cracking the Code* are perfectly aware that wages are income and would never
2 suggest otherwise. What these claimants have actually asserted of course, is that
3 their earnings are not wages. Quite a different thing altogether. Unable to challenge
4 or dispute such assertions, but unwilling to admit defeat, the Government has fallen
5 back on the childish pretense that it misunderstands what is being said. In fact, this
6 pretense of misunderstanding and mischaracterization is the foundation for all tax
7 agency efforts to discourage or thwart CTC-educated Americans.

8 Needless to say, the Government's finding it necessary to mischaracterize the
9 claim it wishes to thwart serves to underscore the accuracy of the knowledge upon
10 which that claim is based. It is highly significant and should be lost on no one that the
11 Government response is not to simply declare the claimant's earnings to be wages or
12 to declare those earnings to be income, or simply to declare them taxable regardless
13 of labels which it certainly would do if those things were true or would declare
14 regardless of the truth if it possessed the power to do so.

15 Although these mischaracterizations are accompanied by a fair bit of bluster,
16 they are devoid of legal substance and then there's a website for extended discussion
17 on the subject. Indeed, the nature of these Government efforts to prop up the
18 scheme in the face of an informed American public simply validates the aptness of my
19 Alice in Wonderland motif. However corrupt the motivation which informs them, these
20 efforts are those of the paper-thin pack of cards which, in the end, Alice disdainfully
21 recognized her torments to be.

22 Still and again, the most typical Government response to the filings of those
23 who have studied CTC is a scrupulously proper capitulation to the requirements of the
24 law: The concrete manifestations of these pleasing responses can be enjoyed at --
25 and there there's another website for people who have sent us their victories.

1 Then there's just another short bit and I find it entertaining. It has to do with
2 withholding because we've talked about that on the page 76 of the book where it was
3 quoted and it was in reference to withholding and not being income tax.

4 Some interesting history on the current withholding provisions. The following
5 excerpt is taken from the transcript of a withholding tax hearing before a
6 subcommittee of the Committee on Finance, United States Senate during the 77th
7 Congress, Second Session on data relative to withholding provisions of the 1942
8 Revenue Act on August 21st and 22nd of 1942. The excerpts are of exchanges
9 between Senators John A. Danaher and Bennett Clark and the testifying witness --
10 witnesses Charles O. Hardy of the Brookings Institution and Milton Friedman of the
11 Treasury Department Division of Tax Research.

12 This material originally came to my attention in Autumn of 2005 as some of the
13 vast quantity of unsubstantiated flotsam and jetsam with which the Internet is awash.
14 However, it was intriguing, so I contacted the National Archives and Records
15 Administration in Washington. Two very helpful and courteous administration staffer,
16 Rod Ross and Mary Ellen Trautman, undertook to research it for me and reported
17 back two interesting things. The first was that the transcript is legitimate. The second
18 was that while they were able to verify these excerpts, they were unable to provide
19 me with a hard copy of the transcript because it is and always has been classified.
20 My correspondence speculate that a copy of the transcript was individually
21 declassified at some point in the past, perhaps for inclusion in the Library of one of the
22 hearing participants and thus was able to find its way into circulation.

23 Here's the significant passage: Senator Clark: Of course, you withhold not
24 only from taxpayers, but nontaxpayers. Mr. Hardy: Yes. Senator Danaher: I have
25 only one other thought on this point. In the event of withholding from the owner of

1 stock and no taxes due ultimately, where does he get his refund? Mr. Friedman:
2 You're thinking of a corporation or an individual? Senator Danaher: I'm talking about
3 an individual. Mr. Friedman: An individual will file an income tax return and that
4 income tax return will constitute an automatic claim for refund. In the end of course,
5 the withholding provisions that made their way into the law under the current Tax
6 Withholding Act of 1943 were confined in their application to taxpayers only as a
7 matter of legal necessity. Nonetheless, provisions acknowledging and addressing the
8 possibility that withholding would as a practical matter inevitably end up being
9 misapplied were also thoughtfully included and the mechanism of the 1040 as the
10 re-mediating instrument was formally adopted as is discussed in detail in the chapter
11 about 1040s and claiming refunds. That last bit I just thought was kind of interesting.
12 They acknowledge that when they started withholding, that inevitably some people
13 would have money withheld that weren't supposed to be and it's a clear
14 acknowledgment that not everybody is a taxpayer.

15 When you sit and deliberate, remember Mr. Metcalfe's absurd efforts to once
16 again deny the truth of that; not everybody is a taxpayer. Even after having just read
17 in the book about the application of the tax to not only every person with statutorily
18 defined income in the United States, but even nonresident aliens and could foreign
19 corporation as well -- and he read that to you. So the income tax can fall on anybody,
20 but it doesn't fall on everybody.

21 Remember for that matter that I show income on my own returns. You'll have
22 those in the Government's Exhibit Book. We do show income on our returns where
23 applicable. Then ask yourself whether I really violated an Order prohibiting me from
24 filing a return based on the belief that only Federal, State and Government workers
25 are subject to the tax when I filed my 2008 claim for a \$5 refund according to what is

1 taught about the tax in the book Cracking the Code. I don't get clear and specific from
2 that Order so much, but I think it is clear that I didn't violate a specific Order.

3 Now let's talk about with which it is possible to comply. The other Order I'm
4 accused of wilfully violating, which means a deliberate violation of what I believe to be
5 a lawful obligation, began by commanding me to lie on sworn statements and by the
6 way, to thereby declare my previous freely made testimony concerning the same
7 matter to have been lies. I know lie sounds harsh and Miss Siskind here and Mr.
8 McLellan have struggled hard and will do so again to convince you that you should
9 assume that what I was told to say by Mr. Metcalfe through the Office of Judge Nancy
10 Edmunds aren't really lies at all. You should instead assume that, for instance, even
11 when I made a claim on my 2008 return for a measly \$5, I actually believed I was
12 wrong in doing so. That would be because I knew Robert Metcalfe has said he thinks
13 so you see? And his play has been backed by a few Courts.

14 Instead of recognizing the sincerity of my beliefs, you are told by Metcalfe and
15 Applegate to assume that I, the focus of intense and hostile Government action over
16 tax-related matters for three solid years by that time, am the wife of a man who had
17 been the subject of incredibly intense hostile Government attention for six years by
18 then, filed a refund claim that I had every reason to expect the Government to
19 thoroughly dislike. For a measly \$5? Even though, goes the story, I didn't believe it
20 was legitimate? Yeah, right. I don't know how I look to you, but I hope I don't look
21 that stupid. Maybe the people who propose such a ridiculous thing ought to maybe
22 think about that.

