

Form <b>4549</b> (Rev. March 2005)		Department of the Treasury-Internal Revenue Service <b>Income Tax Examination Changes</b>		Page <u>1</u> of <u>2</u>
Name and Address of Taxpayer  <b>[REDACTED]</b>		Taxpayer Identification Number <b>[REDACTED]</b>		Return Form No.: 1040
		Person with whom examination changes were discussed.	Name and Title: George Tannous	
		Period End 12/31/2005	Period End	Period End
<b>1. Adjustments to Income</b>				
a. Depreciation		(3,805.00)		
b. Sch C1 - Travel		6,600.00		
c. Sch C1 - Car and Truck Expenses		11,705.00		
d. Sch C1 - Advertising		8,022.00		
e. Sch C1 - Gross Receipts or Sales		(113,521.00)		
f. Sch. C- Insurance		733.00		
g. Sch C1 - Supplies		20,280.00		
h. Wages, Salaries and Tips, etc.		113,521.00		
i. Sch C1 - Interest - Mortgage		16,190.00		
j. Capital Gain or Loss		91,869.00		
k. SE AGI Adjustment		495.00		
l. Itemized Deductions		(17,566.00)		
m. Standard Deduction		7,300.00		
n.				
o.				
p.				
<b>2. Total Adjustments</b>		141,821.00		
<b>3. Taxable Income Per Return or as Previously Adjusted</b>		3,053.00		
<b>4. Corrected Taxable Income</b>		144,874.00		
Tax Method		TAX RATE		
Filing Status		Head of Household		
<b>5. Tax</b>		32,978.00		
<b>6. Additional Taxes / Alternative Minimum Tax</b>				
<b>7. Corrected Tax Liability</b>		32,978.00		
<b>8. Less Credits</b>		0.00		
a. Child Tax Credit				
b.				
c.				
d.				
<b>9. Balance (Line 7 less Lines 8a through 8d)</b>		32,978.00		
<b>10. Plus Other Taxes</b>				
a. Advanced EIC		82.00		
b. Self Employment Tax		0.00		
c.				
d.				
<b>11. Total Corrected Tax Liability (Line 9 plus Lines 10a through 10d)</b>		33,060.00		
<b>12. Total Tax Shown on Return or as Previously Adjusted</b>		1,072.00		
<b>13. Adjustments to:</b>				
a.				
b. Earned Income Credit		(3,220.00)		
c. Addnl Child Tax Credit		(692.00)		
<b>14. Deficiency-Increase in Tax or (Overassessment-Decrease in Tax) (Line 11 less Line 12 adjusted by Lines 13a plus 13b)</b>		35,900.00		
<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>		35,900.00		

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.

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Name of Taxpayer GEORGE L ASSALI	Taxpayer Identification Number 018-58-2247	Return Form No.: 1040	
<b>17. Penalties/ Code Sections</b>	<b>Period End</b> 12/31/2005	<b>Period End</b>	<b>Period End</b>
a. Accuracy-IRC 6662	7,180.00		
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
<b>18 Total Penalties</b>	<b>7,180.00</b>		
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). The interest will accrue and be assessed at 120% of the underpayment rate in accordance with IRC §6621(c)			
<b>19. Summary of Taxes, Penalties and Interest:</b>			
a. Balance due or (Overpayment) Taxes - (Line 16, Page 1)	35,900.00		
b. Penalties (Line 18) - computed to 11/02/2007	7,180.00		
c. Interest (IRC § 6601) - computed to 12/02/2007	5,908.86		
d. TMT interest - computed to 12/02/2007 (on TMT underpayment)	0.00		
e. Amount due or (refund) - (sum of Lines a, b, c and d)	48,988.86		

**Other information:**

For tax period(s) 200512, the tax liability shown in this report may be subject to IRC section 6404(g). Interest on the amount due will not be charged during the suspension period applicable to your tax liability. When your tax bill is issued, it will reflect the reduced amount of interest based on IRC section 6404(g), if such suspension period has resulted.

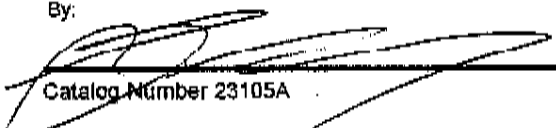
*SOLICITED PAYMENT OF DEFICIENCY; HOWEVER, TAXPAYER PREFERRED TO BE BILLED.  
ASSERTED ABOVE PENALTY.*

Examiner's Signature: 	Employee ID: 	Office: 	Date: 11/02/2007
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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:
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By: 	Title: POA	Date: 11/6/07
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