Corrected Report

Form 4549 — Department of the Treasury / Internal Revenue Service

Income Tax Examination Changes

Name and Address of Taxpayer	SS or EI Number	Return Form No.
	449-68-	1040

17. Penalties	Period End [illegible]	Period End [illegible]	Period End
a. Accuracy-IRC 6662	8,041.00	15,078.00	
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
18. Total Penalties	8,041.00	15,078.00	
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	0.00	
19. Summary of Taxes, Penalties and Interest:			
a. Balance due or Overpayment Taxes – Line 16, Page 1	49,266.00	65,341.00	
b. Penalties (Line 18, Page 2)-computed to 10/29/2003	8,041.00	15,078.00	
c. Interest (IRC§ 6601)-computed to 10/29/2003	8,491.78	4,[illegible]	
d. TMT Interest – computed 10/29/2003 on TMT underpayment	0.00	0.00	
e. Amount due or refund (sum of lines a, b, c, and d)	65,797.34	84,931.94	

Other Information:

IRC § 6404(g) applies and notice was provided on 06/30/2003. A thirty day letter was mailed to the taxpayer on 09/05/2003. Another report was provided to the new POA on 10/29/2003.

This Report Supersedes the Report Issued 8/27/2003

Examiner's Signature:	Employee ID:	Office	Date:
Susan Johnson	76-14318	Houston Southeast	10/29/2003

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 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:
	POA/CPA	10/29/03

Form 09-4549

FINANCIAL EVOLUTIONS, LLC

Audit reconsideration - Saved $185k