23 Plainly I do believe what I say when I fill out and sign a tax form. Plainly when I
24 am ordered to say I believe something different, I am being ordered to lie which is to
25 say, ordered to commit Perjury and as even Nancy Edmunds said though, she didn't

1 care. I don't think I'm under a legal obligation to commit Perjury for the convenience
2 of Robert Metcalfe or his client, the Internal Revenue Service.

3 Even Judge Nancy Edmunds eventually reconsidered her original ruling and
4 now doesn't think I'm legally required to commit Perjury, which is why the very first
5 time she ever actually saw me she said her Order about making amended returns
6 didn't require that. She wasn't going to require me to commit Perjury. Affix something
7 to that -- to that -- you know, filed under protest or anything you want that says that,
8 she said. I'm giving you the option of filing those amended returns with an
9 exclamatory statement that you disagree with it. You may do that. I'm giving you the
10 option of filing an Affidavit or anything you want with your tax return, said Judge
11 Edmunds, making it possible to comply with her Order. Able to legally comply with
12 the Order by telling the truth about not believing what I was told to say, I did so.
13 The Government attorneys here this week know all this. They're here from
14 Washington anyway because this case has never been about what they're trying now
15 to put in your minds.

16 I think by now all of you understand that there's a larger question at issue here
17 than my tax obligations, whatever they may be. Any possible tax on my own earnings
18 in 2002 and 2003 under any circumstances would barely cover dinner and a movie,
19 and in 2008 my total earnings were \$59. In fact, even with my husband's earnings
20 included, in 2010 an IRS examination report that was actually signed by an examiner
21 and signed off on by the Chief Judge in this building, calculated a much smaller
22 alleged tax owed for 2002 and 2003 than the numbers you've heard this week, an
23 amount which was paid in full long ago. Miss Siskind and Mr. McLellan were provided
24 documentation of that payment.

25 MR. McLELLAN: Objection, Your Honor.

EXHIBIT 2
July 23, 2014 Trial Transcript

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case No. 13-20371

-vs-

DOREEN HENDRICKSON,

Detroit, Michigan

Defendant.

July 23, 2014

-----/

TRANSCRIPT OF TRIAL - VOLUME THREE
BEFORE THE HONORABLE VICTORIA A. ROBERTS
UNITED STATES DISTRICT COURT JUDGE, and a Jury.

APPEARANCES:

For the Government:

Melissa Siskind, Esq.

Jeffrey McLellan, Esq.

For the Defendant:

Doreen Hendrickson, Pro Per

Standby Counsel:

Andrew Wise, Esq.

Proceedings taken by mechanical stenography, transcript
produced by computer-aided transcription

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1 Q. (By Ms. Hendrickson continuing) You're the person who signed the Complaint
2 against me asking Judge Edmunds to order me to amend my previously sworn
3 testimony, is that true?

4 A. I would say no.

5 Q. So I was not ordered to file amended returns?

6 A. What we sought in the Complaint was an Order from the Court under Section
7 7402(a) of the Internal Revenue Code that required you to file correct returns that took
8 into income what you received from Una Dworkin and what your husband received
9 from Capital -- or Personnel Management, Inc. in 2002 and 2003.

10 Q. In order to do what you would term corrected returns, that would be ordering us
11 to amend our previously sworn testimony, is that correct?

12 A. I wouldn't characterize it as previously sworn testimony.

13 Q. We signed a document under penalty of perjury swearing that to the best of our
14 knowledge and belief the returns were true and correct.

15 THE COURT: What's your question?

16 Q. (By Ms. Hendrickson continuing) So is that not previously sworn testimony?

17 A. I don't consider it to be testimony.

18 Q. So the Jurat on the 1040 is not sworn testimony?

19 THE COURT: He's answered your question, Mrs. Hendrickson. He
20 doesn't agree with you.

21 Q. So that's not an Affidavit on there then. The tax return is not an Affidavit. It's
22 not a sworn document?

23 A. I think it's a sworn document, but I don't understand it to be testimony the way
24 that you do.

25 Q. Okay. Have you ever before asked for an Order from a Judge telling someone

1 A. That's correct.

2 Q. You've been there a long time, correct?

3 THE COURT: That's already a matter of record, Mrs. Hendrickson.
4 What is your question?

5 Q. (By Ms. Hendrickson continuing) So it would be safe to say -- would it be safe
6 to say that you know something about basic principles involved in the making and
7 validating of tax returns?

8 A. The things that I have knowledge of are the provisions of the Internal Revenue
9 Code and the Treasury regulations that I need to do my job. As far as how tax returns
10 are processed or examined or how assessments are made, I don't really have any
11 knowledge of that.

12 Q. Okay. Yesterday and actually today as well -- I just want to clarify -- you asked
13 Judge Edmunds to issue against us -- issue against us simply ordered us to file
14 correct returns as you put it, correct?

15 THE COURT: Asked and answered.

16 Q. (By Ms. Hendrickson continuing) Okay. In your understanding then in your
17 position with the Department of Justice Tax Division, as a supervisory person, is a
18 document which may look like a tax return but is not freely made as to the content, but
19 is one for which someone other than the signer has dictated the content in which the
20 signer would not put in on her own, is such a dictated thing actually a return in a legal
21 sense? (Sic)

22 A. I have no idea how to answer that question.

23 Q. If you put something down on a return and sign it, is it a valid legal return even
24 though it's not what you believe?

25 A. When I look at a return, all I look at is what is put in or what is reflected on the

1 face of the return itself. I have no way of knowing whether that is consistent with or in
2 opposition to what someone either secretly thinks or believes.

3 Q. That's reasonable. But my question was is if you somehow could determine
4 that they didn't believe what they had put down, would it be a valid return if there were
5 a way for you to find out that they didn't really believe what they said?

6 MS. SISKIND: Objection; relevance. Calls for speculation.

7 THE COURT: Sustained.

8 Q. (By Ms. Hendrickson continuing) One of the four things that defines a return is
9 that it be honestly signed under penalties of perjury, is that correct?

10 A. That's correct.

11 Q. Honestly signing something under penalties of perjury means truthfully
12 declaring that one actually believes in what is signed off on, doesn't it? You sign
13 something under penalty of perjury, it means that you're truthfully declaring you
14 believe what you're signing?

