

Department of the Treasury
Internal Revenue Service
915 Second Avenue
Seattle WA 98174

Letter Number: 531 (DO)
Form Number:
1040
Taxpayer Identifying Number:
[REDACTED]
Person to Contact:
Notices Clerk
Telephone Number:
206-220-5955
Employee Identification Number:

Date: SEP 18 2006

[REDACTED]
[REDACTED]
Tualatin OR [REDACTED]

Refer Reply To:
MS:W140
Last Day to File a Petition With the
United States Tax Court:
DEC 17 2006
CERTIFIED MAIL

Tax Year Ended:	December 31, 2000	December 31, 2001	December 31, 2002
Deficiency:			
Increase in tax	\$30,119.00	\$15,239.00	\$25,311.00
Penalties or Additions to Tax			
IRC 6651(a)(1)	6,776.78	3,428.78	5,694.98
IRC 6651(a)(2)	7,529.75	3,809.75	to be computed
IRC 6654	1,608.81	609.01	845.82

Dear [REDACTED]

NOTICE OF DEFICIENCY

We have determined that you owe additional tax or other amounts, or both, for the tax year(s) identified above. This letter is your NOTICE OF DEFICIENCY, as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this determination in court before making any payment, you have 90 days from the date of this letter (150 days if this letter is addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the deficiency. You can get a copy of the rules for filing a petition and a petition form you can use by writing to the address below.

United States Tax Court, 400 Second Street, NW, Washington, DC 20217

The Tax Court has a simplified procedure for small tax cases when the amount in dispute for each tax year is \$50,000 or less. If you intend to file a petition for multiple tax years and the amount in dispute for any one or more of the tax years exceeds \$50,000, this simplified procedure is not available to you. If you use this simplified procedure, you cannot appeal the Tax Court's decision. You can get information pertaining to the simplified procedure for small cases from the Tax Court by writing to the court at the above address or from the court's internet site at www.ustaxcourt.gov.

Letter 531 (DO) (Rev. 6-2003)
Catalog Number 40222A

Department of the Treasury
Internal Revenue Service
915 Second Avenue
Seattle WA 98174

Letter Number: 531 (DO)
Form Number:
1040
Taxpayer Identifying Number:
[REDACTED]
Person to Contact:
Notices Clerk
Telephone Number:
206-220-5955
Employee Identification Number:

Date: SEP 18 2006

[REDACTED]

Tualatin OR [REDACTED]

Refer Reply To:
MS:W140
Last Day to File a Petition With the
United States Tax Court:

DEC 17 2006
CERTIFIED MAIL

Tax Year Ended:	December 31, 2003	December 31, 2004
Deficiency:		
Increase in tax	\$22,141.00	\$20,326.00
Penalties or Additions to Tax		
IRC 6651(a)(1)	4,981.73	4,573.35
IRC 6651(a)(2)	to be computed	to be computed
IRC 6654	579.46	590.00

Dear [REDACTED]

NOTICE OF DEFICIENCY

We have determined that you owe additional tax or other amounts, or both, for the tax year(s) identified above. This letter is your NOTICE OF DEFICIENCY, as required by law. The enclosed statement shows how we figured the deficiency.

If you want to contest this determination in court before making any payment, you have 90 days from the date of this letter (150 days if this letter is addressed to you outside of the United States) to file a petition with the United States Tax Court for a redetermination of the deficiency. You can get a copy of the rules for filing a petition and a petition form you can use by writing to the address below.

United States Tax Court, 400 Second Street, NW, Washington, DC 20217

The Tax Court has a simplified procedure for small tax cases when the amount in dispute for each tax year is \$50,000 or less. If you intend to file a petition for multiple tax years and the amount in dispute for any one or more of the tax years exceeds \$50,000, this simplified procedure is not available to you. If you use this simplified procedure, you cannot appeal the Tax Court's decision. You can get information pertaining to the simplified procedure for small cases from the Tax Court by writing to the court at the above address or from the court's internet site at www.ustaxcourt.gov.

Letter 531 (DO) (Rev. 6-2003)
Catalog Number 40222A

Send the completed petition form, a copy of this letter, and copies of all statements and/or schedules you received with this letter to the Tax Court at the above address. The Court cannot consider your case if the petition is filed late. The petition is considered timely filed if the postmark date falls within the prescribed 90 or 150 day period and the envelope containing the petition is properly addressed with the correct postage.

The time you have to file a petition with the court is set by law and cannot be extended or suspended. Thus, contacting the Internal Revenue Service (IRS) for more information, or receiving other correspondence from the IRS won't change the allowable period for filing a petition with the Tax Court.

As required by law, separate notices are sent to husbands and wives. If this letter is addressed to both husband and wife, and both want to petition the Tax Court, both must sign and file the petition or each must file a separate, signed petition. If more than one tax year is shown above, you may file one petition form showing all of the years you are contesting.

You may represent yourself before the Tax Court, or you may be represented by anyone admitted to practice before the Tax Court.

If you decide not to file a petition with the Tax Court, please sign the enclosed waiver form and return it to us at the IRS address on the top of the first page of this letter. This will permit us to assess the deficiency quickly and can help limit the accumulation of interest.

If you decide not to sign and return the waiver, and you do not file a petition with the Tax Court within the time limit, the law requires us to assess and bill you for the deficiency after 90 days from the date of this letter (150 days if this letter is addressed to you outside the United States).

