IRS Department of the Treasury Internal Revenue Service P.O.Box 47421 Stop 74 Doraville GA 30362

In reply refer to: 0971556 May 16, 2012 LTR 4624C 3 244-92- 200012 30 1 00080 BODC: WI

BURNADETTE R % WILLIAM DOUGLAS MCCONNAUGHY 3550 WATT AVE STE 140 SACRAMENTO CA 95821-2666

029883

Social Security Number: 244-92-Form(s): 1040 Tax Period(s): Dec. 31, 2000 Dec. 31, 2006

Dear Taxpayer:

This letter is regarding our conversation on Apr. 06, 2012, concerning the unpaid balance for the tax period(s) shown above.

We've temporarily closed your collection case for the tax and period(s) listed above. We've determined that you are unable to pay the money you owe at this time.

However, you still owe \$41,118.87 to the IRS for the tax period(s) shown above. This amount includes penalty and interest computed to June 06, 2012. You will receive annual reminder notices, and we will continue to charge penalties and interest until you pay the amount you owe in full. Additionally, we'll apply your future federal or state refunds to the amount you owe.

Since you still owe money, we may re-open your case and resume collection activities in the future if your financial situation improves.

When you don't pay your taxes by the due date, we charge a penalty of 0.5% of the unpaid amount due per month, up to 25% of the amount due. The penalty increases to 1.0% for each month the tax remains unpaid, beginning 10 days after we issue an Intent to Levy (or seize your assets) Notice. We count part of a month as a full month. (IRC Section 6651)

We are required by law to charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. We charge interest as long as there is an unpaid amount due, including any unpaid penalties. Interest charges compound daily. (IRC Section 6601)

You don't need to take any action at this time. However, it's very important that you file all future tax returns and pay any amounts you