15 A. I think what you are acknowledging is what appears on the return is true and
16 correct.

17 Q. I didn't say return necessarily. I just said in general, but okay. But if you
18 honestly sign something under penalty of perjury, then you're supposed to be stating
19 that yes, I'm being truthful and honest and I believe what I put down here?

20 A. Again, I can only say what the Jurat on the tax return means is that what
21 appears on the return is true and correct, regardless of what you might think about the
22 Internal Revenue laws or any theories or things like that you may have in your head.

23 Q. But I was being a little more general. Just in general -- I'm not specific to the
24 tax return. In general if you sign something under penalty of perjury, then it's
25 assumed that you're being honest in stating what you really believe.

1 MS. SISKIND: Objection; relevance.

2 THE COURT: Sustained.

3 Q. (By Ms. Hendrickson continuing) Only something with -- so only something with
4 testimony actually believed by the signer to be true can be an actual return 'cause if
5 they don't believe it, is it an actual return?

6 A. I don't know how to answer that question.

7 Q. So speaking with your experience, it would be impossible to comply with an
8 Order to produce a tax return that must have on it testimony that was dictated or
9 controlled by someone else, is that correct?

10 MS. SISKIND: Objection. Calls for speculation.

11 MRS. HENDRICKSON: He's a tax attorney.

12 THE COURT: Excuse me. Excuse me. I think you tried to ask these
13 questions, get answers to them about an hour ago. Sustained.

14 MRS. HENDRICKSON: May I show this to Mr. Metcalfe?

15 THE COURT: What is it?

16 MRS. HENDRICKSON: A Memorandum.

17 THE COURT: Does it have a number on it?

18 MRS. HENDRICKSON: It's 528. Sorry.

19 MS. SISKIND: I have it, Your Honor.

20 THE COURT: Continue.

21 Q. (By Ms. Hendrickson continuing) Can you identify this?

22 A. Exhibit Number 528 purports to be a copy of a Memorandum from the Ogden
23 Service Center dated June 11, 2001 from at that time the Branch Chief of the
24 Administrative Provisions and Judicial Practice of the Department of the Treasury
25 Internal Revenue Service, part of Chief Counsel. It's basically an internal

1 Memorandum that goes from the Chief Counsel of the Internal Revenue Service to
2 the Ogden Service Center in Ogden, Utah.

3 Q. Thank you. This sets some parameters for what constitutes a valid return
4 vis-a-vis the signature?

5 MS. SISKIND: I would object to the admission of this document. First,
6 this is not the proper witness to lay a foundation for an IRS record. He's a
7 Department of Justice employee. Additionally, this document is replete with legal
8 conclusions of an entity of the Department of Treasury.

9 THE COURT: May I see it please, Mrs. Hendrickson? Thank you.

10 MRS. HENDRICKSON: You're welcome.

11 THE COURT: The Court is not going to admit that. Mrs. Hendrickson,
12 do you know how much longer you have with this witness?

13 MRS. HENDRICKSON: We can take a break. I'm at a stopping point.

14 THE COURT: Do you know how much longer is my question with this
15 witness?

16 MRS. HENDRICKSON: Oh, not too much. I just have two pages.

17 THE COURT: You have Redirect?

18 MS. SISKIND: It will be very brief so far, Your Honor.

19 THE COURT: We'll take a break. Some of our jurors need to take a
20 break. We'll come back at 11:30. Thank you.

21 **(Court recessed at about 11:20 a.m.)**

22 **(At about 11 37 a.m.)**

23 **Court, Counsel, Jury and parties present)**

24 THE COURT: Mrs. Hendrickson, you want to continue?

25 MRS. HENDRICKSON: Yes please. Thank you.

1 based on the evidence before it, file an amended return reporting these amounts and
2 then you sign that because those are the correct amounts.

3 Q. Well, but if I don't believe they're correct, then how do I file that amended return
4 so that I'm still complying with her Order, but not lying on the Jurat?

5 A. If you signed those returns with the amounts that are correct as determined by
6 the Court, you would not be lying.

7 Q. But if I don't agree with them, then I'm saying on that Jurat that I do agree with
8 them.

9 A. And maybe that's why Judge Edmunds said you can attach a separate
10 statement, but the problem is what you did was incorporate that statement as part of
11 the return, numbering it as a page of the return and invalidating your signatures.

12 Q. Actually, and we've gone over this in the past as well, and I did send them to
13 you as separate documents and as far as the return being attached to the Affidavit,
14 you have to have some reason for filing an Affidavit. You can't just willy-nilly go filing
15 papers with the Court.

16 MS. SISKIND: Objection, Your Honor.

17 THE COURT: What's the question?

18 MRS. HENDRICKSON: Well, because Mr. Applegate is saying that --

19 THE COURT: No, no, no. What is your question?

20 MRS. HENDRICKSON: I've kind of lost my train of thought for a
21 moment. What was his response to me? That will regenerate my question please.

22 (Whereupon the witness's last answer was read in open court)

23 MRS. HENDRICKSON: Well, I guess it's possible that --

24 THE COURT: (Interjecting) Just ask a question, Mrs. Hendrickson.

25 Q. (By Ms. Hendrickson continuing) So the -- can -- so what I could do then was

1 the Order to its original version, I was going to be able to file the Affidavit with the
2 Court, but not put anything on the amended return indicating that it wouldn't be
3 processable (sic) I guess would be the way or that would somehow nullify Jurat?

4 A. I didn't ask her to restore the Order to its original status or whatever. What I
5 said to her is what I read into the record a few minutes ago, basically just saying I
6 wanted her to order you to file valid returns that did not alter the Jurat because the
7 returns you had filed or sent to me in January or June 25th you had invalidated your
8 signature and invalidated those returns. So again, as the Judge also said at that
9 hearing, the Judge said Mrs. Hendrickson, I told you you could file a separate
10 statement, but that's not what you had done and so then she gave you a chance to
11 file returns that had a separate statement that did not invalidate the return.

12 Q. Okay. You're an attorney and a member in good standing with the Bar, Mr.
13 Applegate?

14 A. In the state of Michigan, yes.

15 Q. Okay. Could you tell us your official title?

16 A. It's Trial Attorney.

17 Q. And so you're admitted to practice though here and in Washington?

18 A. When you practice for the Federal Government, you only need to be admitted
19 into one state. It could be any state.

20 Q. So would the Jury be safe in considering you a legal expert?

21 A. I guess it would depend on what matters. I don't do car accidents or --

22 Q. (Interjecting) Missed that ambulance, huh? Okay. So you're familiar with what
23 an Affidavit is, are you?

24 A. Yes.

25 Q. Okay. Would you say that a tax return such as those I was ordered to file is a

1 form of an Affidavit?

