

IN THE ILLINOIS INDEPENDENT TAX TRIBUNAL

O & S CORP. d/b/a CITGO,)
)
Petitioner,)
)
v.)
)
ILLINOIS DEPARTMENT OF REVENUE)
)
Respondent.)

Case No. RECEIVED
AUG 04 2014
BY: _____
14 TT 151

PETITION

Petitioner, O & S CORP. d/b/a CITGO, by and through its attorneys Jonathan M. Weis and Dean J. Tatoes of Levin Ginsburg, who are duly authorized to represent Petitioner in this regard pursuant to the Power of Attorney attached hereto as Exhibit "A", complains of Respondent, Illinois Department of Revenue, as follows:

PARTIES

1. Petitioner, O & S CORP. d/b/a CITGO ("Petitioner"), is a corporation duly organized and existing under the laws of the state of Illinois.
2. Petitioner's principal place of business is located at 10007 South Michigan Avenue, Chicago, Illinois, 60628.
3. Petitioner's telephone number is (773) 785-5110.
4. Petitioner's tax identification number is 01-0666669.
5. Respondent, Illinois Department of Revenue (the "Department"), is an agency of the state of Illinois responsible for administering and enforcing the revenue laws of the state of Illinois.

JURISDICTION

6. Petitioner brings this action pursuant to the Illinois Independent Tax Tribunal Act (“Tribunal Act”), 35 ILCS 1010/1-1 to 35 ILCS 1010/1-100.

7. On or about June 5, 2014, the Department issued a Notice of Tax Liability to Petitioner asserting additional tax due in the amount of \$66,232.00 for the period of January 2008 through June 2013 (the “June 5 Notice”). (A copy of the June 5 Notice is attached hereto and incorporated herein as Exhibit “B”).

8. This tribunal has jurisdiction pursuant to Sections 1-45 and 1-50 of the Tribunal Act over the Department’s determinations as reflected on the June 5 Notice, among other notices, where the amount at issues exceeds \$15,000.00, exclusive of penalties and interest and because Petitioner timely filed this petition within 60 days of the June 5 Notice. See 35 ILCS 1010/1-45 and 35 ILCS 1010/1-50.

BACKGROUND

9. Petitioner is a retail gas and mini mart engaged in, among other things, the sale of other tobacco products such as cigars and chewing tobacco (“OTP”).

10. At some point in time prior to January 2008, sales agents of My Enterprise, Inc. (“MEI”) approached Petitioner to solicit the sale of OTP to Petitioner.

11. MEI’s sales agents represented and otherwise held themselves out to Petitioner as operating from a location within the state of Illinois, despite having a business address listed as 8762 Louisiana St., Merrillville, IN 46410.

12. MEI sales agents represented to Petitioner that all requisite Illinois tobacco taxes would be paid prior to delivery by MEI, as distributor, and not by Petitioner, as was customary and ordinary in the state of Illinois.

13. Relying on MEI's representations, more specifically, that the all requisite tobacco taxes would be paid by MEI, Petitioner purchased OTP from MEI during in the following months: February 2008 through December 2008, January 2009 through December 2009, January 2010 through July 2010, November 2010, December 2010, January 2011 through August 2011, October 2011 through December 2011, and January 2012 through May 2012.

14. Petitioner has no record of any OTP purchases from MEI during the months of January 2008, August 2010 through October 2010, September 2011, June 2012 through December 2012, and the entire year 2013.

15. During the period of January 2008 through June 2013, Petitioner also purchased OTP from distributors, other than MEI, who paid all requisite taxes and that the Department takes no issues with.

16. Upon information and belief, there are many similarly situated taxpayers, as Petitioner, in Illinois that have relied on the representations of MEI's sales agents to their detriment and are now the subject of tobacco products audits by the Department.

PROCEDURAL HISTORY

17. The Department conducted a Tobacco Products Audit of the TP-1 returns filed by the Petitioner for the period of January 2008 through June 2013 (the "Audit Period").

18. Petitioner fully cooperated during the Department's audit and made its books and records available for examination.

19. Petitioner produced copies of invoices to the Department in its possession custody or control related to OTP purchases it made from MEI during the Audit Period.

