



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
55 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102

Date: JUN 16 2005

John D. Russell
321 South Boston, Suite 800
Tulsa, OK 74103

Taxpayer Name:
John A. Barrett, Junior and
Sheryl S. Barrett
Taxpayer Identification Number:
[REDACTED] 9609
Form Number:
1040
Year(s):
2001
Person to Contact/ID Number:
90-Day Unit – V. Maillard
73-01486
Contact Telephone Number:
405-297-4087
Contact Fax Number:

Dear Representative:

We are sending the enclosed material under the provisions of your power of attorney or other authorization we have on file. For your convenience, we have listed the name of the taxpayer to whom this material relates in the heading above.

If you have any questions, please contact the contact person at the telephone number shown in the heading of this letter.

Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Janet A. Miller".

Janet A. Miller
SBSE Technical Services Territory Manager
Gulf States Area

Enclosures

- (X) Letter(s)
- (X) Report(s)
- () Other



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
55 NORTH ROBINSON
OKLAHOMA CITY, OKLAHOMA 73102

Date: JUN 16 2005

John A. Barrett, Junior and
Sheryl S. Barrett



Letter Number: 531(DO)

Form Number:

1040

Taxpayer Identification Number:

[REDACTED]-9609

Person to Contact:

90-Day Unit – V. Maillard

Telephone Number:

405-297-4087

Employee Identification Number:

73-01486

Refer Reply To:

SE:S:E:TS:GSA:6

Last Day to File a Petition With
the United States Tax Court:

SEP 14 2005

CERTIFIED MAIL

Tax Year Ended: December 31, 2001

Deficiency:

Increase in tax \$ 19,355.00

Penalties

IRC 6662 \$ 3,871.00

Dear Taxpayer:

--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

(continued next page)

Letter 531(DO)(Rev. 6-2003)

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.

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 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.

(continued next page)

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).

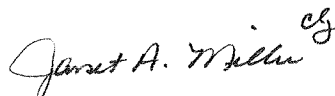
NOTE: If you are a C-corporation, section 6621(c) of the Internal Revenue Code requires that we charge an interest rate two percent higher than the normal rate on corporate underpayments in excess of \$100,000.

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,

A handwritten signature in cursive script that reads "Janet A. Miller" with a small flourish at the end.

Janet A. Miller
SBSE Technical Services Territory Manager
Gulf States Area

Enclosures:

Explanation of tax changes
Waiver
Notice 1214

cc: John D. Russell

| | | |
|--------------|--|-------------------------|
| Form 4089 | Department of Treasury – Internal Revenue Service NOTICE OF DEFICIENCY – WAIVER | Symbols TS: 4020 OKC |
|--------------|--|-------------------------|

Name, SSN or EIN, and Address of taxpayer(s)

John A. Barrett, Junior and Sheryl S. Barrett [REDACTED] 9609

[REDACTED]

| | |
|---------------------------|---|
| Kind of Tax INCOME | [X] Copy to Authorized Representative John D. Russell 321 South Boston, Suite 800 Tulsa, OK 74103 |
|---------------------------|---|

DEFICIENCY - Increase in Tax and Penalties

Tax Year Ended: **December 31, 2001**

Deficiency:

Increase in tax \$ **19,355.00**

Penalties

IRC 6662 \$ **3,871.00**

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 Below | | |
| Signature | Title | Date signed |

(For instructions, see next page)
If you agree, please sign and return.

- 2 -

Instructions for Form 4089

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

**IRS**Department of the Treasury
Internal Revenue ServiceNotice 1214 (Rev. 2-2004)
Catalog Number 26162Z

Helpful Contacts for Your "Notice of Deficiency"

Do you have questions/concerns about this "Notice of Deficiency?" First contact the person whose name and telephone number appear at the top of your letter. This person can directly access your tax information and help you get answers.

Do you want assistance by a Taxpayer Advocate? This assistance is not a substitute for established IRS procedures, formal Appeals processes, etc. The Taxpayer Advocate cannot reverse legal or technically correct tax determinations, nor extend the time allowed by law to file a petition in the U.S. Tax Court. However, the Taxpayer Advocate can give your tax matter proper and prompt handling when unresolved through normal channels. You can call toll-free 1-877-777-4778 and ask for Taxpayer Advocate assistance, or call the telephone number of the Taxpayer Advocate for the IRS office listed below that issued this "Notice of Deficiency."