2 A. It is. It is signed under penalty of perjury, supposed to be.

3 Q. Would you say the information on a tax return is sworn testimony of the person
4 signing it?

5 A. Yes.

6 Q. Would you say that if the testimony on a tax return had been coerced that the
7 return would be a valid affidavit?

8 A. It's presumed to be valid based on the signature under oath and whatever is
9 presented within that is presumed to be valid.

10 Q. So that didn't quite answer the question. If the testimony on the tax return was
11 coerced, would that be a valid affidavit?

12 A. As long as there was no facial deficiency yes, it would be considered valid.

13 Q. So it wouldn't matter if it were coerced testimony or not?

14 MS. SISKIND: Objection. Asked and answered.

15 THE COURT: Sustained.

16 Q. (By Ms. Hendrickson continuing) Would it be safe to say that testimony on any
17 kind of Affidavit would be valid if it were not voluntarily offered?

18 MS. SISKIND: Objection, Your Honor, to the extent that it goes to
19 Affidavits other than tax returns.

20 THE COURT: Sustained.

21 Q. (By Ms. Hendrickson continuing) Mr. Applegate, are things -- this is as -- you
22 as an attorney -- are things which are not actual freely made instruments of their
23 signers, tax returns or any others, really returns at all in a legal sense? If they're not
24 freely made instruments of their signer, are they really returns at all?

25 A. If they're signed, it's a valid return even if you disagree with what's reported on

EXHIBIT 3

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

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-vs-

DOREEN HENDRICKSON,

Detroit, Michigan

Defendant.

July 23, 2014

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1 MS. SISKIND: I'm writing out what could be a proposed Stipulation for
2 this issue.

3 THE COURT: Thank you. In the meantime, Mrs. Hendrickson, do you
4 want to get started? I'm sure you have questions outside of that area.

5 MRS. HENDRICKSON: Okay.

6 THE COURT: And just hold that please.

7 **CROSS-EXAMINATION**

8 **BY MRS. HENDRICKSON:**

9 Q. Okay. Hi.

10 A. Hi, Mrs. Hendrickson.

11 Q. Again. Mr. Applegate, you were the attorney who brought the motion before
12 Judge Edmunds in 2010, right?

13 A. Which one?

14 Q. In -- oh, yes. June, 2010. That was the one that Mr. Metcalfe was at because
15 you couldn't be?

16 A. Right. The Motion for Contempt, right.

17 Q. And that motion deals with one of the Orders in this case, right?

18 A. Right. The Judgment.

19 Q. Just the 2002/2003 because you weren't involved in anything with the other
20 Order about the 2008 return?

21 A. Correct.

22 Q. At that hearing, I told Judge Edmunds that I didn't think the numbers on the
23 returns you wanted me to file were true, didn't I?

24 A. I believe you did.

25 Q. And as a result, Judge Edmunds modified that Order, didn't she?

1 A. Are you talking about the -- the January 7th, you sent me those two returns
2 filed married filing separately just signed by you and not Mr. Hendrickson, and that
3 Affidavit that you referred to and those returns, yes.

4 Q. And so this was at least my seventh sworn Declaration that I do not believe
5 what you and -- I'll say colleagues -- I don't know what other term to use -- at the
6 Department of Justice want me to put on these forms. So this is the seventh, my
7 seventh sworn Declaration.

8 A. And I can't speak as to how many Declarations you may have filed with the
9 Court or with me. I'm not sure what you're referring to exactly.

10 Q. Well, I could list them off for you, but they're all in the record anyhow.

11 THE COURT: What's your question?

12 MRS. HENDRICKSON: I was going --

13 THE COURT: Just ask a question.

14 Q. (By Ms. Hendrickson continuing) Where and how have you or any Government
15 official sworn even once that you believe my earnings are self-employment income or
16 tax relevant nonemployee compensation?

17 A. I have not sworn anything like that. My motions were all simply to say you
18 have not complied with the Court's Orders, and I know we filed a Motion for Summary
19 Judgment in this case which led to the Judgment and there were signed Declarations
20 attached to that.

21 Q. So you're a tax attorney, so you know a little bit about tax law or maybe a
22 whole lot about tax law. Isn't the Government obligated to create a sworn return of its
23 own when someone has filed what the Government sincerely believes to be a
24 required but false, fraudulent or frivolous return?

25 A. That's one option and then another option is what we did here was to seek an

1 Q. And in fact, did Judge Edmunds give Mrs. Hendrickson some kind of vehicle for
2 expressing her disagreement?

3 A. Yes. She said that Mrs. Hendrickson could attach a separate statement
4 expressing her disagreement basically.

5 Q. I have no further questions.

6 THE COURT: Thank you. Mrs. Hendrickson, do you have more
7 questions?

8 MRS. HENDRICKSON: No, I don't.

9 THE COURT: Thank you. Mr. Applegate, you're done. Thank you very
10 much.

11 THE WITNESS: Thank you, Your Honor.

12 THE COURT: Step down. Do you have anymore witnesses?

13 MS. SISKIND: No, Your Honor.

14 THE COURT: The Government rests?

15 MS. SISKIND: Yes.

16 THE COURT: Ladies and gentlemen, I think we will conclude for today
17 and we will resume tomorrow. Again, please don't discuss the case with anyone and
18 we'll see you tomorrow at nine. Thank you very much.

19 THE CLERK OF THE COURT: All rise.

20 **(Jury exited courtroom at 1:07 p.m.)**

21 THE COURT: If you could just take your seats for a moment. Do you
22 have an agreed upon Stipulation on the issue of payments?

23 MR. WISE: We don't, Your Honor. I haven't had a chance to review and
24 discuss it with Miss Hendrickson.

25 THE COURT: We will take it up tomorrow then. Mrs. Hendrickson, can

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UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Case No. 13-20371

-vs-

DOREEN HENDRICKSON,

Detroit, Michigan

Defendant.

July 24, 2014

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TRANSCRIPT OF TRIAL - VOLUME FOUR
BEFORE THE HONORABLE VICTORIA A. ROBERTS
UNITED STATES DISTRICT COURT JUDGE, and a Jury.

APPEARANCES:

For the Government:

Melissa Siskind, Esq.

Jeffrey McLellan, Esq.

For the Defendant:

Doreen Hendrickson, Pro Per

Standby Counsel:

Andrew Wise, Esq.

