Dear Edgar,

Your federal income tax return for the year shown above has been selected for examination. We examine tax returns to verify the correctness of income, deductions, exemptions, and credits.

**WHAT YOU NEED TO DO**

Please call the individual listed above WITHIN 10 DAYS to schedule an appointment. Please call between the hours of 8:00 am - 4:30 pm, Monday through Friday.

**ISSUES TO BE REVIEWED DURING THE EXAMINATION**

Your examination will primarily be focused on the following issues:

1. Sch E Income
2. Sch E Depreciation
3. Sch E All Expenses

**WHAT TO BRING WITH YOU TO THE EXAMINATION**

Attached to this letter is an Information Document Request that lists the items on your return to be examined and the supporting items you need to provide. Please include complete copies of your 2004 and 2005 individual income tax returns. You should organize your records according to the issues identified above. For additional information see the enclosed Publication 1, Your Rights as a Taxpayer, and Notice 669, Privacy Act Notice.

[Letter 3572 (Rev. 10-2003)]

[Stamp: Treasury Notice 3440bC]
WHY THE INFORMATION DOCUMENT REQUEST IS IMPORTANT

It is important that you read and fully understand the attached Information Document Request. It lists the items you should bring with you to the appointment. To ensure an efficient examination and to save you time, please organize the requested items according to the issues identified above in this letter. If you have any questions or need additional guidance, please feel free to contact us.

WHAT TO EXPECT AT THE EXAMINATION

The examination is scheduled to last approximately 4.0 hours. During the examination, I will review the information you provide. My goal is to complete your examination at the initial meeting. However, depending on the results of the initial meeting and the supporting items you provide, I may ask you to provide additional information or schedule a follow-up meeting. When the examination is completed, you may owe additional tax, be due a refund, or there may be no change to your return.

WHO MAY COME TO THE EXAMINATION

If you filed a joint return, you and/or your spouse may attend. You may also have someone represent you at the examination. If you will not attend with your representative, you must provide a completed Form 2848, Power of Attorney, or Form 8821, Tax Information Authorization, by the start of the examination. You can obtain these forms from our office, from our website, www.irs.gov, or by calling (800) 829-3676.

WHAT WILL HAPPEN IF YOU DO NOT RESPOND

If you do not respond to this letter, we will issue an examination report showing additional tax due. Therefore, it is to your advantage to call and schedule an appointment. If you are uncertain about the records needed or the examination process, we will answer your questions when you call to schedule your appointment.

Sincerely,

V. Johnson
Examining Officer
38-00125

Enclosures:
Information Document Request
Publication 1
Notice 609
Sch E All Expenses

Accounting records detailing the expenses deducted

Cancelled checks and receipts to verify the expenses claimed. These records should be organized into the same categories as shown on your Schedule E

Copies of any payroll tax returns, information documents such as Forms 1099, and W-2's filed for the tax year

Invoices for any capital acquisitions during the tax year

Sch E Depreciation

Date when asset was first placed in service (e.g. copy of depreciation schedule (tax return for that particular year), etc.) and subsequent year depreciation schedules

Purchase invoices, settlement sheets, receipts and any other evidence to verify ownership of the assets. You should also be able to provide the date you first placed the asset in service and began taking depreciation by providing a copy of the tax return indicating when the property was placed in service.

A computation of how the depreciable basis was determined if different from the cost basis of the assets. This includes the actual proof of the amount paid and date for the asset and/or improvements to the asset

Information due by

From:

Name and title of requester: V Johnson
Employee ID number: 38-60125
Office Location: PO BOX 330500 STOP 21
Detroit, MI 48232-6500
Phone: 313-628-3477
Fax: 313-628-3466

Catalog No: 231458
Records, logsbooks, etc. showing total business and personal use of the depreciable assets. If the asset had any personal use, please provide written documentation of how you determined the amount of business use vs. the amount of personal use. We need to have you establish that you did place the asset in service. We also need to have documentation (receipts, invoice, contracts, etc) that show the amount paid and the date. If the Section 179 deduction includes improvements, repairs, adjustments to the original purchase price, please provide documentation showing the date and amount.

Cancelled checks and/or receipts for capital improvements. If the basis of the asset you are deprecating includes any improvements, additions or adjustments, please provide proof of the amount and the date. This can include, but is not limited to, actual receipts, contracts, work orders with proof of payment or any other type of documentation. Cancelled checks will be considered, but we must see a clear connection to the asset being depreciated.

Sch E Rental Income

Receipts, lease agreements and/or other records showing total amount of rent you received

Explanation of the reason if units were occupied rent-free or below rental value during the year

Total number of days the units were rented and number of days the units were used for personal purposes

Evidence to verify ownership of the property, the date the property was acquired, the cost basis showing the amount allocated to land and to buildings, and the cost of improvements and additions to the property. Include escrow papers and property tax bill for the year of purchase

Date converted, if the property was converted from personal property to rental property

Information is by [X] At any appointment [X] Mailed [X]

From: V Johnson

Employer ID number: 38-00125

Date

Office Location: PO BOX 330050 STOP 11
Detroit, MI 48235-0500

Phone: 313 628 ...
Fax: 313 628 ...

Form 4564 (Rev. 6-1989)
**Information Document Request**

### Description of documents requested
- Tax Period(s): 2001-12

### Statement from real estate agent of the fair rental value of the property

### Total number of units rented in the building, if applicable

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<td>V Johnson</td>
<td>38-01/25</td>
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</table>

**From:**
- Name and title of requester: V Johnson
- Address: PO BOX 3005 STOP 21 Detroit, MI 48232-6500

**Employee ID number:** 38-01/25
**Date:**
**Phone:** 313 521
**Fax:** 313 521

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**To:** Name of taxpayer and company (division or branch)

**SIN number:**

**Subject:** Form 1040 2001

**Submitted to:** Edgar

**Date of Previous Request:**

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Form 4564 [Rev. 6-1998]