ALABAMA

Birmingham Office
Taxpayer Advocate
801 Tom Martin Dr.
Birmingham, AL 35211
(205) 912-5631

ALASKA

Anchorage Office
Taxpayer Advocate
949 East 56th Ave., Stop A-405
Anchorage, AK 99508
(907) 271-6877

ARIZONA

Phoenix Office
Taxpayer Advocate
210 E. Earll Drive, Stop 1005-PHX
Phoenix, AZ 85012
(602) 207-8240

ARKANSAS

Little Rock Office
Taxpayer Advocate
700 West Capitol St., Stop 1005-LIT
Little Rock, AR 72201
(501) 324-6269

CALIFORNIA

Laguna Niguel Office
Taxpayer Advocate
24000 Avila Road-Room 3362
Laguna Niguel, CA 92677
(949) 389-4804

Los Angeles Office
Taxpayer Advocate
300 N. Los Angeles St.
Stop 6710 Room 5109
Los Angeles, CA 90012
(213) 576-3140

Oakland Office
Taxpayer Advocate
1301 Clay St. # 1540S
Oakland, CA 94612
(510) 637-2703

Sacramento Office
Taxpayer Advocate
4330 Watt Ave.
Sacramento, CA 95821
(916) 974-5007

San Jose Office
Taxpayer Advocate
55 S. Market St., Stop HQ000-4
San Jose, CA 95113
(408) 817-6850

COLORADO

Denver Office
Taxpayer Advocate
600 17th St., Stop 1005-DEN
Denver, CO 80202-2490
(303) 446-1012

CONNECTICUT

Hartford Office
Taxpayer Advocate
135 High St., Stop 219
Hartford, CT 06103
(860) 756-4555

DELAWARE

Wilmington Office
Taxpayer Advocate
409 Silverside Rd.
Wilmington, DE 19809
(302) 791-4502

DISTRICT OF COLUMBIA

Baltimore Office
Taxpayer Advocate
31 Hopkins Plaza Room 940
Baltimore, MD 21201
(410) 962-2082

FLORIDA

Ft. Lauderdale Office
Taxpayer Advocate
7850 SW 6th Court
Plantation, FL 33324
(954) 423-7677

Jacksonville Office
Taxpayer Advocate
841 Prudential Dr., Suite 100
Stop: TA:Atlanta/Intl: JAX
Jacksonville, FL 32207
(904) 665-1000

GEORGIA

Atlanta Office
Taxpayer Advocate
401 W. Peachtree St., NW,
Summit Building
Stop 202-D
Atlanta, GA 30308
(404) 338-8099

HAWAII

Honolulu Office
Taxpayer Advocate
Stop H-405
300 Ala Moana Blvd., #50089
Honolulu, HI 96850
(808) 539-2870

IDAHO

Boise Office
Taxpayer Advocate
550 West Fort St., Box 041
Boise, ID 83724
(208) 334-1324

ILLINOIS

Chicago Office
Taxpayer Advocate
230 S. Dearborn St.
Stop 1005-CHI
Chicago, IL 60604
(312) 566-3800

Springfield Office
Taxpayer Advocate
320 W. Washington St.
Stop 1005-SPD
Springfield, IL 62701
(217) 527-6382

INDIANA

Indianapolis Office
Taxpayer Advocate
575 N. Pennsylvania St., Stop TA770
Indianapolis, IN 46204
(317) 226-6332

IOWA

Des Moines Office
Taxpayer Advocate
210 Walnut St., Stop 1005- DSM
Des Moines, IA 50309
(515) 284-4780

KANSAS

Wichita Office
Taxpayer Advocate
271 W. 3rd St., North
Stop 1005-WIC
Wichita, KS 67202
(316) 352-7506

KENTUCKY

Louisville Office
Taxpayer Advocate
600 Dr. MLK Jr. Place
Federal Building-Room 622
Louisville, KY 40202
(502) 582-6030