Proceedings taken by mechanical stenography, transcript
produced by computer-aided transcription

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1 Q. Okay. I did ask you once before if I expressed any confusion about what I was
2 being ordered to do and you responded some confusion, yes, but still thought it was
3 wrong. Did I explain to you at all what I thought was wrong? Yes or no?

4 A. I don't recall.

5 Q. I'm just refreshing my memory. And did I ever indicate to you what I thought
6 the consequences would be of me either perjuring myself or not perjuring myself
7 whichever way I went? I had to go one of the two.

8 A. I don't recall if we ever discussed consequences.

9 Q. Okay. Did I ever express to you that I felt I had an actual duty to comply with
10 this Order?

11 A. No. That was the confusion. You weren't sure that you could comply with it. I
12 think that was the issue for you.

13 Q. Okay. Thanks, Tone.

14 A. You're welcome.

15 **CROSS-EXAMINATION**

16 **BY MS. SISKIND:**

17 Q. You just testified that Mrs. Hendrickson expressed she wasn't sure whether
18 she could comply with Judge Edmunds' Order, is that correct?

19 A. Yes.

20 Q. Was there -- was Mrs. Hendrickson incapacitated at that time that she couldn't
21 sign her name on a tax return to your knowledge?

22 A. Not to my knowledge.

23 Q. And you testified that she was extremely upset about the Order.

24 A. Yes.

25 Q. She was extremely upset that a Federal Judge was ordering her to file

1 amended tax returns?

2 A. No; compelling her to sign a document that she didn't agree with.

3 Q. So Mrs. Hendrickson did not agree with what Judge Edmunds was ordering her
4 to do?

5 A. She was being ordered to sign something against her will, that's correct.

6 Q. Which she did not agree with Judge Edmunds' Order?

7 A. She couldn't sign something under the law of Perjury, and that was the issue.
8 She was going to perjure herself if she signed something that she didn't believe.

9 Q. My question, Mr. Wright, is did Mrs. Hendrickson express to you that she
10 disagreed with what Judge Edmunds was ordering her to do?

11 A. Yes.

12 Q. No further questions.

13 THE COURT: Do you have any?

14 **RECROSS-EXAMINATION**

15 **BY MRS. HENDRICKSON:**

16 Q. Miss Siskind made some type of statement about was I physically
17 incapacitated. Yes?

18 A. She did.

19 Q. Okay. But inability to comply with an Order isn't necessarily that you have to
20 be physically incapacitated. Could it be that it's an impossibility?

21 MS. SISKIND: Objection, Your Honor. It calls for a legal conclusion.

22 THE COURT: Sustained.

23 Q. (By Mrs. Hendrickson continuing) Well, you yourself, Tone, mentioned that I
24 didn't feel like I could comply with it and so was that -- was my feeling about that that I
25 had a broken arm or what was the foundation for me being not able to comply with it

1 Q. (By Mrs. Hendrickson continuing) Oh, okay. Judge Edmunds -- did I describe
2 to you what I thought the Order was intended to make me do?

3 A. Yes.

4 Q. And could you tell me what I indicated about that?

5 A. You indicated that the Order was to fill out a form that you regarded as
6 untruthful.

7 Q. And it was a two-part thing; that that was one part of it and what was the other,
8 do you recall?

9 A. I'm not familiar with the both Orders, just what their effect was; that you were
10 ordered to fill out a form in a manner that you would regard as untruthful.

11 Q. Okay. At the time of our discussion or discussions, do you recall my general
12 emotional state concerning what I was told to do?

13 A. Yes.

14 Q. And would you describe that please?

15 A. I think you were anxious and frightened and concerned and --

16 Q. Okay. Did I ever express to you whether I thought the Orders were legal or
17 unconstitutional or lawful?

18 A. Yes.

19 Q. And what did I express about that?

20 A. That they were unlawful.

21 Q. Did I ever indicate to you that I didn't understand how I could comply with
22 Orders commanding me to make valid tax returns, which are sworn affidavits, but
23 contain someone else's words that I do not believe to be true?

24 A. Yes.

25 Q. And what do you recall of our conversation regarding what I thought I was

1 being ordered to do?

2 A. That you were in a real quandary that you were very anxious about how to
3 conform to this order.

4 Q. Did I indicate to you that I couldn't understand how I could legally comply with
5 an Order commanding me to perjure myself?

6 A. Yes.

7 Q. Okay. Brian, have you ever read the book *Cracking the Code, The Fascinating*
8 *Truth About Taxation in America*?

9 A. Yes.

10 Q. And thoroughly?

11 A. I've read it lightly once and more thoroughly the second time.

12 Q. I'm going to put this one up here. Unfortunately I don't know where my
13 highlighted copy went that -- I was given a copy of theirs, but I'll have to indicate to
14 you. Oh, good. That will work. That will be easier. I'm juggling between two different
15 things here. I know you don't have highlighting in that book, but I do have highlighting
16 in exactly the same fashion that that would be. Would you open it to page 12 please?

17 A. Okay.

18 Q. And would you read what's highlighted please?

19 MS. SISKIND: Your Honor, I'll object. This is now the third witness Mrs.
20 Hendrickson is having read provisions from the book. She did it with Mr. Metcalfe and
21 then also with Mr. O'Boyle.

22 THE COURT: Mr. Metcalfe did read what you have highlighted here.
23 You want this witness to read the same thing.

24 MRS. HENDRICKSON: He read this part?

25 THE COURT: Yes, he did.

1 Q. And since you got your own apartment this Spring, more likely on the phone?

2 A. Yes.

3 Q. How about by emails?

4 A. Yes.

5 Q. Has this been discussed between us a lot like more than one occasion or a lot
6 more or is this a frequent topic of conversation?

7 A. Yes.

8 Q. Thanks. At the times that we had our discussions, do you recall my general
9 emotional state concerning what these Orders were telling me to do?

10 A. Yes. You were frustrated, upset.

11 Q. Frustrated about what?

12 A. Well, you had two choices essentially. You could either sign the documents as
13 dictated and commit Perjury, or you could be held in Contempt of Court, which is also
14 a crime, so that would be frustrating for anyone I would think.

15 Q. Okay. Do you recall at some point me filing or being upset about filing
16 amended Orders way back in June of 2010?

17 A. When you were able to also file an affidavit saying that you didn't believe them,
18 that was fine, but when you weren't able to exercise your right to free speech, that
19 was when it was a problem.