NOTE: If you are a C-corporation, section 6621(c) of the Internal Revenue Code requires that we charge an interest rate two percent higher than the normal rate on corporate underpayments in excess of \$100,000.

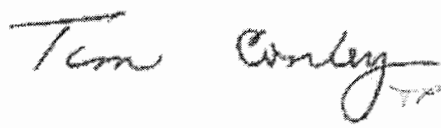
If you have questions about this letter, you may write to or call the contact person whose name, telephone number, and IRS address are shown on the front of this letter. If you write, please include your telephone number, the best time for us to call you if we need more information, and a copy of this letter to help us identify your account. Keep the original letter for your records. If you prefer to call and the telephone number is outside your local calling area, there will be a long distance charge to you.

The contact person can access your tax information and help you get answers. You also have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures such as the formal appeals process. The Taxpayer Advocate is not able to reverse legally correct tax determinations, nor extend the time fixed by law that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. If you want Taxpayer Advocate assistance, please contact the Taxpayer Advocate for the IRS office that issued this notice of deficiency. See the enclosed Notice 1214, *Helpful Contacts for Your "Notice of Deficiency"*, for Taxpayer Advocate telephone numbers and addresses.

Thank you for your cooperation.

Sincerely,
Mark W. Everson
Commissioner
By

Tim Conley
Technical Services Territory Manager


Letter 531 (DO) (Rev. 6-2003)
Catalog Number 40222A

Enclosures:
Explanation of tax changes
Waiver
Notice 1214

Continuation Sheet

NAME: _____

TIN: _____

Interest on Deficiencies

Interest on Deficiencies will accrue from the due date of the return until paid.

Delinquency Penalty IRC section 6651(a)(1)

Since you did not file your return within the time prescribed by law, and you did not show that not filing was due to reasonable cause, a penalty of 5 percent is added to the tax for each month or part of a month for which your return was late. The penalty will not exceed a total of 25 percent. In addition, interest is figured on this penalty from the due date of this return, (including any extension). See section 6651(a)(1) and 6601(e)(2) of the Internal Revenue Code.

Delinquency Penalty IRC section 6651(a)(2)

This amount only reflects the addition of tax under Section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent for each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Estimated Tax Penalty IRC section 6654

Since you did not pay sufficient estimated tax, an addition to the tax is charged as shown in the accompanying computation. See section 6654(a) of the Internal Revenue Code.

Notice of Deficiency-Waiver

Name and address of taxpayer(s)

Social Security or Employer Identification Number

[Redacted]
Tualatin, OR [Redacted]

[Redacted]

Kind of tax

Copy to authorized representative

Income

DEFICIENCY — Increase in Tax and Penalties

Tax Year Ended:	December 31, 2000	December 31, 2001	December 31, 2002
Deficiency:			
Increase in tax	\$30,119.00	\$15,239.00	\$25,311.00
Penalties			
IRC 6651(a)(1)	6,776.78	3,428.78	5,694.98
IRC 6651(a)(2)	7,529.75	3,809.75	to be computed
IRC 6654	1,608.81	609.01	845.82

See the attached explanation for the above deficiencies

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law.

Your Signature → _____ (Date signed)

Spouse's Signature
(If A Joint Return Was Filed) → _____ (Date signed)

Taxpayer's Representative Sign Here → _____ (Date signed)

Corporate Name → _____

Corporate Officers Sign Here

→	_____ (Signature)	_____ (Title)	_____ (Date signed)
→	_____ (Signature)	_____ (Title)	_____ (Date signed)

If you agree, please sign one copy and return it; keep the other copy for your records.

Instructions for Form 4089 B

Note:

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who Must Sign

If this waiver is for any year(s) for which you filed a joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee), file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

Optional Paragraphs

A check in the block to the left of a paragraph below indicates that the paragraph applies to your situation.

- The amount shown as the deficiency may not be billed, since all or part of the refund due has been held to offset all or a portion of the amount of the deficiency. The amount that will be billed, if any, is shown on the attached examination report.
- The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.

Notice of Deficiency-Waiver

MS:W140

Name and address of taxpayer(s)

Social Security or Employer Identification Number

Tualatin, OR

Kind of tax

Copy to authorized representative

Income

DEFICIENCY — Increase in Tax and Penalties


Tax Year Ended:	December 31, 2003	December 31, 2004
Deficiency:		
Increase in tax	\$22,141.00	\$20,326.00
Penalties		
IRC 6651(a)(1)	4,981.73	4,573.35
IRC 6651(a)(2)	to be computed	to be computed
IRC 6654	579.46	590.00

See the attached explanation for the above deficiencies



I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law.

Your Signature  _____ (Date signed)

Spouse's Signature
(If A Joint Return Was Filed)  _____ (Date signed)

Taxpayer's Representative Sign Here  _____ (Date signed)

Corporate Name  _____

Corporate Officers Sign Here  _____ (Signature) _____ (Title) _____ (Date signed)
 _____ (Signature) _____ (Title) _____ (Date signed)

If you agree, please sign one copy and return it; keep the other copy for your records.

Instructions for Form 4089 B

Note:

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who Must Sign

If this waiver is for any year(s) for which you filed a joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee), file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

Optional Paragraphs

A check in the block to the left of a paragraph below indicates that the paragraph applies to your situation.

- The amount shown as the deficiency may not be billed, since all or part of the refund due has been held to offset all or a portion of the amount of the deficiency. The amount that will be billed, if any, is shown on the attached examination report.