LOUISIANA

New Orleans Office
Taxpayer Advocate
600 South Maestri Pl., Stop 2
New Orleans, LA 70130
(504) 558-3001

MAINE

Augusta Office
Taxpayer Advocate
68 Sewall St., Room 313
Augusta, ME 04330
(207) 622-8528

MARYLAND

Baltimore Office
Taxpayer Advocate
31 Hopkins Plaza Room 940
Baltimore, MD 21201
(410) 962-2082

MASSACHUSETTS

Boston Office
Taxpayer Advocate
25 New Sudbury St.
Boston, MA 02203
(617) 316-2690

MICHIGAN

Detroit Office
Taxpayer Advocate
McNamara Federal Building
477 Michigan Ave. - Room 1745
Detroit, MI 48226
(313) 628-3670

MINNESOTA

St. Paul Office
Taxpayer Advocate
Stop 1005-STP
316 North Robert St.
St. Paul, MN 55101
(651) 312-7999


IRS

 Department of the Treasury
 Internal Revenue Service

 Notice 1214 (Rev. 2-2004)
 Catalog Number 26162Z

MISSISSIPPI

 Jackson Office
 Taxpayer Advocate
 100 W. Capitol St., Stop JK31
 Jackson, MS 39269
 (601) 292-4800

MISSOURI

 St. Louis Office
 Taxpayer Advocate
 Robert A. Young Building
 1222 Spruce Street, Stop 1005-STL
 St. Louis, MO 63103
 (314) 612-4610

MONTANA

 Helena Office
 Taxpayer Advocate
 10 West 15th St., Suite 2319
 Helena, MT 59626
 (406) 441-1022

NEBRASKA

 Omaha Office
 Taxpayer Advocate
 1313 Farnam St., Stop 1005-OMA
 Omaha, NE 68102
 (402) 221-4181

NEVADA

 Las Vegas Office
 Taxpayer Advocate
 4750 West Oakey Blvd.
 Stop 1005-LVG
 Las Vegas, NV 89102
 (702) 455-1241

NEW HAMPSHIRE

 Portsmouth Office
 Taxpayer Advocate
 Federal Office Building
 80 Daniel St.
 Portsmouth, NH 03801
 (603) 453-0571

NEW JERSEY

 Springfield Office
 Taxpayer Advocate
 955 S. Springfield Ave.
 Springfield, NJ 07081
 (973) 921-4043

NEW MEXICO

 Albuquerque Office
 Taxpayer Advocate
 5338 Montgomery Blvd. N.E.
 Stop 1005-ALB
 Albuquerque, NM 87109
 (505) 837-5505

NEW YORK

 Albany Office
 Taxpayer Advocate
 Leo O'Brien Federal Building
 1 Clinton Square
 Albany, NY 12207
 (518) 427-5413

 Brooklyn Office
 Taxpayer Advocate
 10 Metro Tech Center
 625 Fulton St.
 Brooklyn, NY 11201
 (718) 488-2080

 Buffalo Office
 Taxpayer Advocate
 201 Como Park Blvd.
 Buffalo, NY 14227
 (716) 686-4850

 Manhattan Office
 Taxpayer Advocate
 290 Broadway - 7th Floor
 New York, NY 10007
 (212) 436-1011

NORTH CAROLINA

 Greensboro Office
 Taxpayer Advocate
 320 Federal Place, Room 125
 Greensboro, NC 27401
 (336) 375-2180

NORTH DAKOTA

 Fargo Office
 Taxpayer Advocate
 657 2nd Ave. N., Stop 1005-FAR
 Fargo, ND 58102
 (701) 239-5141

OHIO

 Cincinnati Office
 Taxpayer Advocate
 550 Main St., Room 3530
 Cincinnati, OH 45202
 (513) 263-3260

 Cleveland Office
 Taxpayer Advocate
 1240 E. Ninth St., Room 423
 Cleveland, OH 44199
 (216) 522-7134

OKLAHOMA

 Oklahoma City Office
 Taxpayer Advocate
 55 N. Robinson, Stop 1005-OKC
 Oklahoma City, OK 73102
 (405) 297-4055

OREGON

 Portland Office
 Taxpayer Advocate
 1220 S.W. 3rd Ave., Stop O-405
 Portland, OR 97204
 (503) 326-2333

