

IN THE TAX TRIBUNAL OF THE STATE OF ILLINOIS

SCUDDER DISTRIBUTORS INC.)
)
 Petitioner,)
)
 v.)
)
 DIRECTOR OF REVENUE,)
 ILLINOIS DEPARTMENT OF REVENUE)
)
 Respondent.)

Case No. _____
RECEIVED
JUL 11 2014
BY: _____
1477128

PETITION

Petitioner, Scudder Distributors Inc., files this petition for relief from the Notice of Deficiency dated May 13, 2014 (“Notice”), a copy of which is attached to this petition at Exhibit A, issued by Respondent, the Director of Revenue, Illinois Department of Revenue, and states as follows:

PREFATORY STATEMENT

1. Petitioner timely filed its tax year 2012 Form IL-1120 with the Illinois Department of Revenue (the “Department”). Respondent issued the Notice for the tax year 2012 determining a deficiency in the amount of \$94,899,699.56, which includes late payment penalties imposed by 35 ILCS 735-/3-3(b-20)(2) and 35 ILCS 735-/3-3(b-20)(1), as well as interest in the amount of \$933,787.96 computed through May 13, 2014.
2. As set forth in the Notice, the sole reason for the deficiency is that Respondent “did not receive the information ... requested regarding your Schedule NLD, Net Loss Deduction, or Schedule UB/NLD, Unitary Net Loss Deduction.” Petitioner is

currently working with and providing additional information to the Department in an effort to resolve this matter administratively.

JURISDICTION

3. Jurisdiction is proper in the Illinois Tax Tribunal because the Department issued a Notice of Deficiency to the Petitioner determining an aggregate amount of corporate income tax due exceeding \$15,000, exclusive of interest and penalties, for tax year 2012.

PETITIONER INFORMATION

4. Name, address, and telephone number of Petitioner:

Scudder Distributors Inc.
60 Wall Street
New York, NY 10005-2836

5. Name, address, and telephone number of Petitioner's attorney:

Martin Eisenberg
60 Wall Street, 31st floor
New York, NY 10005-2836
(212)250-1934

6. Petitioner's tax identification number (herein after "EIN"): 36-3976708

7. The tax years or periods involved: Reporting period ending December 31, 2012.

SUMMARY OF FACTS

8. Two entities were listed in column B of Petitioner's 2012 Schedule UB/Combined Apportionment for Unitary Business Group ("Column B") without corresponding EINs because such entities have never been assigned EINs. The two entities at issue are DB Americas Asset Management Corporation ("DBAAM") and STTN, Inc. ("STTN"). DBAAM was dissolved on August 27, 2012, and STTN is a dormant entity without active business operations.

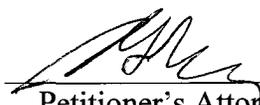
9. Upon information and belief, the lack of the two EINs for DBAAM and STTN in Column B resulted in the deficiency determined in the Notice of \$94,899,699.56 because Respondent's electronic filing systems considered Petitioner's 2012 return incomplete. As a result, Respondent's systems automatically and erroneously increased Petitioner's apportionment percentage on its 2012 Form IL-1120 from the reported percentage of 1.6022 to 100 percent. Petitioner and Respondent are working collaboratively to resolve this matter administratively.

RELIEF SOUGHT

WHEREFORE, it is respectfully requested that Respondent abate the total deficiency, as set forth in the Notice, including all applicable penalties and interest due.

Scudder Distributors, Inc.,
Petitioner

By: _____


Petitioner's Attorney

Martin L. Eisenberg
60 Wall Street, 31st floor
New York, NY 10005-2836

Exhibit A

Notice of Deficiency

for Form IL-1120, Corporation Income and Replacement Tax Return



May 13, 2014



Letter ID: CNXXXX7216214720

#BWNKMGV
#CNXX XX72 1621 4720#
SCUDDER DISTRIBUTORS INC
ATTN: MARK ARNOLD
60 WALL ST
NEW YORK NY 10005-2836

Taxpayer ID: 36-3976708
Reporting period: December 2012
Total deficiency: \$94,899,699.56
Balance due: \$94,899,699.56



We have determined that you owe amounts for the reporting period listed above. The attached statement explains the computation of your deficiency and the balance due. **Illinois law requires that we notify you of this deficiency and your rights.**

If you agree to this deficiency, you must pay the total balance due as soon as possible to minimize penalty and interest assessed. Make your check payable to "Illinois Department of Revenue," write your taxpayer ID on your check, and mail a copy of this notice along with your payment.

If you do not agree, you may contest this notice by following the instructions listed below.