- The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.

Name and Address of Taxpayer ██████████ ██████████ Tualatin OR ██████████	Taxpayer Identification Number ██████████	Return Form No.: 1040
	Person with whom examination changes were discussed.	Name and Title:

	Period End 12/31/2000	Period End 12/31/2001	Period End 12/31/2002
1. Adjustments to Income			
a. Sch C1 - Rent/Lease	(21,478.00)	(12,726.00)	(19,149.00)
b. Sch C1 - Gross Receipts or Sales	107,390.00	63,628.00	95,746.00
c. SE AGI Adjustment	(5,875.00)	(3,596.00)	(5,412.00)
d. Standard Deduction	(3,675.00)	(3,800.00)	(3,925.00)
e. Exemptions	(2,800.00)	(2,900.00)	(3,000.00)
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
p.			
2. Total Adjustments	73,562.00	40,606.00	64,260.00
3. Taxable Income Per Return or as Previously Adjusted	0.00	0.00	0.00
4. Corrected Taxable Income	73,562.00	40,606.00	64,260.00
Tax Method	TAX TABLE	TAX TABLE	TAX TABLE
Filing Status	Married Separate	Married Separate	Married Separate
5. Tax	18,369.00	8,347.00	14,488.00
6. Additional Taxes / Alternative Minimum			
7. Corrected Tax Liability	18,369.00	8,347.00	14,488.00
8. Less Credits			
a. Rate Reduction Credit		300.00	
b.			
c.			
d.			
9. Balance (Line 7 less total of Lines 8a thru 8d)	18,369.00	8,047.00	14,488.00
10. Plus Other Taxes			
a. Self Employment Tax	11,750.00	7,192.00	10,823.00
b.			
c.			
d.			
11. Total Corrected Tax Liability (Line 9 plus Lines 10a thru 10d)	30,119.00	15,239.00	25,311.00
12. Total Tax Shown on Return or as Previously Adjusted	0.00	0.00	0.00
13. Adjustments to:			
a.			
b.			
c.			
14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a thru 13d)	30,119.00	15,239.00	25,311.00
15. Adjustments to Prepayment Credits-Increase (Decrease)			
16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)	30,119.00	15,239.00	25,311.00

Name of Taxpayer

Taxpayer Identification Number

Return Form No.:
1040

17. Penalties/ Code Sections	Period End 12/31/2000	Period End 12/31/2001	Period End 12/31/2002
a. Delq-IRC 6651(a) (2)	7,529.75	3,809.75	to be computed
b. Delq-IRC 6651(a) (1)	6,776.78	3,428.78	5,694.98
c. Estimated Tax-IRC 6654	1,608.81	609.01	845.82
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
18. Total Penalties	15,915.34	7,847.54	to be computed
Underreporter attributable to negligence: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underreporter attributable to fraud: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underreporter attributable to Tax Motivated Transactions (TMT). Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).	0.00	0.00	0.00
19. Summary of Taxes, Penalties and Interest:			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)	30,119.00	15,239.00	25,311.00
b. Penalties (Line 18) - computed to 09/14/2006	15,915.34	7,847.54	to be computed
c. Interest (IRC § 6601) - computed to 04/15/2001	0.00	0.00	0.00
d. TMT Interest - computed to 04/15/2001 (on TMT underpayment)	0.00	0.00	0.00
e. Amount due or refund - (sum of Lines a, b, c and d)	46,034.34	23,086.54	to be computed

Other Information:

Examiner's Signature: Name	Employee ID:	Office:	Date: 09/14/2006
Notices			

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

Name and Address of Taxpayer Tualatin OR [REDACTED]	Taxpayer Identification Number [REDACTED]	Return Form No.: 1040
	Person with whom examination changes were discussed.	Name and Title:

	Period End 12/31/2003	Period End 12/31/2004	Period End
1. Adjustments to Income			
a. Sch C1 - Rent/Lease	(18,149.00)	(17,109.00)	
b. Sch C1 - Gross Receipts or Sales	90,945.00	85,545.00	
c. SE AGI Adjustment	(5,143.00)	(4,835.00)	
d. Standard Deduction	(4,750.00)	(4,850.00)	
e. Exemptions	(3,050.00)	(3,100.00)	
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
p.			
2. Total Adjustments	59,853.00	55,651.00	
3. Taxable Income Per Return or as Previously Adjusted	0.00	0.00	
4. Corrected Taxable Income	59,853.00	55,651.00	
Tax Method	TAX TABLE	TAX TABLE	
Filing Status	Married Separate	Married Separate	
5. Tax	11,855.00	10,656.00	
6. Additional Taxes / Alternative Minimum			
7. Corrected Tax Liability	11,855.00	10,656.00	
8. Less			
a. Credits			
b.			
c.			
d.			
9. Balance (Line 7 less total of Lines 8a thru 8d)	11,855.00	10,656.00	
10. Plus			
a. Self Employment Tax	10,286.00	9,670.00	
b. Other Taxes			
c.			
d.			
11. Total Corrected Tax Liability (Line 9 plus Lines 10a thru 10d)	22,141.00	20,326.00	
12. Total Tax Shown on Return or as Previously Adjusted	0.00	0.00	
13. Adjustments to:			
a.			
b.			
c.			
14. Deficiency-Increase in Tax or (Overassessment - Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a thru 13d)	22,141.00	20,326.00	
15. Adjustments to Prepayment Credits-Increase (Decrease)			
16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)	22,141.00	20,326.00	