PENNSYLVANIA

 Philadelphia Office
 Taxpayer Advocate
 600 Arch St., Room 7426
 Philadelphia, PA 19106
 (215) 861-1304

 Pittsburgh Office
 Taxpayer Advocate
 1000 Liberty Ave., Room 1602
 Pittsburgh, PA 15222
 (412) 395-5987

RHODE ISLAND

 Providence Office
 Taxpayer Advocate
 380 Westminster St.
 Providence, RI 02903
 (401) 525-4200

SOUTH CAROLINA

 Columbia Office
 Taxpayer Advocate
 1835 Assembly St.
 466
 Columbia, SC 29201
 (803) 253-3029

SOUTH DAKOTA

 Aberdeen Office
 Taxpayer Advocate
 115 4th Ave. Southeast
 Stop 1005-ABE
 Aberdeen, SD 57401
 (605) 226-7248

TENNESSEE

 Nashville Office
 Taxpayer Advocate
 801 Broadway, Stop 22
 Nashville, TN 37203
 (615) 250-5000

TEXAS

 Austin Office
 Taxpayer Advocate
 300 E. 8th St., Stop 1005-AUS
 Austin, TX 78701
 (512) 499-5875

 Dallas Office
 Taxpayer Advocate
 1114 Commerce St.
 10th Floor MC1005
 Dallas, TX 75242
 (214) 413-6500

 Houston Office
 Taxpayer Advocate
 1919 Smith St., Stop 1005-HOU
 Houston, TX 77002
 (713) 209-3660

UTAH

 Salt Lake City Office
 Taxpayer Advocate
 50 South 200 East, Stop 1005-SLC
 Salt Lake City, UT 84111
 (801) 799-6958

VERMONT

 Burlington Office
 Taxpayer Advocate
 Courthouse Plaza
 199 Main St.
 Burlington, VT 05401
 (802) 860-2089

VIRGINIA

 Richmond Office
 Taxpayer Advocate
 400 North 8th St., Room 916
 Richmond, VA 23240
 (804) 916-3501

WASHINGTON

 Seattle Office
 Taxpayer Advocate
 915 2nd Ave., Stop W-405
 Seattle, WA 98174
 (206) 220-6037

WEST VIRGINIA

 Parkersburg Office
 Taxpayer Advocate
 425 Juliana St.
 Parkersburg, WV 26101
 (304) 420-6616

WISCONSIN

 Milwaukee Office
 Taxpayer Advocate
 310 West Wisconsin Ave.
 Stop 1005-MIL
 Milwaukee, WI 53203
 (414) 297-3046

WYOMING

 Cheyenne Office
 Taxpayer Advocate
 5353 Yellowstone Rd.
 Stop 1005-CHE
 Cheyenne, WY 82009
 (307) 633-0800

TAXPAYERS LIVING
ABROAD OR IN U.S.
TERRITORIES

 International
 Taxpayer Advocate
 7 Tabonuco Street
 San Patricio Office Building
 Room 200
 Guaynabo, Puerto Rico 00966
 or
 P.O. Box 193479
 San Juan, Puerto Rico 00919-3479
 (787) 622-8930 English
 (787) 622-8940 Spanish

CENTERS

 Andover Center
 Taxpayer Advocate
 P.O. Box 9055, Stop 120
 Andover, MA 01810-9055
 (978) 474-5549

 Atlanta Center
 Taxpayer Advocate
 P.O. Box 48-549, Stop 29A
 Doraville, GA 30362
 (770) 936-4500

 Austin Center
 Taxpayer Advocate
 P.O. Box 934, Stop 1005-AUSC
 Austin, TX 78767
 (512) 460-8300

 Brookhaven Center
 Taxpayer Advocate
 P.O. Box 960, Stop 102
 Holtsville, NY 11742
 (631) 654-6686

 Cincinnati Center
 Taxpayer Advocate
 P.O. Box 1235, Stop 11-G
 Cincinnati, OH 45201-1235
 (859) 669-5316

 Fresno Center
 Taxpayer Advocate
 P.O. Box 12161, Stop 1394
 Fresno, CA 93776
 (559) 442-6400