20. As part of the audit process, the Department obtained documents from MEI showing what was ordered and paid for by its customers, during the Audit Period, including the

Petitioner. Further, the Department obtained information from the Indiana Department of Revenue providing reported sales by MEI to Petitioner. When compared to MEI's records and the Indiana Department's figures, the invoices furnished to the Department by Petitioner matched up in every instance.

21. On or about June 5, 2014, the Department issued the June 5 Notice to Petitioner asserting additional tax due of \$66,232.00, plus penalties and interest in the amount \$24,406.77 for the Audit Period. See Ex. B.

22. The Department's calculations for OTP purchases from MEI by Petitioner is itemized in the Department's report attached hereto and incorporated herein as Exhibit "C". The "amount" column includes all OTP purchases as reported by MEI to the Indiana Department of Revenue where an exact date is specified.¹ See Ex. C.

23. In instances where no purchases were reported by MEI relating to Petitioner for a particular month or year during the Audit Period, the Department improperly estimated a value for a particular month or year by averaging purchases reported for the remaining months of that particular year.² See Ex. C. Thus, the Department assumed MEI's reporting regarding the sales to Petitioner to be accurate and complete, except when MEI did not report sales to Petitioner. When MEI did not report sales to Petitioner, the Department assumed that MEI made a mistake in not reporting sales to Petitioner.

¹ For example, on 07/07/08, MEI reported \$563.00 in purchases of OTP from MEI by Petitioner.

² For example, the Department took the 11 months reported in 2008 and averaged them to obtain a figure for the month of January 2008 (or \$2,653.34). Estimated months include: January 2008, August 2010, September 2010, October 2010, September 2011, June 2012, July 2012, August 2012, September 2012, October 2012, November 2012, and December 2012.

24. In 2013, there was no record of any purchases of OTP, whatsoever, from MEI by Petitioner. In this instance, the Department improperly took the “overall average” for purchases made between January 2008 and December 2012 as its basis for its calculation for the year 2013.

25. The Department improperly failed to consider the possibility that there were no purchases made from MEI by Petitioner during these time periods and instead improperly assumed that purchases were made and assigned a speculative amount for which it assessed additional tax liability.

26. Additional taxes assessed against Petitioner for the Audit Period are set out in the Department’s report attached hereto and incorporated herein as Group Exhibit “D”. Pursuant to 35 ILCS 143/10-10, the rate of tax calculated by the Department was 18% of the wholesale price of tobacco products sold or otherwise disposed of to retailers or consumers located in the state of Illinois prior to July 1, 2012 and 36% after July 1, 2012. See Group Ex. D.

27. The Department gave a credit for any taxes paid for OTP purchases made by other distributors during the Audit Period. These credits are reflected in the Department’s report attached hereto and incorporated herein as Exhibit “E”.

28. Petitioner timely filed this Petition and properly invoked the jurisdiction of the Tax Tribunal.

30. For the reasons set forth below, Petitioner seeks an order canceling the June 5 Notice, abating all penalties set out in the June 5 Notice, and enjoining the Department from taking any action to assess, lien, levy offset or in any other way prosecuting and collecting the additional tax purportedly due on the June 5 Notice.

COUNT I

MEI AND NOT PETITIONER IS RESPONSIBLE FOR ANY ADDITIONAL TAX LIABILITY ASSESSED BY THE DEPARTMENT

31. Petitioner hereby restates and realleges the allegations contained in paragraphs 1 through 30 as if fully set forth herein.

32. An “apparent agent” is a person who, whether authorized or not, reasonably appears to others to be authorized to act as an agent for such other person. See First American Title Ins. Co. v. TCF Bank F.A., 286 Ill.App.3d 268, 274 676 N.E.2d 1003, 1008 (2nd Dist. 1997). A principal is bound equally by the authority that he actually gives his agent and by that he appears to give. See Lynch v. Board of Education of Collinsville Community Unit District No. 10, 82 Ill. 2d 415, 426, 412 N.E.2d 447, 455 (Ill. S. Ct. 1980).

