

Internal Revenue Service
Ogden, UT 84404

Department of the Treasury

Taxpayer Identification Number:

[REDACTED]

Form:

1040

Tax Period Ended and Tax Delinquency:

December 31, 2002

\$51,176.50

Person to Contact:

Tax Technician

Contact Telephone Number:

1-866-899-9085 (Toll-Free)

Contact Hours:

7 A.M. to 7 P.M. MST Monday-Friday

Fax Number:

Employee Identification Number:

29-61699

Last Date to Respond to this letter:

May 20, 2004

Date: April 20, 2004

[REDACTED]
[REDACTED]
39102

TUCSON, AZ [REDACTED]

Dear [REDACTED]

We previously asked you to send us your federal income tax return (Form 1040, 1040A, or 1040EZ) for the tax period shown above. Since we don't have a record of receiving a response from you, we have figured your tax and proposed penalties based on the information your employers, banks, and other payers reported on Forms W-2, W-2P, 1099, etc. We explain the tax and penalties in the enclosed report.

If you agree with the tax and penalties shown in the report, please sign, date and return one copy of the report along with payment for the total payment due. It is to your advantage to pay the total amount now since we will continue to charge interest until the amount you owe is paid in full. If you can't pay the full amount at this time, please call us to discuss how you can pay what you owe.

If you don't agree with the tax and penalties and want us to reconsider this matter, you should respond within 30 days from the date of this letter providing the reason you didn't file a return and other related information you want us to consider.

If you decide to file a return at this time, please send it to the above address. To help us identify your case, please include this letter with your return. Be sure to include all supporting records. We have enclosed a copy of this letter for your records and an envelope for your convenience.

Under the Privacy Act of 1974, we must tell you that our legal right to ask for this information is Internal Revenue Code sections 6001, 6011, 6012(a) and their regulations. They say that you must furnish us with records of statements for any tax year that you are liable for, including the taxes your employer withheld.

Letter 1862 (SC) (Rev. 4-1999)

Cat. No. 61258E MAE

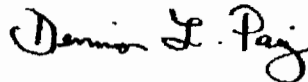
We ask for this information to carry out the Internal Revenue Tax laws of the United States and you are required to give us this information. We may give the information to the Department of Justice for civil and criminal litigation, other Federal agencies, states, cities and the District of Columbia for use in administering their tax laws.

If you do not provide the information we ask for, or provide fraudulent information, the law provides that you may be charged penalties and in certain cases, you may be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, reductions or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

We have enclosed Publication 1, Your Rights as a Taxpayer, Publication 5, Your Appeal Rights and How to Prepare a Protest If You Don't Agree, and Publication 594, Understanding the Collection Process, for your information.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter. Thank you for your cooperation.

Sincerely yours,



Dennis L Parizek
Manager, Examination Operations

Enclosures:
Copy of this letter
Envelope
Examination Report (2)
Publication 1
Publication 5
Publication 594

Name and Address of Taxpayer
 [REDACTED]
 TUCSON AZ [REDACTED]

SS or EI Number:
 [REDACTED]
 Person with whom examination changes were discussed.

Name and Title:

1. Adjustments to Income		Period End 12/31/2002	Period End
a. Standard Deduction		(4,700.00)	
b. Exemptions		(1,500.00)	
c. Wages		165,910.00	
d. Interest		89.00	
e. Prior Year Refund		3,185.00	
f. Stock Sales		19,656.00	
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
2. Total Adjustments		182,640.00	
3. Taxable Income Per Return or as Previously Adjusted		0.00	
4. Corrected Taxable Income		182,640.00	
Tax Method		Tax Rate Schedules	
Filing Status		Single	
5. Tax		51,176.50	
6. Additional Taxes / Alternative Minimum Tax			
7. Corrected Tax Liability		51,176.50	
8. Less Credits	a.		
	b.		
	c.		
9. Balance (Line 7 less total of lines 8a through 8d)		51,176.50	
10. Plus Other Taxes	a.		
	b.		
	c.		
11. Total Corrected Tax Liability (line 9 plus line 10a - 10d)		51,176.50	
12. Total Tax Shown on Return or as Previously Adjusted		0.00	
13. Adjustments to:	a. Special Fuels Credit		
	b.		
	c.		
14. Deficiency-Increase in Tax or (Overassessment Decrease in Tax) (Line 11 less 12 adjusted by 13)		51,176.50	
15. Adjustments to Prepayment Credits		33,848.00	
16. Balance Due or (Overpayment) (Line 14 adjusted by Line 15) (Excluding interest and penalties)		17,328.50	