Name of Taxpayer [REDACTED] Taxpayer Identification Number [REDACTED] Return Form No.: 1040

	Period End 12/31/2003	Period End 12/31/2004	Period End
17. Penalties/ Code Sections			
a. Delq-IRC 6651(a) (2)	to be computed	to be computed	
b. Delq-IRC 6651(a) (1)	4,981.73	4,573.35	
c. Estimated Tax-IRC 6654	579.46	590.00	
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
18. Total Penalties	to be computed	to be computed	
Underreporter attributable to negligence: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underreporter attributable to fraud: (1981-1987) A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.			
Underreporter attributable to Tax Motivated Transactions (TMT). Interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).	0.00	0.00	
19. Summary of Taxes, Penalties and Interest:			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)	22,141.00	20,326.00	
b. Penalties (Line 18) - computed to 09/14/2006	to be computed	to be computed	
c. Interest (IRC § 6601) - computed to 04/15/2001	0.00	0.00	
d. TMT Interest - computed to 04/15/2001 (on TMT underpayment)	0.00	0.00	
e. Amount due or refund - (sum of Lines a, b, c and d)	to be computed	to be computed	

Other Information:

Examiner's Signature: Name	Employee ID:	Office:	Date: 09/14/2006
Notices			

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income you earned and do not pay the required tax. The IRS may order backup withholding (withholding of a percentage of your dividend and/or interest payments) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer [REDACTED]	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2000 2001 2002 2003 2004

Sch C1 - Rent/Lease

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$21,478.00	(\$21,478.00)
2001	\$0.00	\$12,726.00	(\$12,726.00)
2002	\$0.00	\$19,149.00	(\$19,149.00)
2003	\$0.00	\$18,149.00	(\$18,149.00)
2004	\$0.00	\$17,109.00	(\$17,109.00)

You are allowed a deduction for rental expenses.

Exemptions-Self

Tax Period	Per Return	Per Exam	Adjustment
2000	0	1	-1
2001	0	1	-1
2002	0	1	-1
2003	0	1	-1
2004	0	1	-1

We have determined that you are entitled to one exemption deduction.

Sch C1 - Gross Receipts or Sales

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$107,390.00	\$107,390.00
2001	\$0.00	\$63,628.00	\$63,628.00
2002	\$0.00	\$95,746.00	\$95,746.00
2003	\$0.00	\$90,945.00	\$90,945.00
2004	\$0.00	\$85,545.00	\$85,545.00

Taxable income received from your business or profession has been adjusted as shown in the enclosed computation.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer [REDACTED]	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2000 2001 2002 2003 2004

Filing Status

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$0.00	\$0.00
2001	\$0.00	\$0.00	\$0.00
2002	\$0.00	\$0.00	\$0.00
2003	\$0.00	\$0.00	\$0.00
2004	\$0.00	\$0.00	\$0.00

We have determined that your filing status is married-filing-separate.

SE AGI Adjustment

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$5,875.00	(\$5,875.00)
2001	\$0.00	\$3,596.00	(\$3,596.00)
2002	\$0.00	\$5,412.00	(\$5,412.00)
2003	\$0.00	\$5,143.00	(\$5,143.00)
2004	\$0.00	\$4,835.00	(\$4,835.00)

Your self-employment tax has changed as a result of adjustments made to your net income from self-employment as shown in this report. The self-employment tax deduction has been adjusted to one-half of the recomputed amount.

Self Employment Tax

Tax Period	Per Return	Per Exam	Adjustment
2000	\$0.00	\$11,750.00	\$11,750.00
2001	\$0.00	\$7,192.00	\$7,192.00
2002	\$0.00	\$10,823.00	\$10,823.00
2003	\$0.00	\$10,286.00	\$10,286.00
2004	\$0.00	\$9,670.00	\$9,670.00

We have adjusted your self-employment tax due to a change in your net earnings from self-employment income.

Form 886-A (Rev. January 1994)886-A	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer [REDACTED]	Taxpayer Identification Number [REDACTED]	Year/Period Ended 2000 2001 2002 2003 2004

Rate Reduction Credit

Tax Period	Per Return	Per Exam	Adjustment
2001	\$0.00	\$300.00	(\$300.00)

Since we have adjusted your tax, we have recomputed the amount of your rate reduction credit.

Form 886-A (Rev. January 1994)	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of taxpayer [REDACTED]	Tax Identification Number [REDACTED]	Year/Period ended 2000, 2001, 2002, 2003, 2004

Gross Receipts

Rent Paid (Beginning of Subsequent Month)					
Income Month	2000	2001	2002	2003	2004
January	2,373	1,602	1,726	0	1,208
February	2,600	1,077	1,395	1,389	1,207
March	2,609	0	1,491	1,572	1,428
April	2,498	0	1,637	1,950	1,334
May	1,292	0	0	1,703	1,368
June	1,342	0	1,476	1,537	1,488
July	1,236	0	1,579	1,508	1,582
August	1,467	0	1,779	1,476	1,403
September	1,675	1,376	1,642	1,363	1,554
October	1,378	1,488	1,798	1,560	1,633
November	1,459	1,475	1,741	1,254	1,402
December	1,549	2,021	1,939	1,500	1,502
Total Rent	<u>21,478</u>	<u>9,039</u>	<u>18,203</u>	<u>16,812</u>	<u>17,109</u>
Gross Up Percentage	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>	<u>0.2</u>
Rent / .2	<u>107,390</u>	<u>45,195</u>	<u>91,015</u>	<u>84,060</u>	<u>85,545</u>
Deposits for Month without Rent					
January				6,885	
February					
March		3,763			
April		6,910			
May		17	4,731		
June		0			
July		3,872			
August		3,870			
September					
October					
November					
December					
TOTAL INCOME	<u>107,390</u>	<u>63,628</u>	<u>95,746</u>	<u>90,945</u>	<u>85,545</u>