 Kansas City Center
 Taxpayer Advocate
 P.O. Box 24551
 Stop 1005 - ROE
 Kansas City, MO 64131
 (816) 926-2493

 Memphis Center
 Taxpayer Advocate
 P.O. Box 30309AMF, Stop 13M
 Memphis, TN 38130
 (901) 395-1900

 Ogden Center
 Taxpayer Advocate
 P.O. Box 1640
 Stop 1005
 Ogden, UT 84402
 (801) 620-7168

 Philadelphia Center
 Taxpayer Advocate
 P.O. Box 16053, DP #1300
 Philadelphia, PA 19114
 (215) 516-2499

| | | | |
|---|--|-------------------------|-------------------|
| Form 4549A | Department of the Treasury - Internal Revenue Service | | Page 1 of 2 |
| Income Tax Examination Changes | | | |
| Name and Address of Taxpayer John A. Barrett, Junior and Sheryl S. Barrett | SS or EI Number <div style="border: 1px solid black; width: 50px; height: 15px; display: inline-block;"></div> 9609 | Return Form No: 1040 | |
| | Person with whom examination changes were discussed. | Name and Title: | |
| 1. Adjustments to Income | Period End 12/31/2001 | Period End | Period End |
| a. Itemized Deductions | 1,442.00 | | |
| b. Wages | 48,058.00 | | |
| c. | | | |
| d. | | | |
| e. | | | |
| f. | | | |
| g. | | | |
| h. | | | |
| i. | | | |
| j. | | | |
| k. | | | |
| l. | | | |
| m. | | | |
| n. | | | |
| o. | | | |
| p. | | | |
| 2. Total Adjustments | 49,500.00 | | |
| 3. Taxable Income Per Return or as Previously Adjusted | 752,689.00 | | |
| 4. Corrected Taxable Income | 802,189.00 | | |
| Tax Method | TAX RATE | | |
| Filing Status | Joint | | |
| 5. Tax | 285,699.00 | | |
| 6. Additional Taxes / Alternative Minimum Tax | | | |
| 7. Corrected Tax Liability | 285,699.00 | | |
| 8. Less a. FNS | 331.00 | | |
| Credits b. | | | |
| c. | | | |
| d. | | | |
| 9. Balance (Line 7 less total of lines 8a through 8d) | 285,368.00 | | |
| 10. Plus a. | | | |
| Other b. | | | |
| Taxes c. | | | |
| d. | | | |
| 11. Total Corrected Tax Liability (line 9 plus line 10a - 10d) | 285,368.00 | | |
| 12. Total Tax Shown on Return or as Previously Adjusted | 266,013.00 | | |
| 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) | 19,355.00 | | |
| 15. Adjustments to Prepayment Credits | | | |
| 16. Balance Due or (Overpayment) (Line 14 adjusted by Line 15) (Excluding interest and penalties) | 19,355.00 | | |

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 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.

| | | | | | |
|---|--|---|-------------------|-------------------------|--|
| Form 4549A | | Department of the Treasury - Internal Revenue Service | | Page 2 of 2 | |
| Income Tax Examination Changes | | | | | |
| Name and Address of Taxpayer John A. Barrett, Junior and Sheryl S. Barrett | | SS or EI Number [REDACTED]-9609 | | Return Form No: 1040 | |
| 17. Penalties | | Period End 12/31/2001 | Period End | Period End | |
| a. Accuracy-IRC 6662 | | 3,871.00 | | | |
| b. | | | | | |
| c. | | | | | |
| d. | | | | | |
| e. | | | | | |
| f. | | | | | |
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| k. | | | | | |
| l. | | | | | |
| m. | | | | | |
| n. | | | | | |
| 18. Total Penalties | | 3,871.00 | | | |
| 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) | | 0.00 | | | |
| 19. Summary of Taxes, Penalties and Interest: | | | | | |
| a. Balance due or Overpayment Taxes – Line 16, Page 1 | | 19,355.00 | | | |
| b. Penalties (Line 18, Page2)-computed to 06/14/2005 | | 3,871.00 | | | |
| c. Interest (IRC§ 6601)-computed to | | 0.00 | | | |
| d. TMT Interest – computed on TMT underpayment | | 0.00 | | | |
| e. Amount due or refund (sum of lines a, b, c and d) | | 23,226.00 | | | |