- If the amount of this tax deficiency, exclusive of penalty and interest, is more than \$15,000, or if no tax deficiency is assessed but the total penalties and interest is more than \$15,000, file a petition with the Illinois Independent Tax Tribunal within 60 days of this notice. Your petition must be in accordance with the rules of practice and procedure provided by the Tribunal (35 ILCS 1010/1-1, et seq.).
- In all other cases, file a protest with us, the Illinois Department of Revenue, within 60 days of this notice. If you file a protest on time, we must reconsider the proposed deficiency, and if requested, grant you or your authorized representative an administrative hearing. An administrative hearing is a formal legal proceeding conducted pursuant to rules adopted by the Department and is presided over by an administrative law judge. Submit your protest on Form EAR-14, Format for Filing a Protest for Income Tax, (available on our website at tax.illinois.gov). If we do not receive your protest within 60 days, this deficiency will become final. A protest of this notice does not preserve your rights under any other notice.
- In any case, you may instead, under Sections 2a and 2a.1 of the State Officers and Employees Money Disposition Act (30 ILCS 230/2a, 230/2a.1), pay the total deficiency under protest using Form RR-374, Notice of Payment Under Protest (available on our website at tax.illinois.gov), and file a complaint with the circuit court for a review of our determination.

If you do not protest this notice or pay the balance due in full, we may take collection action against you for the balance due, which may include levy of your wages and bank accounts, filing of a tax lien, or other action.

If you have questions, contact us at the telephone number shown below.

Sincerely,


Brian Hamer
Director of Revenue

BUSINESS PROCESSING DIVISION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19014
SPRINGFIELD IL 62794-9014
217 557-9676



Letter ID: CNXXXX7216214720
Taxpayer ID: 36-3976708
Reporting Period: December 2012

STATEMENT

Reason for deficiency

We did not receive the information we requested regarding your Schedule NLD, Net Loss Deduction, or Schedule UB/NLD, Unitary Net Loss Deduction. We have adjusted your account accordingly.

Penalties

We are imposing a late-payment penalty because you did not pay the total tax you owe by the original due date of the return, even if you had an extension of time to file. This penalty is based on the amount required to be shown due on your return, minus any timely payments and timely credits. This penalty is figured at increasing rates based on the number of days your payment is late. The penalty rates are

- 2 percent of any amount that is paid no later than 30 days after the due date;
- 10 percent of any amount that is paid later than 30 days after the due date.

[35 ILCS 735-3-3(b-20)(2)]

We are imposing a late-payment penalty for underpayment of estimated tax because you did not make your required estimated tax payments or pay the required amount of estimated tax payment by the payment due date. This penalty is based on the amount shown due on your return, minus any timely payments and timely credits. This penalty is figured at increasing rates based on the number of days your payment is late. The penalty rates are

- 2 percent of any amount that is paid no later than 30 days after the due date;
- 10 percent of any amount that is paid later than 30 days but no later than 90 days after the due date.

[35 ILCS 735-3-3(b-20)(1)]

Interest

Interest in the amount of 933,787.96 has been computed through May 13, 2014.

7 Copies of notices and other written communications addressed to the taxpayer in proceedings involving the matters listed on the front of this form should be sent to the following:

Martin Eisenberg		
Name	Name	Name
60 Wall Street, 31 st Floor	Street address	Street address
New York NY 10005	City State ZIP	City State ZIP
(212) 250-1934	Daytime phone number	Daytime phone number

Step 3: Taxpayer's signature

If signing as a corporate officer, partner, fiduciary, or individual on behalf of the taxpayer, I certify that I have the authority to execute this power of attorney on behalf of the taxpayer.

<i>[Signature]</i>	Officer	7/16/14
Taxpayer's signature	Title, if applicable	Date
Spouse's signature	Title, if applicable	Date
If corporation or partnership, signature of officer or partner	Title, if applicable	Date

Step 4: Complete the following if the power of attorney is granted to an attorney, a certified public accountant, or an enrolled agent

I declare that I am **not** currently under suspension or disbarment and that I am

- a member in good standing of the bar of the highest court of the jurisdiction indicated below; or
- duly qualified to practice as a certified public accountant in the jurisdiction indicated below; or
- enrolled as an agent pursuant to the requirements of United States Treasury Department Circular Number 230.

Attorney	Illinois	<i>[Signature]</i>	7/10/14
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), etc.)	Signature	Date
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), etc.)	Signature	Date
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), etc.)	Signature	Date

Step 5: Complete the following if the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent

If the power of attorney is granted to a person other than an attorney, a certified public accountant, or an enrolled agent, this document must be witnessed or notarized below. Please check and complete one of the following.

Any person signing as or for the taxpayer _____ is known to and this document is signed in the presence of the two disinterested witnesses whose signatures appear here.

Signature of witness	Date
Signature of witness	Date

_____ appeared this day before a notary public and acknowledged this power of attorney as his or her voluntary act and deed.

Signature of notary	Date
---------------------	------

Notary seal