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

09/14/2006
7.20.00

Total

2000 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

1. Self-employment income	85,912.00
2. Multiply line 1 by 92.35%	79,339.73
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	79,339.73
6. Maximum earnings subject to social security	76,200.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	76,200.00
11. Multiply the smaller of line 5 or 10 by 12.40%	9,448.80
12. Multiply line 5 by 2.90%	2,300.85
13. Self-Employment Tax (sum of lines 11 and 12)	11,749.65

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	76,200.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	0.00
11. Multiply the smaller of line 5 or 10 by 12.40%	0.00
12. Multiply line 5 by 2.90%	0.00
13. Self-Employment Tax (sum of lines 11 and 12)	0.00

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

09/14/2006
7.20.00

Total

2001 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

1. Self-employment income	50,902.00
2. Multiply line 1 by 92.35%	47,008.00
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	47,008.00
6. Maximum earnings subject to social security	80,400.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	80,400.00
11. Multiply the smaller of line 5 or 10 by 12.40%	5,828.99
12. Multiply line 5 by 2.90%	1,363.23
13. Self-Employment Tax (sum of lines 11 and 12)	7,192.22

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	80,400.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	0.00
11. Multiply the smaller of line 5 or 10 by 12.40%	0.00
12. Multiply line 5 by 2.90%	0.00
13. Self-Employment Tax (sum of lines 11 and 12)	0.00

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

09/14/2006
7.20.00

Total

2002 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

1. Self-employment income	76,597.00
2. Multiply line 1 by 92.35%	70,737.33
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	70,737.33
6. Maximum earnings subject to social security	84,900.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	84,900.00
11. Multiply the smaller of line 5 or 10 by 12.40%	8,771.43
12. Multiply line 5 by 2.90%	2,051.38
13. Self-Employment Tax (sum of lines 11 and 12)	10,822.81

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	84,900.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	0.00
11. Multiply the smaller of line 5 or 10 by 12.40%	0.00
12. Multiply line 5 by 2.90%	0.00
13. Self-Employment Tax (sum of lines 11 and 12)	0.00

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

09/14/2006
Total 7.20.00

2003 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

1. Self-employment income	72,796.00
2. Multiply line 1 by 92.35%	67,227.11
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	67,227.11
6. Maximum earnings subject to social security	87,000.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	87,000.00
11. Multiply the smaller of line 5 or 10 by 12.40%	8,336.16
12. Multiply line 5 by 2.90%	1,949.59
13. Self-Employment Tax (sum of lines 11 and 12)	10,285.75

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	87,000.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	0.00
11. Multiply the smaller of line 5 or 10 by 12.40%	0.00
12. Multiply line 5 by 2.90%	0.00
13. Self-Employment Tax (sum of lines 11 and 12)	0.00

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

09/14/2006
7.20.00

Total

2004 - SCHEDULE SE - COMPUTATION OF SELF-EMPLOYMENT TAX

Primary

1. Self-employment income	68,436.00
2. Multiply line 1 by 92.35%	63,200.65
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	63,200.65
6. Maximum earnings subject to social security	87,900.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	87,900.00
11. Multiply the smaller of line 5 or 10 by 12.40%	7,836.88
12. Multiply line 5 by 2.90%	1,832.82
13. Self-Employment Tax (sum of lines 11 and 12)	9,669.70

Secondary

1. Self-employment income	0.00
2. Multiply line 1 by 92.35%	0.00
3. Farm Optional Method Income	0.00
4. Non Farm Optional Method Income	0.00
5. Earnings subject to self-employment tax (sum of 2, 3, 4)	0.00
6. Maximum earnings subject to social security	87,900.00
7. Social Security wages and tips from W-2	0.00
8. Unreported tips from Form 4137	0.00
9. Sum of lines 7 and 8	0.00
10. Line 6 less line 9	0.00
11. Multiply the smaller of line 5 or 10 by 12.40%	0.00
12. Multiply line 5 by 2.90%	0.00
13. Self-Employment Tax (sum of lines 11 and 12)	0.00

Name Of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

09/14/2006
7.20.00

Total

200112 - Rate Reduction Credit Worksheet

1. Taxable Income	40,606.00
2. Enter the amount shown below for filing status	6,000.00
• Single or married filing separately - \$6,000	
• Head of Household - \$10,000	
• Married filing jointly or qualifying widow(er) - \$12,000	
3. Is the amount on line 1 less than the amount on line 2	300.00
No - \$300 if single or married filing separately; \$500 if head of household; \$600 if married filing jointly or qualifying widow(er)	
Yes - Multiply the amount on line 1 by .05	
4. Amount of tax before allowable credits	8,347.00
5. Total credits (not including the Rate Reduction Credit)	0.00
6. Subtract line 5 from line 4	8,347.00
7. Smaller of line 3 or line 6	300.00
8. Amount of advanced payment received	0.00
9. Rate reduction credit allowed	300.00

