

Department of the Treasury  
Internal Revenue Service

Letter Date:  
August 28, 2009  
Taxpayer Identification Number:

Form: 1040 Tax Year(s): December 31, 2007  
Person to Contact:

*9:00 am  
next Friday*

PC: EGC:  
Contact Identification Number:

Contact Telephone Number:

Contact Fax Number:

Contact Hours:  
7:00AM-11:00PM EST

SAN DIEGO CA

Dear Taxpayer:

We are examining your 2007 federal income tax return. We need you to provide us with additional information to substantiate the items checked below that you claimed on your return.

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Filing Status and Exemptions | <input type="checkbox"/> Schedule A - Itemized Deduction  | <input type="checkbox"/> Tax Credits                        |
| <input type="checkbox"/> Head of Household            | <input type="checkbox"/> Medical & Dental Expense         | <input type="checkbox"/> Foreign Tax Credit                 |
| <input type="checkbox"/> Exemptions                   | <input type="checkbox"/> Interest You Paid                | <input type="checkbox"/> Earned Income Credit               |
| <input type="checkbox"/> Adjustments to Income        | <input type="checkbox"/> Gifts to Charity                 | <input type="checkbox"/> Child Care Credit                  |
| <input type="checkbox"/> Alimony Paid                 | <input type="checkbox"/> Casualty & Theft Losses          | <input type="checkbox"/> Education Credit                   |
| <input type="checkbox"/> Moving Expense               | <input type="checkbox"/> Unreimbursed Employee Expense    | <input type="checkbox"/> Adoption Credit                    |
| <input type="checkbox"/>                              | <input type="checkbox"/> Other Miscellaneous Deductions   | <input type="checkbox"/> Credit for the Elderly or Disabled |
| <input type="checkbox"/>                              | <input type="checkbox"/> Schedule C - Gross Receipts      | <input type="checkbox"/>                                    |
|   | <input checked="" type="checkbox"/> Schedule C - Expenses |   |
|   | <input type="checkbox"/>                                  |   |

Please see the enclosed explanation of the documentation you need to provide, and send it to us within 30 days from the date of this letter. Send copies of your supporting records and/or information to the contact person whose name and address are shown in the letter heading. This information could include receipts, canceled checks, or other explanatory material. It is important that we receive all requested information and it is readable. Please also complete and return any enclosed questionnaire(s). We have enclosed an envelope for your use.

Department of the Treasury  
Internal Revenue Service

Date:  
October 1, 2009  
Taxpayer Identification Number:

Form: Tax Year:  
1040 2007  
Person to Contact:

PC. EGC  
Contact Identification Number:

Contact Telephone Number:

Contact Hours:  
7:00AM-11:00PM EST  
Contact Fax Number:

SAN DIEGO

Dear Taxpayer:

Please respond to the enclosed examination report within 30 days from the date of this letter. The examination report explains our proposed changes to your 2007 federal income tax return(s). Please review the examination report and let us know if you agree or disagree with the proposed changes. The item checked below applies to you:

- The amount of your refund is \$ . We will issue your refund to you if you don't owe other taxes and you don't have other legal obligations that we are required to collect. We'll send your refund to you within 8 weeks after we receive the examination report you've signed.
- The amount you owe is \$4,083.00. This amount may include tax, penalties, and estimated interest due. You should pay the total amount you owe now because the law allows us to charge additional interest and certain penalties until you pay the amount you owe in full. If you can't pay the total amount you owe, please contact us now so we can discuss payment arrangements.

**What You Should Do If You Agree**

If you agree with our proposed changes, please sign and date the consent page of the examination report and return it in the envelope we've provided. Also, if you owe an amount, please include your check or money order payable to the United States Treasury.

**What You Should Do If You Do Not Agree**

If you disagree with our proposed changes and have additional information, please use the above address or fax number to return the enclosed examination report and this letter with any supporting documents or information you want us to consider. Or, if you prefer, call the telephone number shown above. When you call, please have your information or records available to discuss if necessary.

(continued next page)

Letter 525 (Rev. 9-2008)  
Catalog Number 40216W

Name and Address of Taxpayer

Taxpayer Identification Number

Return Form No.:  
1040

SAN DIEGO

Person with whom  
examination  
changes were  
discussed.

Name and Title:

		Period End 12/31/2007	Period End	Period End
<b>1. Adjustments to Income</b>				
a.	Sch C1 - Travel	4,707.00		
b.	Sch C1 - Legal and Professional Services	5,923.00		
c.	Itemized Deductions	213.00		
d.				
e.				
f.				
g.				
h.				
i.				
j.				
k.				
l.				
m.				
n.				
o.				
p.				
<b>2. Total Adjustments</b>		10,043.00		
<b>3. Taxable Income Per Return or as Previously Adjusted</b>		411,277.00		
<b>4. Corrected Taxable Income</b>		422,120.00		
Tax Method		TAX RATE		
Filing Status		Single		
<b>5. Tax</b>		126,816.00		
<b>6. Additional Taxes / Alternative Minimum Tax</b>				
<b>7. Corrected Tax Liability</b>		126,816.00		
<b>8. Less</b>				
a.	Credits			
b.				
c.				
d.				
<b>9. Balance (Line 7 less Lines 8a through 8d)</b>		126,816.00		
<b>10. Plus</b>				
a.	Other Taxes			
b.				
c.				
d.				
<b>11. Total Corrected Tax Liability (Line 9 plus Lines 10a through 10d)</b>		126,816.00		
<b>12. Total Tax Shown on Return or as Previously Adjusted</b>		123,021.00		
<b>13. Adjustments to:</b>				
a.				
b.				
c.				
<b>14. Deficiency-Increase in Tax or (Overassessment-Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a through 13c)</b>		3,795.00		
<b>15. Adjustments to Prepayment Credits - Increase (Decrease)</b>				
<b>16. Balance Due or (Overpayment) - (Line 14 adjusted by Line 15) (Excluding interest and penalties)</b>		3,795.00		

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 income) if the tax remains unpaid after it has been assessed and four notices have been issued to you over a 120-day period.