20 Q. Did I express to you my opinion of whether or not I thought the Order was
21 unconstitutional?

22 A. Absolutely. It's a violation of the First Amendment.

23 Q. Did I --was I -- did I express any confusion about what Judge Edmunds was
24 commanding me to do?

25 A. No, the Order was clear. It was how to carry it out without committing a crime.

1 Q. Okay. Did most of our conversations follow similar paths?

2 A. Yes.

3 Q. So going -- in a short summary, going to my state of mind about this whole
4 sordid affair, can you summarize the gist of those many, many conversations?

5 A. Essentially what I said before. It was either -- you were going to be committing
6 a crime no matter what you did according to the Court. You could either commit
7 Perjury or be in Contempt. It was -- I mean how could you do that?

8 Q. Okay. Thanks, Sweetie.

9 A. Ah-hum.

10 **CROSS-EXAMINATION**

11 **BY MS. SISKIND:**

12 Q. Good morning, Miss Hendrickson.

13 A. Good morning.

14 Q. Over the July 4th weekend you gave a talk at a Cracking the Code
15 Symposium, correct?

16 A. I did.

17 Q. The topic of that was How To Use Social Media To Promote Your Cause?

18 A. Yes.

19 Q. You actually use social media quite a bit?

20 A. I do.

21 Q. You have a Facebook page?

22 A. Yes.

23 Q. You use Twitter?

24 A. Ah-hum.

25 Q. And you have a Blog?

1 Because she's representing herself and she can't ask the questions and answer the
2 questions, her standby counsel, Mr. Wise is going to question Mrs. Hendrickson.
3 Thank you, Mr. Wise.

4 **DIRECT-EXAMINATION**

5 **BY MR. WISE:**

6 Q. Thank you, Your Honor. Mrs. Hendrickson, how old are you?

7 A. Fifty-nine.

8 Q. And what's your educational background?

9 A. I have a Bachelor of Science in Chemistry with a minor in Physics and I have a
10 Secondary Education Certificate.

11 Q. And --

12 A. Some graduate work.

13 Q. What is your marital status?

14 A. I'm married for 23, 24 years, something -- maybe 22. I don't know. Who's
15 counting?

16 Q. And who are you married to?

17 A. Peter Hendrickson.

18 Q. And do you have children?

19 A. I do. I have two kids. I have a son who's 18, just graduated high school, and
20 you're familiar with my daughter, she's 23. She graduated from Lawrence Tech last
21 year.

22 Q. And that's Katie who just testified?

23 A. Yes.

24 Q. Now turning to the facts of this case, do you believe that your original 2002 and
25 2003 tax return documents are true, correct and fully in accordance with the law?

1 A. Yes, I do.

2 Q. And are the -- in part do you form the basis of that belief on the book *Cracking*
3 *the Code*?

4 A. Yes, I did.

5 Q. And in addition to *Cracking the Code*, have you also reviewed statutes and
6 court cases that are referenced in *Cracking the Code*?

7 A. Yes I have. There's a supplemental document that I've used for doing them.

8 Q. And you've -- it may have been assumed in my last question, but you've read
9 the book *Cracking the Code* and seen those statutes and cases?

10 A. Yes, I have.

11 Q. As you understand the book *Cracking the Code*, does it argue or assert that
12 only Federal, State or local Government workers are liable for the payment of Federal
13 income tax or subject to withholding of Federal income tax, Social Security and
14 Medicare taxes from their wages under the Internal Revenue laws?

15 A. Actually *Cracking the Code* says just the opposite. It never says that anywhere
16 in the book.

17 Q. Does the fact that Judge Edmunds signed an Order indicating that that's what
18 the book says change your feeling about that in any way?

19 A. No, it doesn't. No, I don't base my conclusions on -- when I read something, I
20 don't base my conclusions on whether someone in a position of authority as it were
21 has a different opinion. I'm a bright woman, fully capable of making my own
22 conclusions.

23 Q. Let me ask you about your 2008 tax return. When you filed that Return, was
24 the information you placed on that Return based on the notion that only Federal, State
25 or local Government workers are liable for the payment of Federal income tax or

1 subject to the withholding of Federal income tax, Social Security and Medicare taxes
2 from their wages under the Internal Revenue laws?

3 A. No, it wasn't.

4 Q. Now do you recall yesterday Mr. Metcalfe read some portions of *Cracking the*
5 *Code* during his testimony, is that right?

6 A. Yes, he did.

7 Q. And that is the book described in Judge Edmunds' Order that is at issue in this
8 case, correct?

9 A. Yes, it is.

10 Q. And the Indictment describes the book the same way in this case?

11 A. As I recall, yes.

12 Q. Now also you had Mr. Metcalfe read portions of his Complaint filed before
13 Judge Edmunds that described the book in that fashion as well, is that correct?

14 A. Yes, it is.

15 Q. And that Complaint also alleges that the book says wages are not income?

16 A. Yes, I believe it does say wages are not income, but that's incorrect. Wages
17 and income are specially defined terms in the law and the book does not say that
18 wages are not income.

19 Q. And Mr. Metcalfe also testified that he had read the book himself, correct?

20 A. He did testify to that, yes.

21 Q. And that book was introduced as a Government Exhibit in this matter, correct?

22 A. Yes it was. I think it's the -- I don't know which edition it is; third or fifth or
23 something like that.

24 Q. Is that the same edition of the book that was out when you filed your 2008 tax
25 return?

1 A. Right.

2 Q. Which is in the earlier edition, correct?

3 A. Correct.

4 Q. And from the same page 76 in Defendant's 548-B, the later edition, would you
5 read the highlighted portion?

6 A. It's so actually this kind of withholding only applies to the pay of Federal
7 Government workers exactly as it always has, plus State Government workers since
8 1939 and those of the District of Columbia since 1921.

9 Q. So that's the adage that you were talking about?

10 A. That's the sort of thing, yeah. That we're always to clear things up.

11 Q. So when you filed your 2008 tax return --

12 A. Yes.

13 Q. Did you believe that *Cracking the Code* set forth the notion that only Federal,
14 State and local employees were required to pay income taxes?

15 A. No, I did not ever believe that to be true.

16 Q. And it's your view that Judge Edmunds' Order only prohibited you from filing
17 returns based on that notion that only Federal, State, local Government workers are
18 subject to the income tax, is that correct?

19 A. Yes, that's correct. I mean she didn't order anything except that. Do not file
20 returns ever based on that notion and I don't hold that notion, never have. She didn't
21 say anything else, so I thought well, as long as I file according to what I perceive to be
22 the truth, then I'm good to go.