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 file the State form.
 You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income and do not pay the required tax. The IRS may order backup withholding at 31 percent after four notices have been issued to you over a 120-day period and the tax has been assessed and remains unpaid.

Name and Address of Taxpayer ██████████	SS or EI Number: ██████████	Return Form No: 1049
17. Penalties	Period End 12/31/2002	Period End
a. Delq-IRC 6651(a) (2)	1,039.71	
b. Delq-IRC 6651(a) (1)	3,898.91	
c. Estimated Tax - IRC 6654	643.41	
d.		
e.		
f.		
g.		
h.		
i.		
j.		
k.		
l.		
18. Total Penalties	5,582.03	
Underpayment attributable to negligence: (1981-1987) A tax addition of 50 percent of the interest due on underpayment will accrue until paid or assessed.		
Underpayment attributable to fraud: (1981-1987) A tax addition of 50 percent of the interest due on underpayment will accrue until paid or assessed.		
Underpayment attributable Tax Motivated Transactions TMT interest will accrue and be assessed at 120% of underpayment rate in accordance with IRC 6621(c).		
19. Summary of Taxes, Penalties and Interest:		
a. Balance due or Overpayment Taxes - Line 16, Page 1	17,328.50	
b. Penalties (Line 18, Page 2)-computed to April 20, 2004	5,582.03	
c. Interest (IRC§ 6601)-computed to May 20, 2004	1,117.66	
d. TMT Interest - computed April 20, 2004 on TMT underpayment		
e. Amount due or refund (sum of lines a, b, c and d)	24,028.19	

Other information:

Examiner's Signature: Mr. Parizek	Employee ID: 29-61899	Office: Ogden, UT	Date: April 20, 2004
Consent to Assessment and Collection - I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in the United States Tax Court the findings in this report. Therefore, I give my consent to the immediate assessment and collection of any increase in tax and penalties, and accept any decrease in tax and penalties shown above, plus additional interest as provided by law. It is understood that this report is subject to acceptance by the Area Director, Area Manager or Director of Field Operations.			
PLEASE NOTE: If a joint return was filed, BOTH taxpayers must sign	Signature of Taxpayer	Date	Signature of Taxpayer
By:		Title	Date

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

April 20, 2004

2002 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.

DELINQUENCY PENALTY

1. Delinquency penalty abated		0.00
2. Date return due	April 15, 2003	
3. Date return filed	04/20/2004	
4. Failure to File penalty rate	0.225%	
5. Failure to Pay penalty rate	0.060%	
6. Total corrected tax, Form 4549, line 11		51,176.50
7. Payments on or prior to due date of return		33,848.00
8. Line 6 less line 7		17,328.50
9. Failure to File Penalty - line 8 multiplied by line 4		3,898.91
10. Minimum penalty if over 60 days delinquent		100.00
11. Failure to File Penalty - Greater of line 9 or line 10		3,898.91
12. Previously assessed Failure to File Penalty		0.00
13. Net Failure to File Penalty - line 11 less line 12		3,898.91
14. Failure to Pay Penalty - line 8 multiplied by line 5		1,039.71
15. Previously assessed Failure to Pay Penalty		0.00
16. Net Failure to Pay Penalty - line 14 less line 15 *		1,039.71
17. Total Delinquency Penalty - Sum of line 13 and 16		4,938.62

* 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.

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(SEDM) Website***

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