Name of Taxpayer

Taxpayer Identification Number

Return Form No.:  
**1040**

	Period End 12/31/2007	Period End	Period End
<b>17. Penalties/ Code Sections</b>			
a.			
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
<b>18. Total Penalties</b>			
Underpayment 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.			
Underpayment 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.			
Underpayment attributable to Tax Motivated Transactions (TMT). The interest will accrue and be assessed at 120% of the underpayment rate in accordance with IRC §6621(c)		0.00	
<b>19. Summary of Taxes, Penalties and Interest:</b>			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)		3,795.00	
b. Penalties (Line 18) - computed to 09/30/2009		298.47	
c. Interest (IRC § 6601) - computed to 10/30/2009		0.00	
d. TMT Interest - computed to 10/30/2009 (on TMT underpayment)		4,083.47	
e. Amount due or (refund) - (sum of Lines a, b, c and d)			

Other information:

Examiner's Signature:	Employee ID:	Office:	Date: 09/30/2009
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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, Specialty Tax Program Chief, or Director of Field Operations.

**PLEASE NOTE: If a joint return was filed, BOTH taxpayers must sign**

Signature of Taxpayer	Date:	Signature of Taxpayer	Date:
By:		Title:	Date:

SAN DIEGO,

November 2, 2009

Department of the Treasury  
Internal Revenue Service  
ATTN: GROUP MANAGER FOR

Re: Audit of \_\_\_\_\_, SSN: \_\_\_\_\_, for tax year 2007

Dear Mr./Ms. \_\_\_\_\_,

I have attempted to contact you, leaving multiple voice mail messages, regarding the audit of my 2007 Schedule C tax return. All expenses reported are legal business expenses including those submitted in legal and professional expenses, travel, meals, and entertainment expenses, and itemized expenses. Supporting documentation was previously submitted on September 20, 2009.

Since you previously allowed other Schedule C expenses to be deductible, it is unclear to me why you would not also allow the other expenses. I ask for you to either acknowledge and allow the expenses under legal and professional services, travel, and itemized deductions (which was previously disallowed in your report dated 10/1/2009) or contact me at \_\_\_\_\_. If this is not resolved, I will appeal my case and ask for it to be transferred to a San Diego office for review.

Thank you,

Enclosure: Form 12203 Request for Appeals Review

# Request for Appeals Review

Please complete the information in the spaces below, including your signature and the date.

Taxpayer name(s)		Taxpayer Identification Number(s)	
Mailing address		Tax form number: 1040	
City Sun Diego		Tax period(s) ended 2007	
State	ZIP Code		

Identify the item(s) (for example: filing status, exemptions, interest or dividends) you disagree with in the proposed change or assessment report you received with the enclosed letter. Tell us why you disagree. You can add more pages if this is not enough space.

Disagreed item Travel	Reason why you disagree Lodging expenses are for different events related to the partnership of F Meals are for Board of Director Meetings and with perspective partnerships. Airfare was for Board of Director Meeting in NM.
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Disagreed item Legal and Professional Services	Reason why you disagree Items deducted are business expenses for tax preparation, maintenance for car rentals, professional development for future business opportunities, dues and subscriptions related to car rentals, entry fees for car fleet exhibition, and fees related to obtaining an office space.
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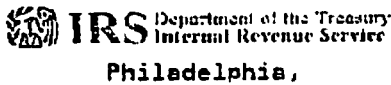
Disagreed item	Reason why you disagree
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Disagreed item	Reason why you disagree
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Signature of Taxpayer(s)	Date 02 Nov 09
	Date

Name and signature of authorized representative (If a representative is signing this form, please attach a copy of your completed Form 2848, Power of Attorney and Declaration of Representative.)

Name	Date
Signature	Best time to call
Your telephone number	



SBV  
EXL

Date: December 28, 2009

Taxpayer Identification Number:

Tax Period Ended: DEC. 31, 2007

Person to Contact:

Contact Telephone Number: 1-866-  
(TOLL FREE NUMBER)

Employee Identification Number:

Fax Number:

SAN DIEGO,

000193

Dear

We are pleased to tell you we did not make any changes to the tax reported on your return. We will be returning any original documents you sent relating to your return in a separate envelope. If you are due a refund, we will send it to you within six to eight weeks, provided you have no unpaid accounts or other legal debts we are required to collect.

If you received a Notice of Deficiency from us for this tax return and tax period and have not filed a petition with the United States Tax Court, please disregard that notice. You will not need to file a petition with the Tax Court for reconsideration of your tax liability. If you already did file a petition with the Tax Court, you will need to prepare and file the appropriate documents with the court in order to close your case. We suggest you inform your attorney or tax representative that you have reached an agreement with the Internal Revenue Service and have received a "No Change Letter". If you do not have an attorney or representative and are representing yourself in the Tax Court, please contact the IRS attorney or IRS appeals officer assigned to your case so that the necessary steps may be taken to close your case.

Although we did not make any changes to your return, changes could be made if we examine the tax return of a related Subchapter S Corporation, trust, or partnership and find we have to make changes to it that could affect your individual return.

If you have any questions about this letter, please call us at the telephone number shown above. Thank you for your cooperation.

Sincerely,

Operations Manager, Examination