

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION**

JOSHUA JARRETT, JESSICA JARRETT

Plaintiffs,

v.

UNITED STATES OF AMERICA,

Defendant.

Case No. 3:21-cv-00419

NOTICE OF LETTERS

A case management conference is scheduled for February 10, 2022. Plaintiffs submit this notice to inform the Court, prior to that conference, about the most recent developments in this case. Exhibit A is a letter from Defendant's counsel stating that the IRS has been authorized to provide Plaintiffs a refund. Exhibit B is a letter from Plaintiffs' counsel rejecting Defendant's offer of a refund. Plaintiffs look forward to discussing these and other matters at the February 10 conference.

Respectfully submitted,

/s/ Cameron T. Norris

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DATED: February 3, 2022

Attorneys for Plaintiffs

Exhibit A



U.S. Department of Justice

Tax Division

Civil Trial Section, Eastern Region

DAH:DSM:ROMcMonagle
DJ 5-71-3294
CMN 2021100798

P.O. Box 227 Telephone: 202-307-1355
Washington, D.C. 20044 Telecopier: 202-514-6866

Via First-Class Mail and Email

David Forst
Fenwick & West LLP
801 California Street
Mountain View, CA 94041
DForst@fenwick.com

Re: *Joshua and Jessica Jarrett v. United States*
3:21-cv-00419 (M.D. TN).

Dear Mr. Forst:

This refers to the above-entitled action in which plaintiffs seek a refund of federal income taxes for the 2019 tax year. We write to inform you that a full refund of \$3,793, plus statutory interest, sought in the complaint for the 2019 tax year has been approved on behalf of the Attorney General.

Accordingly, the Internal Revenue Service has been authorized and directed to schedule an overpayment of \$3,793, plus statutory interest as provided by law for the 2019 tax year.

Sincerely yours,

DAVID A. HUBBERT
Deputy Assistant Attorney General

By: **DEBORAH** Digitally signed by
MELAND DEBORAH MELAND
Date: 2021.12.20
16:49:51 -05'00'
DEBORAH S. MELAND
Chief, Civil Trial Section, Eastern Region

Exhibit B

January 25, 2022

Ryan McMonagle
United States Department of Justice, Tax Division
P.O. Box 227
Washington D.C. 20044

Re: *Joshua & Jessica Jarrett v. United States* (3:21-cv-00419 M.D. Tenn.)

Dear Mr. McMonagle,

Thank you for forwarding Assistant Attorney General Hubbert's December 20, 2021 letter in which he proffers a refund to the Jarretts of the disputed 2019 tax year amount. Thank you as well for emailing the draft stipulation of dismissal on January 5, 2022, and for the call on January 14, 2022. The draft stipulation suggests that, in the Department of Justice's view, the proffered refund brings the parties' dispute to an end. Particularly after our recent call, we cannot share that view.

During the call, you were unable or unwilling to explain the reasons for the Department's proffer, or its meaning for the Jarretts in subsequent tax years – or, indeed, in 2019 itself. The IRS will also apparently not provide any assurances with respect to the sole issue that gave rise to this litigation – whether tokens created through staking a particular cryptocurrency constitute taxable income at the time of their creation. As the question will arise for the Jarretts again in subsequent tax years, they would remain at risk even if they accepted the proffered refund. Notably, you stated on the call that the IRS has not yet processed any refund for the Jarretts.

Therefore, the Jarretts reject the proffered refund and intend to continue vindicating their rights in court. We are happy to discuss next steps with you at your convenience.

Sincerely yours,



David Forst

FENWICK & WEST LLP