23 Q. So considering your view of those express terms in Judge Edmunds' Order,
24 your knowledge of the contents of *Cracking the Code*, did you understand what was
25 being ordered when it instructed you not to file a return based on false or frivolous

1 notions found in *Cracking the Code*, et cetera?

2 A. Can you -- I'm sorry -- do that again? That's okay.

3 Q. As you understand the terms of Judge Edmunds' Order and the contents of
4 *Cracking the Code*, do you believe that you violated the terms of Judge Edmunds'
5 Orders when you filed your 2008 income tax return?

6 A. No, I did not. It's not just *Cracking the Code*. There are lots of other things
7 that we mentioned earlier about this other document that I have, and there's a ruling
8 here, in here that --

9 Q. I'll get to those questions, Miss Hendrickson. I'm going to ask you if there are
10 particular statutes and cases --

11 A. Sorry. I'm jumping ahead.

12 Q. -- That you might use to illustrate the core of how you formed your belief with
13 respect to the tax statutes.

14 A. There's a ton of other things that I've read and took in.

15 Q. Do you have in front of you Defendant's Exhibit 549?

16 A. I do.

17 Q. Could you tell me what that is?

18 A. It's a research paper entitled The Fascinating Truth About The 16th
19 Amendment. Most people have an erroneous understanding of the 16th Amendment
20 and so this is a research paper about that.

21 Q. And is that one of the many materials that you reviewed to form your beliefs
22 about the tax laws, statutes, cases?

23 A. Yes, it is.

24 Q. Move for the admission of Defendant's 549.

25 MS. SISKIND: Your Honor, we think we need additional foundation

1 Maybe if it's notarized I would take it seriously.

2 Q. And do you believe an affidavit can be valid if it's not fully voluntarily signed
3 and not directed to be -- or compelled to be signed by somebody against somebody's
4 will?

5 A. I don't see how you can possibly sign something that you don't believe and still
6 swear it to be true. It's inconsistent. It makes no sense at all.

7 Q. Mrs. Hendrickson have you in the past seen returns similar to those filed by
8 you and your husband for 2002/2003 and by yourself for 2008 filed by other people?

9 MS. SISKIND: Objection, Your Honor.

10 MRS. HENDRICKSON: Thousands.

11 THE COURT: Excuse me. What's your objection?

12 MS. SISKIND: Relevance, Your Honor, to other people's taxes.

13 THE COURT: Sustained.

14 MR. WISE: Can I respond or at least make a record?

15 THE COURT: You can make a record.

16 MS. SISKIND: Your Honor, can we do it at side bar then so the Jury isn't
17 exposed to any facts Mr. Wise may put on the record?

18 THE COURT: All right.

19 **(Sidebar conference out of the hearing of the jury as follows)**

20 MRS. HENDRICKSON: I'm getting exercise going up and down those
21 stairs.

22 MR. WISE: Yes. The point of this testimony again goes to Mrs.
23 Hendrickson's belief as to the validity of her original filings in this case in 2002 and
24 2003. Mr. Metcalfe testified with respect to a website that the Hendricksons maintain.
25 As part of that website, people who have followed the *Cracking the Code* theories

1 there other people around the country who were sued at the same time for essentially
2 identical returns?

3 MS. SISKIND: Objection, Your Honor.

4 THE COURT: Objection is sustained.

5 Q. (By Mr. Wise continuing) Moving ahead to May, 2007 when Judge Edmunds
6 entered her amended Judgment final ruling, could you tell us what your reaction was?

7 A. Pretty shocked. I couldn't imagine that the ruling went that way. There was no
8 reason for it to have -- we never even had a hearing. We requested a hearing, but it
9 was denied. I kind of thought here in our system that when you have a legal dispute
10 and one party or both parties want a hearing, then you go before a Judge and you
11 argue it out and then that Judge makes a ruling.

12 THE COURT: Well, that's not an accurate statement of what the law
13 requires Mrs. Hendrickson.

14 MRS. HENDRICKSON: Anyhow there was no hearing or anything.
15 There was lot of paperwork back and forth, motions filing and stuff like that, but we
16 wanted to have an actual hearing and we were not granted that.

17 Q. (By Mr. Wise continuing) And how did you feel about the portion of Judge
18 Edmunds' Order directing you to file amended returns?

19 A. Well, kind of puzzling actually because our returns had been accepted and
20 thoroughly vetted by the Internal Revenue Service, so why would I file amended
21 returns repudiating my previously sworn testimony on those documents? That didn't
22 make an awful lot of sense to me. I was being told at that point replace your freely
23 sworn testimony with testimony I'm telling you what to put on your return, and that's
24 just not the way it's supposed to be.

25 Q. One of the -- one part of the Order from Judge Edmunds again directed you to

1 file amended returns. What did you understand from this that you were being
2 commanded to change about your original return?

3 A. I was being told to change the amounts on the top line of the form to what Mr.
4 Metcalfe had determined belonged there and then sign it as if it was my own
5 testimony. And again, you can't file an affidavit that you don't believe, so here I am. I
6 don't believe what I'm being told to write down and put my name on it and I used to --
7 when I complained to people about it, all these people that I've talked to about this
8 over the years, I said if Mr. Metcalfe wants to say that that's what my -- that those
9 earnings are actually income as defined in the law, let him sign his name to it. It
10 wasn't my testimony.

11 Q. And you're talking about -- you just mentioned the figures that Mr. Metcalfe
12 proposed you sign your name under. Do you have an understanding where the
13 Government got those figures as opposed to the figures you originally submitted?

14 A. Yeah. There was this supposed IRS examiner, Terry Grant, who threw
15 together some numbers I suppose, but it wasn't a formal audit or exam as was
16 supposed to be and then I'm thinking that if you -- for example, if you were going to
17 sue somebody --

18 THE COURT: (Interjecting) Mrs. Hendrickson, I think the question was
19 do you know where the Government got those figures.

20 MRS. HENDRICKSON: I suppose it was from this Terry Grant person
21 who put together an exam that she said wasn't a formal exam.

22 Q. (By Mr. Wise continuing) And at least according to the Declaration of Miss
23 Grant that she had reviewed W-2's and 1099's from various people in putting together
24 those numbers?

25 A. Correct.

1 Q. Is that correct?

2 A. That's what I assumed.

3 Q. What was your reaction, if any, to the fact that the Court presumed that those
4 numbers were correct without a hearing or taking evidence from you?

5 A. Well, it doesn't seem fair quite frankly. If I say one thing and someone else
6 says another thing, why is that person's testimony of anymore significance than my
7 testimony without some kind of proof? It just doesn't seem right.

