

Lawyers' defense rips IRS motive in tax case

Two real estate attorneys are acquitted of conspiracy in client's tax evasion case

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By LINDSEY NAYLOR

The acquittal of two respected Nashville lawyers on a federal tax charge left their defense attorneys critical of the government's methods and motives in bringing the case.

During the two-week trial, which ended Friday, defense lawyers for real estate attorneys Alan Saturn and Alan Mazer described a sloppy Internal Revenue Service investigation and presented testimony from character witnesses that included Davidson County District Attorney General Torry Johnson and former U.S. Circuit Judge Marietta Shipley.

Saturn and Mazer were indicted in August 2006 on charges of conspiring to aid Jerry Pendergrass, owner of Metro News Adult Bookstore, in avoiding the payment of federal taxes on a house he had sold about for \$300,000.

Pendergrass was convicted of tax evasion, but the jury cleared the lawyers and their former client of conspiracy charges.

"They completely misunderstood what Mr. Saturn and Mr. Mazer had done in this real estate transaction," said David Raybin, Mazer's defense lawyer. "They missed a lot of information."

He said he believes an anti-lawyer mentality within the U.S. Department of Justice spurred the indictment, which came after the investigation was approved by the Justice Department's tax division.

Peter Strianse, Saturn's attorney, said he believes it more likely that officials targeted the real estate lawyers because of Pendergrass' involvement in the adult entertainment business than that they acted on anti-lawyer sentiment.

"You always want to assume good faith on the part of the government," he said. "But the facts that they presented to the jury just could not survive close scrutiny."

Bias is denied

U.S. Attorney Craig Morford denied any bias in bringing the case to trial. The case was reviewed by numerous federal lawyers and found to have merit, he said.

"Just because a jury finds in a particular case against a particular defendant that the government failed to meet the high burden of proof does not mean that there's some improper motive," he said. "That's an awfully big kind of conspiracy they're claiming."

Raybin said the IRS investigator on the case broke protocol established in the service's manual for the conduct of criminal investigations.

Saturn and Mazer, of Saturn and Mazer Title Service Inc., first gave information to the IRS in early 2004, when investigators issued a request to see all documents concerning the businessmen's real estate transactions.

About 16 months later, investigators returned to speak to the lawyers about mistakes found in files they had prepared five years earlier.

Saturn said he and his partner answered questions voluntarily but had handled more than 5,000 transactions since completing the one under investigation. He said they were unaware that their answers would be used against them in court.

Saturn said he and Mazer were acquitted, in spite of an improper investigation, because of the effectiveness of their testimony and their character witnesses — including a physician, a Realtor and multiple charity directors.

"This was strictly a trial of credibility," Saturn said, citing an inconclusive paper trail. "Ten years ago, it was not believable that the Justice Department would do such a thing. Today, who knows?"