



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Date: 06/12/2012

THERESA M DROUILLARD  
C/O LEVITZACKS  
701 B STREET STE 1300  
SAN DIEGO, CA 92101

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Ms. Drouillard:

In follow-up to the meeting on May 17, 2012 with Mr. Rubio, I have review the documents and information that have been provided to date and determined there are additional documents and information that are required.

Enclosed please find Form 9297 dated June 7, 2012. It contains a specific list of items and information that must be provided. As you recall at the meeting, you requested three weeks to gather any additional information and documents, though you advised that you have been working on some items that remain from the initial requested issued to the taxpayer on Form 9297 dated March 14, 2012.

Also enclosed is a list of questions that Mr. Rubio is required to complete and return with all of the other information and documents. It is referenced on Form 9297 as item 24. Please ensure that he provides complete responses.

As we discussed on May 17, 2012, I am still working with IRS Chief Counsel's Office on the Service's position regarding pursuit of the Civil Tax Assessments outside of the Court Ordered Restitution. In the interim, I will continue to conduct the Collection investigation. Once I have obtained guidance from IRS Counsel, I will advise you and will proceed as stated during the meeting.

It is vital that I receive all of the information and documents by July 9, 2012. Failure to comply will result in actions necessary to obtain any outstanding items. Please contact me prior to July 9, 2012 to discuss any consideration for extension.

If you have any questions or need more information, please contact me at the address or the telephone number listed below:

Internal Revenue Service  
880 FRONT STREET  
STE 3295  
SAN DIEGO, CA 92101-8897

Phone#: (619)615-9532

Fax#: (619)615-3722

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Kelly', with a stylized flourish at the end.

E. KELLY  
REVENUE OFFICER  
Employee ID#: 33-05034

Enclosures

Form 9297 dated June 7, 2012

Letter dated June 11, 2012, questions for Mr. Rubio

cc:

Geronimo Rubio  
Mark Morris, POA  
Frank Vecchione, POA  
Craig Bilinski, POA

## Summary of Contact

|                                |                                  |
|--------------------------------|----------------------------------|
| <b>Taxpayer's Name and ID#</b> | <b>POA's-Representative Name</b> |
| GERONIMO RUBIO, [REDACTED]     | THERESA M. DROUILLARD            |

The contents of Publication 1, Your Rights as a Taxpayer, and Publication 594, The IRS Collection Process were outlined and discussed with you. This form, along with copies of the publications as appropriate, were provided to you.

*Pursuant to Internal Revenue Code Section 6103 and Form 2848, a copy of this document will be provided to the taxpayer as appropriate.*

*In order to determine the appropriate resolution of the taxpayer's case, we need to calculate/verify his/her ability to pay the tax delinquencies, and ensure that the taxpayer remains in current compliance with applicable filing and paying requirements. To assist us in doing so, please provide the following information/documents by the date required:*

| Information/Documents required   | Date Required |
|--|---------------|
| 1. Complete and signed Form 433A - Collection Information Statement for Geronimo Rubio including information on the spouse and all income and assets of the household  | 7/9/2012      |
| 2. Statement of earnings or other equivalent document showing income of spouse for the period of January 1, 2011 thru May 31, 2012   | 7/9/2012      |
| 3. Detailed listing of all funds received by Geronimo Rubio from Rubio Cancer Center and any other sources between May 1, 2008 and May 31, 2012, including date of receipt, amount, source and purpose   | 7/9/2012      |
| 4. Provide a copy of the rental/lease agreement for Flower Street and provide proof of monthly payments for the period of January 1, 2011 thru May 31, 2012  | 7/9/2012      |
| 5. Provide copies of billing statements for all personal telephones, including cell phones for the period of January 1, 2012 thru May 31, 2012 that are paid by Geronimo Rubio or through Rubio Cancer Center for the benefit of his household and adult children for which he is supporting           | 7/9/2012      |
| 6. Provide a copy of the current vehicle registration for 2010 Cadillac Escalade   | 7/9/2012      |
| 7. Provide a copy of the purchase agreement and loan agreement pertaining to the 2010 Cadillac Escalade. Include a signed statement attesting to the source of funds used for any down payment to purchase the vehicle.  | 7/9/2012      |
| 8. Provide copies of the current loan statements for the Escalade showing payments and loan balance for the period of January 1, 2012 thru May 31, 2012  | 7/9/2012      |
| 9. Provide a signed statement attesting to the source of funds used by Enedina Rubio to purchase the property at 1685 Melrose Ave., Unit A, Chula Vista, CA 91911 that was paid into escrow as earnest money in the amount of \$5,000 and an additional deposit of \$135,441.72 prior to May 11, 2011. | 7/9/2012      |