Other Information:

IRC section 6404(g) applies and notice was provided on 5/18/2005 for \$19,355.

| | | | |
|-----------------------|--------------|---------|-------|
| Examiner's Signature: | Employee ID: | Office: | Date: |
| | | | |

Name Of Taxpayer: John A. Barrett, Junior and Sheryl S. Barrett
 Identification Number: [REDACTED] 9609

Schedule 1

2001 - SCHEDULE A - ITEMIZED DEDUCTIONS

| | PER RETURN | PER EXAM | ADJUSTMENT |
|---|------------|-----------|------------|
| 1. Medical, dental and insurance premiums | 2,374.00 | 2,374.00 | 0.00 |
| 2. 7.50% of Adjusted Gross Income | 59,212.00 | 62,816.00 | |
| 3. Net Medical and Dental Expense | 0.00 | 0.00 | 0.00 |
| 4. Taxes | 49,435.00 | 49,435.00 | 0.00 |
| 5. Home Interest Expense | 0.00 | 0.00 | 0.00 |
| 6. Investment Interest | 0.00 | 0.00 | 0.00 |
| 7. Other Interest Expense | 0.00 | 0.00 | 0.00 |
| 8. Total Interest Expense | 0.00 | 0.00 | 0.00 |
| 9. Contributions | 6,372.00 | 6,372.00 | 0.00 |
| 10. Casualty and theft Losses | 0.00 | 0.00 | 0.00 |
| 11. Miscellaneous deductions subject to AGI limit | 431.00 | 431.00 | 0.00 |
| 12. 2.00% of Adjusted Gross Income | 15,790.00 | 16,751.00 | |
| 13. Excess Miscellaneous deductions | 0.00 | 0.00 | 0.00 |
| 14. Other Miscellaneous deductions | 695.00 | 695.00 | 0.00 |
| 15. Total itemized deductions (Sum of Lines 3,4,8, 9,10,11,14, and 15 less any applicable limitation) | 36,806.00 | 35,364.00 | 1,442.00 |

ITEMIZED DEDUCTIONS WORKSHEET - PER EXAM

| | |
|--|------------|
| A. Total of lines 3, 4, 8, 9, 10, 11, 14, and 15 | 56,502.00 |
| B. Total of lines 3, 6, 10, (plus any gambling losses included on line 15) | 695.00 |
| C. Line A less Line B | 55,807.00 |
| D. Multiply the amount on line C by 80% | 44,646.00 |
| E. Adjusted Gross Income from Form 1040 | 837,553.00 |
| F. Itemized Deduction Limitation | 132,950.00 |
| G. Line E less Line F | 704,603.00 |
| H. Multiply the amount on Line G by 3% | 21,138.00 |
| I. Enter the smaller of Line D or Line H | 21,138.00 |
| J. Total Itemized Deductions (entered on line 16 above) | 35,364.00 |

Name of Taxpayer: John A. Barrett, Junior and Sheryl S. Barrett
 Identification Number: [REDACTED] 9609

Schedule 2

SUMMARY OF THE ACCURACY-RELATED PENALTY

2001 - 20% PENALTY ISSUES - Section 6662(a) and 6662(b)

It has been determined that the underpayment of tax shown on line 5 below is attributable to one or more of the following elements of the accuracy-related penalty: (1) negligence or disregard of rules or regulations, (2) substantial understatement of income tax, or (3) substantial valuation overstatement, therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

| | |
|---|------------|
| 1. Total tax computed with non-penalty adjustments and adjustments subject to penalty under Section 6662(b) | 285,368.00 |
| 2. Total tax computed with non-penalty adjustments only | 266,013.00 |
| 3. Line 1 less line 2 - Underpayment to which Section 6662(a) applies | 19,355.00 |
| 4. Allocable Prepayment Credits (other than EIC and Special Fuels Credits included in lines 1 & 2) | 0.00 |
| 5. Line 3 less line 4 - Underpayment subject to penalty | 19,355.00 |
| 6. Applicable penalty rate | 20.00% |
| 7. Line 5 multiplied by line 6 | 3,871.00 |
| 8. Previously assessed 20% Accuracy Penalty | 0.00 |
| 9. Line 7 less line 8 - 20% Accuracy-related penalty | 3,871.00 |