8 Q. And when you first read Judge Edmunds' amended Judgment and Order, was
9 it clear to you whether or not you were allowed to state what you believed to be the
10 truth on your amended return?

11 A. Initially no, that was not part of her Order.

12 Q. It was not part of her Order that you state the truth on your amended return?

13 A. Oh. She said to state the truth, but the truth is -- you're going to tell me what
14 the truth is. It's like telling some person that your religion is the only one and you
15 must --

16 THE COURT: (Interjecting) I'm sorry. What is your question? What is
17 the question?

18 Q. (By Mr. Wise continuing) The question was when you first read this Order, was
19 it clear to you whether or not you were allowed to state the truth on your amended
20 return?

21 A. I was not allowed to state the truth as I believe it.

22 Q. So when you saw that you were being commanded to use somebody else's
23 version of the facts with respect to your taxable income in these amended returns, did
24 you believe that you could comply with that Order?

25 A. No. You could not comply with it, and I don't --

- 1 THE COURT: (Interjecting) I think you have answered the question.
- 2 Q. (By Mr. Wise continuing) Why could you not comply with it?
- 3 Q. You can't comply with it because it's telling you to state a version of someone
- 4 else's facts and declare it to be your own and sign it whether you agree with it or not,
- 5 and that's -- you can't do it. That's not what an affidavit is. You can't, and morally you
- 6 can't. That's just lying.
- 7 Q. Later did you have a hearing in June in front of Judge Edmunds regarding that
- 8 Order? That's June, 2010?
- 9 A. Yes, we finally got a hearing in June of 2010, four years after the lawsuit was
- 10 filed.
- 11 Q. And at that hearing did you perceive or do you believe that Judge Edmunds
- 12 made modifications to what she was ordering you to do?
- 13 A. She did make some modifications.
- 14 Q. I'm going to ask you to look at Defense Exhibit 563.
- 15 A. Yes, I have it.
- 16 Q. We're using Exhibit 563 for identification, but this has already been admitted as
- 17 Government's Exhibit 20. That is the transcript of that June 10th, 2010 motion,
- 18 correct?
- 19 A. Correct.
- 20 Q. I'd like you to take a look at page six and take a look at -- see the highlighted
- 21 portions in there?
- 22 A. Yes.
- 23 Q. Could you read the part that is highlighted there that's the statements by the
- 24 Court?
- 25 A. Yes. Judge Edmunds said that you can affix something to it that says you

1 know filed under protest or anything you want that says that you know. I disagree
2 with the statement that this is taxable income. I don't care what you affix to it.

3 Q. Going on to the next page.

4 A. She continued at some length.

5 Q. Could you read the highlighted portions from there?

6 A. File something along with your return that states you disagree with having to
7 file it and that you disagree that they're wages and you disagree that there are tax
8 owed on it. Append whatever you want to your return.

9 Q. Moving on to page eight.

10 A. I'm giving you the option of filing those amended returns with an explanatory
11 statement that you disagree with it.

12 Q. And page nine.

13 A. And she says one more time just verifying: I'm giving you the option of filing an
14 affidavit or anything you want with your tax return.

15 Q. Based on that, what did you and your husband -- or first, did that make you feel
16 more able to comply with the Order?

17 A. Yes, it did.

18 Q. And how so?

19 A. Well, I could comply with the Order to fill in someone else's numbers on my tax
20 return, but I felt I could assuage my conscience by at least being able to say these are
21 not really my numbers, but I'm being told to do this or go to jail and so given that
22 choice, I opted to not go to jail and put the numbers they wanted on the return and file
23 something with that return saying this was coerced, I don't agree with it, but I'm doing
24 it because it's in the best interest of my family.

25 Q. And after this you filed the amended 2002/2003 tax returns that the

1 said you can't change the filing status. I just -- I had this idea plan in my head. When
2 she said do whatever you have to do, that gave me idea in my head oh, I can comply.
3 If I file on my own married separate, I can comply and so that's what I did. It never
4 even occurred to me that the return couldn't be processed by changing the filing
5 status.

6 Q. So when you filed that return did you believe you were in compliance with
7 Judge Edmunds's Orders?

8 A. I thought I was.

9 Q. I want to take you back to the hearing that preceded the filing of that return and
10 ask you to take a look at what is marked for identification as Defendant's Exhibit 561,
11 which is already in evidence. That's Government's 20. The last page of
12 Government's Exhibit 25 and this is the conclusion of that hearing. Could you read
13 the highlighted portions?

14 A. At -- this is at the end of the hearing before we had the conversation in her
15 chambers where she was telling me she would deal with Peter at some later date. So
16 at the end of the hearing she said -- I said but I'm being coerced to say something and
17 she said I don't care, and I said but you're asking me to perjure and she cut me off
18 and said done and I said -- myself, I was continuing asking me to perjure myself. That
19 doesn't matter? And she said this hearing is done. You may leave. I said that's a
20 felony you know? And she said you may leave and then she walked out back to her
21 chambers and that's when I went around the corner to her chambers to try to pursue
22 the conversation.

23 Q. And what did you understand Judge Edmunds to be telling you at that point?

24 A. She didn't care whether I committed perjury.

25 Q. Now is there anything in the Order directing you to file amended returns that

1 THE COURT: Ladies and gentlemen of the Jury, just please disregard
2 the last portion of Mrs. Hendrickson's testimony.

3 Mrs. Hendrickson, you are unduly prolonging this examination because of your
4 editorial comments and because you are adding much more to the answer than is
5 required by the question, and the Court has been quite patient with you and I've run
6 out of patience.

7 Q. (By Mr. Wise continuing) Then after the Court of Appeals issued its Opinion,
8 you and your husband sought what's called a Writ of Certiorari from the United States
9 Supreme Court asking them to agree to review your case?

10 A. We did.

11 Q. And the Supreme Court declined to review the case, is that correct?

12 A. They did.

13 Q. So would it be fair to say that in your mind the failure of the Supreme Court to
14 review the case on the merits -- what's your opinion of the significance of the failure of
15 the Supreme Court to review the case on the merits?

16 A. Having read some other information, I don't think that having the Supreme
17 Court decline to hear a case says too much about the merits of the case.

18 Q. Mrs. Hendrickson, do you believe the Government has authority to control or
19 dictate your speech even through an Order by the Court?

20 A. No, I do not.

21 Q. Why do you believe that?

22 A. Because we have a First Amendment in this country.

23 Q. And do you believe that that position is supported by cases from the Supreme
24 Court and other Courts of the United States?

25 A. I know that it is.