**Notification of consequences of failure to meet the above deadlines:** Failure to meet the above deadlines by the specified date(s) may require the IRS to take certain actions, such as issuing a summons, issuing a Notice of Levy, or other actions as specified below.

### Summons

|  |             |                                      |
|--|-------------|--------------------------------------|
| <b>Revenue Officer Name and Employee Identification Number</b> | <b>Date</b> | <b>Telephone / Fax Number</b>        |
| E. KELLY - 3305034   | 06/07/2012  | (619)615-9532<br>Fax - (619)615-3722 |

### Office Address

880 FRONT STREET STE 3295 SAN DIEGO, CA 92101-8897

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| 10. Provide copies of the loan agreement possibly held under Enedina Rubio or jointly with her from Wells Fargo Bank, Loan #66226478930001 and paid with proceeds from an unsecured loan by Enedina Rubio in August 2011   | 7/9/2012 |
| 11. Provide copies of monthly loan statements for the loan held by Wells Fargo Bank #662-662-2802082-0001 by Enedina Rubio along with proof of payment and source of funds for the period of August 1, 2011 thru May 31, 2012  | 7/9/2012 |
| 12. Provide complete copies of monthly statements for all credit cards held by Geronimo Rubio and/or Enedina Rubio for the period of January 1, 2012 thru May 31, 2012 and provide proof of payment and source of funds used   | 7/9/2012 |
| 13. Provide copies of monthly statements for the Roth IRA held at Chase Investment Services by Enedina Rubio for the period of March 1, 2012 thru May 31, 2012   | 7/9/2012 |
| 14. Provide copies of all monthly statements for all checking and savings accounts, open or closed, for the period of January 1, 2008 thru May 31, 2012 at any bank or financial institution in the U.S., Mexico or any other country, held in the name of Geronimo Rubio, Enedina Rubio as joint accounts or separate accounts as well as any and all accounts held for the benefit of minor children, adult children or any account in which Geronimo Rubio and/or Enedina Rubio have right of withdrawal. This includes but is not limited to all personal accounts at Wells Fargo Bank, Bank of America, JP Morgan Chase Bank and HSBC | 7/9/2012 |
| 15. Provide a complete and signed Form 433B for the partnership entity DBA Rubio Cancer Center   | 7/9/2012 |
| 16. Provide a current list of all Accounts Receivable and Accounts Payable for Rubio Cancer Center including names, complete addresses and balances due for the period of January 1, 2010 thru May 31, 2012  | 7/9/2012 |
| 17. Provide clarification to a list provided on May 17, 2012 in reference to a request for a current customer list to identify the nature of the business relationship, i.e. vendor, supplier, contract services & type, contract labor, etc.  | 7/9/2012 |
| 18. Provide a list of employees and staff of Rubio Cancer Center during the period of January 1, 2012 and May 31, 2012 including full names, addresses and position(s) held and identify any person who is related to Geronimo Rubio   | 7/9/2012 |
| 19. Provide an updated Profit & Loss Statement for Rubio Cancer Center for the period of January 1, 2012 thru May 31, 2012   | 7/9/2012 |
| 20. Provide copies of annual Balance Sheets and Income & Expenses statements for Rubio Cancer Center for 2008 through 2011   | 7/9/2012 |
| 21. Provide copies of the Balance Sheet and Income & Expense statements showing monthly activity for the period of January 1, 2012 thru May 31, 2012   | 7/9/2012 |
| 22. Provide copies of the General Ledgers for Rubio Cancer Center showing all activity for the period of January 1, 2008 thru May 31, 2012. To the extent possible, please provide these in English. At a minimum please provide the index or list of General Ledger accounts by name and the assigned account numbers reflected on the Ledgers  | 7/9/2012 |
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**Notification of consequences of failure to meet the above deadlines:** Failure to meet the above deadlines by the specified date(s) may require the IRS to take certain actions, such as issuing a summons, issuing a Notice of Levy, or other actions as specified below.