2001 - 40% PENALTY ISSUES - Section 6662(h)

It has been determined that the underpayment of tax shown on line 14 below is attributable to a gross valuation misstatement, therefore, an addition to tax is imposed as provided by Section 6662(h) of the Internal Revenue Code.

| | |
|--|------------|
| 10. Total tax computed with non-penalty adjustments, adjustments subject to penalty under IRC 6662(a) and adjustments subject to penalty under IRC 6662(h) | 285,368.00 |
| 11. Total tax from line 1 above | 285,368.00 |
| 12. Line 10 less line 11 - Underpayment to which Section 6662(h) applies | 0.00 |
| 13. Allocable Prepayment Credits (other than EIC and Special Fuels Credits included in lines 10 & 11) | 0.00 |
| 14. Line 10 less line 11 - Underpayment subject to penalty | 0.00 |
| 15. Applicable penalty rate | 0.00% |
| 16. Line 14 multiplied by line 15 | 0.00 |
| 17. Previously assessed 40% Accuracy Penalty | 0.00 |
| 18. Line 16 less line 17 - 40% Accuracy-related penalty | 0.00 |
| 19. Line 9 plus line 18 - Total ACCURACY-RELATED PENALTY | 3,871.00 |

Name Of Taxpayer: John A. Barrett, Junior and Sheryl S. Barrett
Identification Number: [REDACTED] 9609

Schedule 3

2001 - ACCURACY RELATED PENALTY-SECTION 6662(A) AND 6662(H) (CONTINUED)

ADJUSTMENTS TO WHICH THE ACCURACY RELATED PENALTY APPLIES:


PENALTY RATES

20% 40%

Wages

X

48,058.00 IRC 6662(c)

| EXPLANATION OF ADJUSTMENTS | | Schedule number or exhibit |
|---|--|----------------------------|
| | | A |
| Name of Taxpayer | Taxpayer Identification Number | Year/Period Ended |
| John A. Barrett, Junior and Sheryl S. Barrett |  9609 | 2001 |

1a. Itemized Deductions

| | |
|-------------|--------|
| | 2001 |
| PER RETURN: | 36,806 |
| CORRECTED: | 35,364 |
| ADJUSTMENT: | 1,442 |

Due to an increase in the amount of your adjusted gross income from adjustments to your 2001 Federal income tax return, your deduction for itemized deductions is decreased \$1,442 for that year. When adjusted gross income exceeds \$132,950 for taxpayers using the filing status married filing joint, the deduction for itemized deductions is phased out as adjusted gross income is increased.

Accordingly, your taxable income is increased \$1,442 for 2001.

See Schedule 1 of this notice for the computation of itemized deductions for 2001.

1b. Wages

| | |
|-------------|--------|
| | 2001 |
| PER RETURN: | 0 |
| CORRECTED: | 48,058 |
| ADJUSTMENT: | 48,058 |

It is determined that you received wages from the Citizen Potawatomi Nation in the amount of \$48,058 in 2001 which was not reported on your Federal income tax return for that year.

Accordingly, your taxable income is increased \$48,058 for 2001.

17a. Accuracy-related penalty – IRC 6662

Since all or a part of the underpayment of tax for the taxable year ended December 31, 2001 is attributable to one or more of the following: (1) negligence or disregard of rules or regulations, (2) any substantial understatement of income, or (3) any substantial valuation overstatement, an addition to the tax is charged as provided by section 6662(a) of the Internal Revenue Code. The penalty is twenty (20) percent of the portion of the underpayment of tax attributable to each component of this penalty. In addition, interest is computed on this penalty from the due date of the return (including any extensions).

See Schedule 2 of this notice for the computation of the accuracy related penalty for 2001.

See Schedule 3 of this notice for adjustments to which the accuracy related penalty applies for 2001.

19c. Interest

Interest on the deficiency in tax and certain additions to tax and penalties will accrue from the due date of the return until paid, as allowed by law.