

Internal Revenue Service
District Director

Department of the Treasury

Date:

367-54-7981

Form:

1040

Person to Contact:

ROMAN BAKALINSKY

Contact Telephone Number:

(818) 592-2704

Tax Period(s) Ended:

DECEMBER 31, 1993

REED E. SLATKIN &
MARY JO SLATKIN
11684 VENTURA BLVD., SUITE 922
STUDIO CITY, CA 91604-2600

Dear Taxpayers:

We are pleased to tell you that our examination of your tax returns for the above period(s) shows no change is necessary in your reported tax. However, our examination may not reflect the results of examinations of flow-through entities (Forms 1120S, 1065, 1041) in which you may have an interest.

If you have any questions, please write to the person whose name is shown at the top of this letter or you may call that person at the telephone number shown. If the number is outside your local calling area, there will be a long-distance charge to you. If you prefer, you may call the IRS telephone number listed in your local directory. An employee there may be able to help you, but the office at the address shown on this letter is most familiar with your case.

If you write to us, please provide your telephone number and the most convenient time for us to call in case we need more information. Please attach this letter to any correspondence to help us identify your case. Keep the copy for your records.

Thank you for your cooperation.

Sincerely yours,



District Director

Enclosure:
Copy of this letter

2602-0103

P.O. Box 231, Los Angeles, CA 90053-0356
Case # 70677 WRDPROC MZ

Letter 590 (DO) (Rev. 3-88)

MY003803

Internal Revenue Service
District Director

Department of the Treasury

Date: 10-27-95

Taxpayer Identification Number: 367-54-7981

Form: 1040

Tax Period Ended: 9312

Person to Contact: Roman Bakalinsky

Contact Telephone Number: (818) 592-2708

Dear Mr. & Mrs. Slatkin:

We examined your tax return for the above period and made no changes to the tax you reported. However, we could change your tax later if you are a shareholder in a Subchapter S corporation, a beneficiary of a trust, or a partner in a partnership. If we examine the tax return of the Subchapter S corporation, trust, or partnership and find we have to make changes to it, those changes could affect the tax on your return.

If you have questions, please write to the person whose name is shown at the top of this letter or call that person at the telephone number shown. If the number is outside your local calling area, you will be charged a long-distance fee. If you prefer, you may call the IRS telephone number listed in your local directory. An employee there may be able to help you, but this office is most familiar with your case.

Whenever you write to us, please provide your telephone number, including an area code, and the most convenient time for us to call.

Please attach this letter to any correspondence you send just to help us identify your case. Keep the copy for your records.

Sincerely yours,



District Director

Enclosures:
Copy of this letter

2602-0104

Letter 590(DO) (Rev. 11-92)

MY003804

Department of the Treasury - Internal Revenue Service
Income Tax Examination Changes

Name and Address of Taxpayer	Social Security or Employer Identification Number	Return Form No.
REED E. & MARY JO SLATKIN 11684 VENTURA BLVD. SUITE 922 STUDIO CITY, CA 91604	367-54-7981	1040
	Person with whom examination changes were discussed	Name and Title
		MR. SLATKIN

	Year End: 12/31/93	Year End:	Year End:
1. Adjustments to income			
A.	\$	\$	\$
B.			
C.			
D.			
E.			
F.			
G.			
H.			
I.			
J.			
K.			
L.			
M.			
N.			
O.			
P.			
Q.			
R.			
S.			
T.			
2. Total adjustments		0.	
3. Taxable income per return or as previously adjusted	1,571,769		
4. Corrected taxable income	1,571,769		
	Tax Method	Tax Rate Schedule	
	Filing Status	Joint	
5. Tax	598,949		
6. Additional taxes	0		
7. Corrected tax liability	598,949		
8. Less			
A. FOREIGN TAX CREDIT	153		
Credits			
B.			
C.			
D.			
9. Balance (line 7 less total of lines 8A thru 8D)	598,796		
10. Plus			
A. SELF-EMPLOYMENT TAX	11,324		
Other			
B.			
Taxes			
C.			
D.			
11. Total corrected tax liability (line 9 + lines 10A - 10D)	610,120		
12. Total tax shown on return or as previously adjusted	610,120		
13. Adjustment to			
A. Earned Income Credit	0		
B. Special Fuels Credit	0		
14. Deficiency -Increase in tax or (Overassessment -Decrease in tax) (line 11 less line 12 adjusted by line 13)	None		
15. Adjustment to prepayment credits	0		2602-0105
16. Balance due or Overpayment (line 14 adjusted by line 15) (excluding interest and penalties)	None		

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.

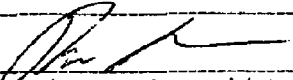
You may be subject to backup withholding if you underreport your interest, dividend, or patronage dividend income and do not pay the required tax. The IRS may order backup withholding at 31 percent after four notices have been issued to you over a 120-day period and the tax has been assessed and remains unpaid.