**Summons**

| Revenue Officer Name and Employee Identification Number | Date       | Telephone / Fax Number               |
|---|------------|--------------------------------------|
| E. KELLY - 3305034                                      | 06/07/2012 | (619)615-9532<br>Fax - (619)615-3722 |

**Office Address**

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|  |          |
|--|----------|
| 23. Provide copies of the monthly statements of account for all financial accounts, open or closed and which have not already been provided, for the period of January 1, 2008 through May 31, 2012 for the partnership entity DBA Rubio Cancer Center held at any and all financial institutions in the U.S., Mexico or any other country. This includes but is not limited to Wells Fargo Bank, Bank of America, JP Morgan Chase Bank and HSBC | 7/9/2012 |
| 24. Provide complete answers to the list of questions attached to this Form 9297 that were either not answered, answered incompletely or not asked due to time constraints during the interview on May 17, 2012  | 7/9/2012 |

**Notification of consequences of failure to meet the above deadlines:** Failure to meet the above deadlines by the specified date(s) may require the IRS to take certain actions, such as issuing a summons, issuing a Notice of Levy, or other actions as specified below.

**Summons**

| Revenue Officer Name and Employee Identification Number | Date       | Telephone / Fax Number               |
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| E. KELLY - 3305034                                      | 06/07/2012 | (619)615-9532<br>Fax - (619)615-3722 |

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DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Date: 06/11/2012

GERONIMO RUBIO  
1685 MELROSE AVE UNIT A  
CHULA VISTA, CA 91911

Mr. Rubio,

During our meeting on May 17, 2011 and in the presence of your Powers of Attorney, Therea Drouillard and Mark Morris and Probation Officer Craig Bilinski, I conducted an interview with you. There were a number of questions that I asked that you could not answer at the time or were advised by Ms. Drouillard at the time not to answer. There were also questions which I was unable to ask because Mr. Bilinski had another appointment.

You are requested to provide written responses to the following questions that pertain to the Collection investigation for the civil tax assessments outstanding for Income Tax years 1998 through 2003. If there is insufficient room provided after each question to provide a complete answer, please attach additional sheets as needed and provide a reference to the number of the question:

1. During the meeting on May 17, 2012, you stated that you pay \$400 per week as an allowance to your daughter Ilsa who is attending college, though she still lives at your residence. What college does she attend? Is she a part-time student or full-time student? Do you pay her tuition? How much is it and from what bank account(s) is it paid?

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2. During the meeting on May 17, 2012, you stated that you pay \$700 per week as an allowance to your son Geronimo Jr. who is attending college full time. What college does he attend? Do you pay his tuition? How much is it and from what bank account(s) is it paid?

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9. Between tax years 2008 and 2011, you sometimes included Schedule C with your Form 1040 to report business income in addition to funds you received either through guaranteed payments or other earnings from Rubio Cancer Center. Can you explain why you did not report Sch. C Business Income for all years?



10. The partnership tax returns, Form 1065, for Rubio Cancer Center and Form 433B CIS you submitted in late March 2012, reflect that the type of business is medical billing. Please provide a detailed explanation of what type of medical billing is done, for whom (persons and/or companies), who is billed, where is this work done, by whom and how often is it done?

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11. Rubio Cancer Center has filed a U.S. Partnership Return Form 1065 for tax years 2008 through 2010. These returns report large expenses categorized as Collection Reimbursements. Can you explain in detail what these expenses are?