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total 09/14/2006
7.20.00

EXPLANATION OF THE DELINQUENCY PENALTY

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2000 - DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	04/15/2001	
3. Date return filed	09/14/2006	
4. Failure to File penalty rate	0.225	
5. Failure to Pay penalty rate	0.250	
6. Total corrected tax, Form 4549, line 11		30,119.00
7. Payments on or prior to due date of return		0.00
8. Line 6 less line 7		30,119.00
9. Failure to File Penalty - line 8 multiplied by line 4		6,776.78
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		6,776.78
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		6,776.78
14. Failure to Pay Penalty - line 8 multiplied by line 5		7,529.75
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15	*	7,529.75
17. Total Delinquency Penalty - Sum of line 13 and 16		14,306.53

* If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total 09/14/2006
7,20.00

EXPLANATION OF THE DELINQUENCY PENALTY

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2001 - DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	04/15/2002	
3. Date return filed	09/14/2006	
4. Failure to File penalty rate	0.225	
5. Failure to Pay penalty rate	0.250	
6. Total corrected tax, Form 4549, line 11		15,239.00
7. Payments on or prior to due date of return		0.00
8. Line 6 less line 7		15,239.00
9. Failure to File Penalty - line 8 multiplied by line 4		3,428.78
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		3,428.78
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		3,428.78
14. Failure to Pay Penalty - line 8 multiplied by line 5		3,809.75
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15	*	3,809.75
17. Total Delinquency Penalty - Sum of line 13 and 16		7,238.53

* If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total

09/14/2006
7.20.00

EXPLANATION OF THE DELINQUENCY PENALTY

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2002 - DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	04/15/2003	
3. Date return filed	09/14/2006	
4. Failure to File penalty rate	0.225	
5. Failure to Pay penalty rate	to be computed	
6. Total corrected tax, Form 4549, line 11		25,311.00
7. Payments on or prior to due date of return		0.00
8. Line 6 less line 7		25,311.00
9. Failure to File Penalty - line 8 multiplied by line 4		5,694.98
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		5,694.98
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		5,694.98
14. Failure to Pay Penalty - line 8 multiplied by line 5		to be computed
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15	*	to be computed
17. Total Delinquency Penalty - Sum of line 13 and 16		to be computed

- If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total 09/14/2006
7.20.00

EXPLANATION OF THE DELINQUENCY PENALTY

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2003 - DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	04/15/2004	
3. Date return filed	09/14/2006	
4. Failure to File penalty rate	0.225	
5. Failure to Pay penalty rate	to be computed	
6. Total corrected tax, Form 4549, line 11		22,141.00
7. Payments on or prior to due date of return		0.00
8. Line 6 less line 7		22,141.00
9. Failure to File Penalty - line 8 multiplied by line 4		4,981.73
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		4,981.73
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		4,981.73
14. Failure to Pay Penalty - line 8 multiplied by line 5		to be computed
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15	*	to be computed
17. Total Delinquency Penalty - Sum of line 13 and 16		to be computed

• If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total 09/14/2006
7.20.00

EXPLANATION OF THE DELINQUENCY PENALTY

Since your income tax return was not filed within the time limit prescribed by law and/or the tax was not paid, and you have not shown that such failure was due to reasonable cause, an addition to the tax is charged as shown below, in accordance with Section 6651(a)(1) and/or Section 6651(a)(2) of the Internal Revenue Code.

2004 - DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	04/15/2005	
3. Date return filed	09/14/2006	
4. Failure to File penalty rate	0.225	
5. Failure to Pay penalty rate	to be computed	
6. Total corrected tax, Form 4549, line 11		20,326.00
7. Payments on or prior to due date of return		0.00
8. Line 6 less line 7		20,326.00
9. Failure to File Penalty - line 8 multiplied by line 4		4,573.35
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		4,573.35
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		4,573.35
14. Failure to Pay Penalty - line 8 multiplied by line 5		to be computed
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15	*	to be computed
17. Total Delinquency Penalty - Sum of line 13 and 16		to be computed

- * If an amount appears as the Failure to Pay Penalty, the amount only reflects the addition to tax under Internal Revenue Code section 6651(a)(2) through the date of this notice. The addition to tax will continue to accrue from the due date of the return at a rate of 0.5 percent each month, or fraction thereof, of nonpayment, not exceeding 25 percent.

Name of Taxpayer: [REDACTED]
 Identification Number: [REDACTED]

Total

09/14/2006
 7.20.00

2000 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)					30,119.00
2. Withholding taxes					0.00
3. Line 1 less line 2 (if less than \$1000, estimated penalty does not apply)					30,119.00
4. 90% of line 1					27,107.10
5. Prior year tax liability (110% of tax if AGI was more than \$150,000. or if MFS more than \$75,000.)					0.00
6. The smaller of line 4 or 5 (as adjusted)					27,107.10
7. Payment Due Date	Apr 15, 2000	Jun 15, 2000	Sep 15, 2000	Jan 15, 2001	
8. Payment Required	6,776.78	6,776.78	6,776.78	6,776.78	
9. Payments & Credits	0.00	0.00	0.00	0.00	
10. Overpayment from Line 16		0.00	0.00	0.00	
11. Total of Lines 9 & 10		0.00	0.00	0.00	
12. Previous Qtr Underpayment		6,776.78	13,553.56	20,330.34	
13. 11 minus 12	0.00	0.00	0.00	0.00	
14. Remaining Underpayment		6,776.78	13,553.56		
15. Underpayment	6,776.78	6,776.78	6,776.78	6,776.78	
16. Overpayment	0.00	0.00	0.00	0.00	
17. Penalty	605.94	504.29	350.98	147.60	
18. Previously Assessed Penalty					0.00
19. Estimated Tax Penalty					1,608.81