Department of the Treasury - Internal Revenue Service
Income Tax Examination Changes

Name of Taxpayer	Social Security or Employer Identification Number		Return Form No.
REED E. & MARY JO SLATKIN	367-54-7981		1040
7. Penalties	Year End: 12/31/93	Year End:	Year End:
A.	\$	\$	\$
B.			
C.			
D.			
E.			
F.			
G.			
H.			
I.			
J.			
K.			
L.			
M.			
N.			
t. Total penalties	\$ None	\$	\$
Summary of Taxes, Penalties, and Interest:			
A. Balance due or Overpayment of taxes (line 16, page 1)		None	
B. Penalties (line 18, page 2)		None	
C. Interest (IRC 6601)			
D. Amount due or refund (sum of lines A, B, and C)	\$	None	\$

Other Information:

2602-0106

Examiner's Signature	District	Date
ROMAN BAKALINSKY 	LOS ANGELES	10/27/95
Consent to Assessment and Collection - I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in 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 any additional interest as provided by law. I understand that this report is subject to acceptance by the District Director.		
PLEASE NOTE: If a joint return was filed, BOTH taxpayers must sign	Date	Signature of Taxpayer
		Date
	Title	Date

Internal Revenue Service
District Director

Department of the Treasury
Internal Revenue Service
6340 Variel Avenue
Woodland Hills, CA 91367-2514
FE 1462: RB

Person to Contact: Roman Bakalinsky

Telephone Number: (818) 592-2708

Refer Reply To: FE 1462: RB

Re: IRS AUDIT-Form 1040
For Year ended 1993

Date: August 14, 1995

Dear Mr. and Mrs. Slatkin:

FAX FB-
592-2724

Your United States Individual Income Tax Return, Form 1040, for the period ending 12/31/93, has been assigned to me for examination. In order to minimize the time required to complete the examination, please have all books and records used to prepare the tax return and all the items listed on the attached Information Document Request, Form 4564, available at our first meeting. I have scheduled our first appointment as follows:

Date: September 12, 1995

Time: 8:30 AM

Location: 11684 Ventura Blvd., Suite 922
Studio City, Ca 91604

I will consider the above indicated date confirmed if I do not hear from you within 10 days of the date of this letter.

Thank you for your cooperation and prompt attention in this matter.

Sincerely,



Roman Bakalinsky
Internal Revenue Agent

Enclosures:
Form 4564
8300 Letter
Publication 1
Publication 5
Notice 609

2602-0107

FORM 4564	Department of the Treasury Internal Revenue Service INFORMATION DOCUMENT REQUEST	Request Number
TO: Reed E. and Mary Jo Slatkin 11684 Ventura Blvd., Suite 922 Studio City, Ca 91604		SUBJECT: 1993 income tax SAIN NUMBER: 367-54-7981 SUBMITTED TO: Mr. Slatkin DATES OF PREVIOUS REQUESTS: None

Description of Documents Requested:

1. Copies of prior and subsequent year Form 1040's, United States Individual Income Tax Returns, for the periods ending 12/31/92 and 12/31/94.
2. Copies of all prior reports of examinations conducted by any Federal, State, or other regulatory agency.
3. Copies of related tax returns:
 - a. Related Corporate returns (subsidiary, parent, etc.)
 - b. Related Partnership returns
4. Payroll tax returns:
 - a. Forms 940 for the periods ending 12/31/93 and 12/31/94.
 - b. Forms 941 for all quarters encompassing the taxable year ending 12/31/93.
 - c. Forms DE-3 for all quarters encompassing the taxable year ending 12/31/93.
5. Forms W-2 and W-4 and Forms W-9, 1096, and 1099 issued during the taxable year ending 12/31/93.
6. Form 2848, Power of Attorney, or Form 8821, Tax Information Authorization, if applicable.
7. All books and records used to prepare the tax return, including but not limited to:
 - a. General Ledger
 - b. Cash Disbursements Journal
 - c. Cash Receipts Journal
 - d. General Journal
 - e. Purchases Journal
 - f. Payroll Journal
 - g. Sales Journal
 - h. Chart of Accounts, Adjusting and Closing Journal Entries, Working Trial Balance, and Year-end Workpapers.

FROM:	Name and Title of Requester Roman Bakalinsky / Internal Revenue Agent	Date 8/14/95
	Office Location 6340 Variel Avenue, Woodland Hills, CA 94364 (818) 592-2708	

FORM 4564

FORM 4564	Department of the Treasury Internal Revenue Service INFORMATION DOCUMENT REQUEST	Request Number 1
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TO: Reed E. and Mary Jo Slatkin 11684 Ventura Blvd., Suite 922 Studio City, Ca 91342	SUBJECT: 1993 income tax SAIN NUMBER: 367-54-7981 DATES OF PREVIOUS REQUESTS: None	SUBMITTED TO Mr. Slatkin
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Description of Documents Requested:

8. Copies of all employment / employee contracts.
9. Information regarding invested funds and any sources of non-taxable income
10. Records covering both purchases and sales of real estate or other property, including the purchase or sale of capital assets.
11. Bank statements and cancelled checks for all business and personal savings and checking accounts for the period begining 12/01/92, ending 01/31/95.
12. Substantiation for the following items:

NOT YET

Contributions-Schedule A
All stock, bond, and options trades from
12/1/93-12/31/93
All Schedule C Expenses

This list is not all inclusive. Other items may be requested during the audit process.

FROM:	Name and Title of Requester Roman Bakalinsky / Internal Revenue Agent	Date 8/14/95
	Office Location 6340 Variel Avenue, Woodland Hills, CA 91364 (818) 592-2700	