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12. In 2011, there is no longer an expense category for Collection Reimbursements. There is a new expense category called Reimbursements from Collection Clinic. Can you explain in detail what these expenses are and how they differ from Collection Reimbursements?

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13. Can you explain expenses shown on the partnership's Income Statements and Tax Returns (Form 1065) for:

13A. Advertising & Promotion:

2009 \$ 49,800  
2010 \$266,653  
2011 \$125,581

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13B. Commission (who receives them, what for and are 1099's issued?)

2009 \$ 31,200

2010 \$ 83,725

2011 \$117,547

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13C. Salaries & Wages and why is nothing reported in this category in 2008 or 2011?

2009 \$109,800

2010 \$ 79,730

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13D. Travel Expense:

2011 \$249,913

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13E. Medical Services & Hospital Service:

2011 \$100,582

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13F. Outside Laboratory Expense:

2011 \$91,145

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13G. Outside Services:  
2011 \$198,800

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13H. Collection Reimbursements:  
2008 \$ 493,816  
2009 \$ 141,646  
2010 \$2,035,580

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13I. Reimbursements from Collection Clinic:  
2011 \$1,043,038

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14. Does Rubio Cancer Center keep a general ledger for each business bank account or combined together for all financial transactions pertaining to the Rubio Cance Clinic operations?

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15. Who is responsible for entries in the general ledger?

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16. Are the general ledgers kept current? \_\_\_\_\_

17. Are the general ledgers maintained in a computer based program? If so, what format or program is used? \_\_\_\_\_

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18. Where are the general ledgers kept for Rubio Cancer Center?

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19. Who has access to the general ledgers and other financial records for Rubio Cancer Center?

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20. Do you use the Wells Fargo bank accounts ending in 1412, 4012, 3864, 1214, 0483, 1416 and 8524 to pay personal expenses or for activities that are not business related?

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21. Explain why the business accounts are used for personal expenditures and the type of expense paid through these accounts:

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22. A review of the bank statements provided Wells Fargo acct 1412 for the period of June 2011 through December 2011, show there were cash withdrawals from the account totaling approx. \$337,730, at the rate of anywhere from about \$26,500 per month to nearly \$71,000 per month. Can you explain why the high dollar rate for cash withdrawals and what the funds are used for?

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23. The same bank statements also show online transfers labeled as salary to: Rubio M, Guzman D, Rubio V, Rubio G and Rubio I. What are the names of the individuals that these abbreviations are referring to?

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24. The same Wells Fargo Bank statements for June thru Dec. 2011 show thousands of dollars in check card purchases or other transactions at Barona Casino. These same type of transactions were found consistently since the account was opened. How are these transactions for gambling activities treated in the general ledger and financial records for Rubio Cancer Center? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
25. Do you treat these transactions as personal income to you from the business? \_\_\_\_\_
- \_\_\_\_\_
26. If, not treated as personal income, how do you treat these transactions for tax purposes on your Form 1040? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
27. The same Wells Fargo Bank statements also show a considerable number of transactions totaling in the tens of thousands each month for hotels, restaurants, Total Fitness, Alliance Training, Amazon Marketplace, Racing Digest, Airline Tickets, Cox Communications, Home Depot, Bed Bath & Beyond, Toy R Us, Jeromes Furniture, LA Fitness, Target, Walmart, Vons, etc. Can you explain why these transactions have occurred on this business account? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
28. Do you consider these recurring transactions to be business related expenses? If so, explain the business purposes. \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
29. How are these transactions treated in the general ledgers for the business? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