Name of Taxpayer: [REDACTED]
 Identification Number: [REDACTED]

Total

09/14/2006
 7.20.00

2001 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)					15,239.00
2. Withholding taxes					0.00
3. Line 1 less line 2 (if less than \$1000, estimated penalty does not apply)					15,239.00
4. 90% of line 1					13,715.10
5. Prior year tax liability (110% of tax if AGI was more than \$150,000. or if MFS more than \$75,000.)					0.00
6. The smaller of line 4 or 5 (as adjusted)					13,715.10
7. Payment Due Date	Apr 15, 2001	Jun 15, 2001	Sep 15, 2001	Jan 15, 2002	
8. Payment Required	3,428.78	3,428.78	3,428.78	3,428.78	
9. Payments & Credits	0.00	0.00	0.00	0.00	
10. Overpayment from Line 16		0.00	0.00	0.00	
11. Total of Lines 9 & 10		0.00	0.00	0.00	
12. Previous Qtr Underpayment		3,428.78	6,857.56	10,286.34	
13. 11 minus 12	0.00	0.00	0.00	0.00	
14. Remaining Underpayment		3,428.78	6,857.56		
15. Underpayment	3,428.78	3,428.78	3,428.78	3,428.78	
16. Overpayment	0.00	0.00	0.00	0.00	
17. Penalty	237.30	191.45	129.54	50.72	
18. Previously Assessed Penalty					0.00
19. Estimated Tax Penalty					609.01

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total 09/14/2006
7.20.00

2002 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)					25,311.00
2. Withholding taxes					0.00
3. Line 1 less line 2 (if less than \$1000, estimated penalty does not apply)					25,311.00
4. 90% of line 1					22,779.90
5. Prior year tax liability (110% of tax if AGI was more than \$150,000. or if MFS more than \$75,000.)					0.00
6. The smaller of line 4 or 5 (as adjusted)					22,779.90
7. Payment Due Date	Apr 15, 2002	Jun 15, 2002	Sep 15, 2002	Jan 15, 2003	
8. Payment Required	5,694.98	5,694.98	5,694.98	5,694.98	
9. Payments & Credits	0.00	0.00	0.00	0.00	
10. Overpayment from Line 16		0.00	0.00	0.00	
11. Total of Lines 9 & 10		0.00	0.00	0.00	
12. Previous Qtr Underpayment		5,694.98	11,389.96	17,084.94	
13. 11 minus 12	0.00	0.00	0.00	0.00	
14. Remaining Underpayment		5,694.98	11,389.96		
15. Underpayment	5,694.98	5,694.98	5,694.98	5,694.98	
16. Overpayment	0.00	0.00	0.00	0.00	
17. Penalty	325.32	268.21	182.08	70.21	
18. Previously Assessed Penalty					0.00
19. Estimated Tax Penalty					845.82

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total

09/14/2006
7.20.00

2003 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)					22,141.00
2. Withholding taxes					0.00
3. Line 1 less line 2 (if less than \$1000, estimated penalty does not apply)					22,141.00
4. 90% of line 1					19,926.90
5. Prior year tax liability (110% of tax if AGI was more than \$150,000. or if MFS more than \$75,000.)					0.00
6. The smaller of line 4 or 5 (as adjusted)					19,926.90
7. Payment Due Date	Apr 15, 2003	Jun 15, 2003	Sep 15, 2003	Jan 15, 2004	
8. Payment Required	4,981.73	4,981.73	4,981.73	4,981.73	
9. Payments & Credits	0.00	0.00	0.00	0.00	
10. Overpayment from Line 16		0.00	0.00	0.00	
11. Total of Lines 9 & 10		0.00	0.00	0.00	
12. Previous Qtr Underpayment		4,981.73	9,963.46	14,945.19	
13. 11 minus 12	0.00	0.00	0.00	0.00	
14. Remaining Underpayment		4,981.73	9,963.46		
15. Underpayment	4,981.73	4,981.73	4,981.73	4,981.73	
16. Overpayment	0.00	0.00	0.00	0.00	
17. Penalty	224.63	183.01	120.23	51.59	
18. Previously Assessed Penalty					0.00
19. Estimated Tax Penalty					579.46

Name of Taxpayer: [REDACTED]
Identification Number: [REDACTED]

Total

09/14/2006
7.20.00

2004 - EXPLANATION OF THE ESTIMATED TAX PENALTY

Since you did not pay sufficient estimated tax, addition to the tax is charged as shown below, in accordance with Section 6654(a) of the Internal Revenue Code.