30. If you consider any of these transactions to be personal in nature, do you treat them as income or as something else? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
31. The same statements also show transfers of large amount of money from this account to accounts that have been identified as personal accounts belonging to you, Wells Fargo Bank account 9552 and other accounts. For the period of June thru Dec. 2011, for example, more than \$143,000 has been transferred from the business acct #1214 to your personal acct 9552. Can you explain the reason for these transfers? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
32. How are these transactions treated in the general ledgers for the business? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
33. If you consider any of these transactions to be personal in nature, do you treat them as income or as something else? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
34. The bank statements for the same business account 1412, during the same period, show wire transfer of funds on a regular basis that total in excess of \$316,000 to an HSBC account in Mexico that appears to belong to Geronimo Rubio Crisostomo. What are these funds for? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
35. Are these funds paid as compensation? \_\_\_\_\_  
\_\_\_\_\_
36. Do you have an account at Success Bank? \_\_\_\_\_



37. In 2011 there were 4 wire transfers of funds to the business account 1214 at Wells fargo Bank from Success Bank totaling about \$100K. What were these funds for?
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
38. If this is not a personal account, is it a business account or do you know who has this account? \_\_\_\_\_
- \_\_\_\_\_
39. Is this an off shore account? \_\_\_\_\_
40. It was also noted that there was a wire from an account at Community Bank and wires from Morgan Stanley involving Courtney Munson or wires directly from her. Can you explain these wires and do you, your spouse or the business hold accounts at these financial institutions.
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
41. The forms 433A & 433B that you provided through Mr. Bilinski in March 2012, were not signed or dated. Why? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
42. Do you have other income sources such as from books, DVDs, speaking engagements or other activities? What sources? Explain. \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
43. How do you received payment? \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
44. In March 2012, you provided an number of documents pertaining to Rubio Immunological Foundation with an address in Nevada that was started in 2008. What was the purpose of the business? \_\_\_\_\_
- \_\_\_\_\_
- How were you involved? \_\_\_\_\_
- \_\_\_\_\_
- Was your son or wife involved in this entity? \_\_\_\_\_
- \_\_\_\_\_

Was there any business activity conducted and was any income generated?

\_\_\_\_\_

When did it cease operations and were there any assets? \_\_\_\_\_

\_\_\_\_\_

45. IRS records indicate you may have operated at business known as Rubio Colley Administrative Services Inc and American Metabolics aka American Metabolic Institute out of the same location on Otay Lakes Rd in Bonita. Provide details as to the business types, how you were involved and whether the businesses are still in operation. If not, when did business cease? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

46. IRS records indicate that a business entitled Geronimo Cancer Research Foundation was formed in 2010 and incorporated in Texas & Oklahoma in which you are shown as an officer. The information we have reflects the entity does business in Irving, TX. What is this foundation and what is it's purpose? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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47. Explain how you are involved, whether you receive compensation or any other funds personally or paid to Rubio Cancer Center. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

48. Have you or Rubio Cancer Center received funds from or through this entity that were made as charitable donations? When, how much, where were the funds deposited, how were they used and what bank accounts were used? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

49. Do you know how donations are solicited? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

50. Who is in charge of the foundation and responsible for its financial affairs?

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\_\_\_\_\_

51. Are there any other businesses, foundations or other entities not previously discussed that you are currently involved with in any capacity? If so, provide details.

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52. What is the source of funds used to purchase the property at Melrose Ave. in Chula Vista? \_\_\_\_\_

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53. Why is the property only held in the name of Enedina Rubio?

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54. You provided documentation of an unsecured loan taken out by Enedina in August 2011 for \$142,417. What was this loan for? What were the funds used for?

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55. Do you believe you have provided full disclosure of your income, financial accounts, assets, liabilities, all business interests and financial information and all necessary expenses?

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**Certification:** *Under penalties of perjury, I declare that to the best of my knowledge and belief, the information provided in the responses to questions 1 through 55 are true, correct and complete.*

Signature: \_\_\_\_\_

Print name: \_\_\_\_\_

Date: \_\_\_\_\_

If you have any questions or need more information, please contact me at the address or the telephone number listed below:

Internal Revenue Service  
880 FRONT STREET  
STE 3295  
SAN DIEGO, CA 92101-8897

Phone#: (619)615-9532  
Fax#: (619)615-3722

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Kelly', with a stylized flourish at the end.

E. KELLY  
REVENUE OFFICER  
Employee ID#: 33-05034