1. Total corrected tax liability, Form 4549, line 11 (Tax Per Return, if a return was filed)					20,326.00
2. Withholding taxes					0.00
3. Line 1 less line 2 (if less than \$1000, estimated penalty does not apply)					20,326.00
4. 90% of line 1					18,293.40
5. Prior year tax liability (110% of tax if AGI was more than \$150,000. or if MFS more than \$75,000.)					0.00
6. The smaller of line 4 or 5 (as adjusted)					18,293.40
7. Payment Due Date	Apr 15, 2004	Jun 15, 2004	Sep 15, 2004	Jan 15, 2005	
8. Payment Required	4,573.35	4,573.35	4,573.35	4,573.35	
9. Payments & Credits	0.00	0.00	0.00	0.00	
10. Overpayment from Line 16		0.00	0.00	0.00	
11. Total of Lines 9 & 10		0.00	0.00	0.00	
12. Previous Qtr Underpayment		4,573.35	9,146.70	13,720.05	
13. 11 minus 12	0.00	0.00	0.00	0.00	
14. Remaining Underpayment		4,573.35	9,146.70		
15. Underpayment	4,573.35	4,573.35	4,573.35	4,573.35	
16. Overpayment	0.00	0.00	0.00	0.00	
17. Penalty	218.60	180.49	132.64	58.27	
18. Previously Assessed Penalty					0.00
19. Estimated Tax Penalty					590.00

Notice of Deficiency-Waiver

Name and address of taxpayer(s)

Social Security or Employer Identification Number

[Redacted]
[Redacted]
Tualatin, OR [Redacted]

[Redacted]

Kind of tax

Copy to authorized representative

Income

DEFICIENCY — Increase in Tax and Penalties

Tax Year Ended:	December 31, 2000	December 31, 2001	December 31, 2002
Deficiency:			
Increase in tax	\$30,119.00	\$15,239.00	\$25,311.00
Penalties			
IRC 6651(a)(1)	6,776.78	3,428.78	5,694.98
IRC 6651(a)(2)	7,529.75	3,809.75	to be computed
IRC 6654	1,608.81	609.01	845.82

See the attached explanation for the above deficiencies

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law.

Your Signature → _____ (Date signed)

Spouse's Signature
(If A Joint Return Was Filed) → _____ (Date signed)

Taxpayer's Representative Sign Here → _____ (Date signed)

Corporate Name → _____

Corporate Officers Sign Here

→	_____	_____	_____
	(Signature)	(Title)	(Date signed)
→	_____	_____	_____
	(Signature)	(Title)	(Date signed)

If you agree, please sign one copy and return it; keep the other copy for your records.

Instructions for Form 4089 B

Note:

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who Must Sign

If this waiver is for any year(s) for which you filed a joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee), file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

Optional Paragraphs

A check in the block to the left of a paragraph below indicates that the paragraph applies to your situation.

- The amount shown as the deficiency may not be billed, since all or part of the refund due has been held to offset all or a portion of the amount of the deficiency. The amount that will be billed, if any, is shown on the attached examination report.

- The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.

Notice of Deficiency-Waiver

Name and address of taxpayer(s)

Social Security or Employer Identification Number

Tualatin, OR

Kind of tax

Copy to authorized representative

Income

DEFICIENCY — Increase in Tax and Penalties

Tax Year Ended:	December 31, 2003	December 31, 2004
Deficiency:		
Increase in tax	\$22,141.00	\$20,326.00
Penalties		
IRC 6651(a)(1)	4,981.73	4,573.35
IRC 6651(a)(2)	to be computed	to be computed
IRC 6654	579.46	590.00

See the attached explanation for the above deficiencies

I consent to the immediate assessment and collection of the deficiencies (increase in tax and penalties) shown above, plus any interest provided by law.

Your Signature → _____ (Date signed)

Spouse's Signature
(If A Joint Return Was Filed) → _____ (Date signed)

Taxpayer's Representative Sign Here → _____ (Date signed)

Corporate Name → _____

Corporate Officers Sign Here

→	_____	_____	_____
	(Signature)	(Title)	(Date signed)
→	_____	_____	_____
	(Signature)	(Title)	(Date signed)

If you agree, please sign one copy and return it; keep the other copy for your records.

Instructions for Form 4089 B

Note:

If you consent to the assessment of the amounts shown in this waiver, please sign and return it in order to limit the accumulation of interest and expedite our bill to you. Your consent will not prevent you from filing a claim for refund (after you have paid the tax) if you later believe you are entitled to a refund. It will not prevent us from later determining, if necessary, that you owe additional tax; nor will it extend the time provided by law for either action.

If you later file a claim and the Internal Revenue Service disallows it, you may file suit for refund in a district court or in the United States Claims Court, but you may not file a petition with the United States Tax Court.

Who Must Sign

If this waiver is for any year(s) for which you filed a joint return, both you and your spouse must sign the original and duplicate of this form. Sign your name exactly as it appears on the return. If you are acting under power of attorney for your spouse, you may sign as agent for him or her.

For an agent or attorney acting under a power of attorney, a power of attorney must be sent with this form if not previously filed.

For a person acting in a fiduciary capacity (executor, administrator, trustee), file Form 56, Notice Concerning Fiduciary Relationship, with this form if not previously filed.

For a corporation, enter the name of the corporation followed by the signature and title of the officer(s) authorized to sign.

Optional Paragraphs

A check in the block to the left of a paragraph below indicates that the paragraph applies to your situation.

- The amount shown as the deficiency may not be billed, since all or part of the refund due has been held to offset all or a portion of the amount of the deficiency. The amount that will be billed, if any, is shown on the attached examination report.
- The amount shown as a deficiency may not be billed, since the refund due will be reduced by the amount of the deficiency. The net refund due is shown on the attached examination report.

>END<

DOWNLOADED FROM:

***Sovereignty Education and Defense Ministry
(SEDM) Website***

<http://sedm.org>