33. MEI’s sales agents acted with the apparent authority of MEI when they transacted business in Illinois on behalf of MEI and represented to Petitioner that all Illinois tobacco taxes would be paid prior to delivery by MEI, as distributor, and not by Petitioner, as was customary and ordinary in the state of Illinois.

34. Because MEI transacted the business of OTP sales in Illinois and based upon the representations of MEI’s sales agents, MEI availed itself to the tax laws of Illinois and MEI, not Petitioner, should be responsible for any tax liability associated with MEI’s OTP sales to Petitioner.

WHEREFORE, Petitioner, O & S CORP. d/b/a CITGO, respectfully requests that the Tax Tribunal find and enter an order that:

- (a) enters judgment in favor of the Petitioner and against the Department and nullifying the audit and cancelling the June 5 Notice;
- (b) enjoins the Department from taking any actions to assess, lien, levy offset or in any other way prosecuting and collecting the additional tax purportedly due on the June 5 Notice; and

- (c) grants such other relief as the Tax Tribunal deems appropriate under the circumstances.

COUNT II

THE AUDIT SHOULD BE NULLIFIED AND THE JUNE 5 NOTICE SHOULD BE CANCELED AS THE DEPARTMENT'S AUDIT METHODS WERE IMPROPER AND ANY ADDITIONAL TAX LIABILITY, IF ANY, WAS GROSSLY OVERSTATED

35. Petitioner hereby restates and realleges the allegations contained in paragraphs 1 through 30 as if fully set forth herein.

36. During the course of the audit, representatives of the Department used incorrect methods to determine Petitioner's alleged additional tax liability.

37. Specifically, on audit, the Department relied on purchase figures reported by MEI to the Indiana Department of Revenue on one hand and estimated purchases on the other hand for several months during 2008 through 2012 and all of 2013 when it did not have supporting documentation evidencing that any purchases were made, whatsoever, by Petitioner from MEI during those time periods. See Ex. C.

38. The Department's wrongful audit methods and speculative calculations resulted in artificially inflated tax liability for which Petitioner is not liable.

WHEREFORE, Petitioner, O & S CORP. d/b/a CITGO, respectfully requests that the Tax Tribunal find and enter an order that:

- (a) enters judgment in favor of the Petitioner and against the Department and nullifying the audit and cancelling the June 5 Notice;
- (b) enjoins the Department from taking any actions to assess, lien, levy offset or in any other way prosecuting and collecting the additional tax purportedly due on the June 5 Notice; and
- (c) grants such other relief as the Tax Tribunal deems appropriate under the circumstances.

COUNT III
PENALTIES MUST BE ABATED FOR REASONABLE CAUSE

39. Petitioner hereby restates and realleges the allegations contained in paragraphs 1 through 30 as if fully set forth herein.

40. Any penalties assessed must be abated for reasonable cause.

41. The Department has assessed penalties in the June 5 Notice.

42. Under Illinois law, no penalties shall be imposed on a taxpayer if his failure to pay tax was due to reasonable cause. See 35 ILCS 735/3-8.

43. Under Illinois regulations, “the most important factor to be considered in making a determination to abate a penalty will be the extent to which the taxpayer made a good faith effort to determine his proper tax liability and file his proper liability on a timely fashion. 86 Ill. Admin. Code § 700.400(b).

44. A taxpayer is considered to have made a good faith effort to determine and file and pay his tax liability if “he exercised ordinary business care and prudence in doing so.” 86 Ill. Admin. Code § 700.400(c).

45. The taxpayer’s filing history is also considered in determining whether the taxpayer acted in good faith. 86 Ill. Admin. Code § 700.400(d).

46. Petitioner made a good faith effort to determine its proper tax liability and to file and pay its proper liability in a timely fashion.

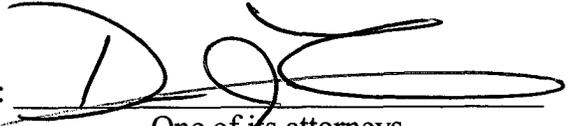
47. Petitioner exercised ordinary business care and prudence in determining its proper tax liability and filing and paying its proper liability in a timely fashion.

48. Petitioner has a history of timely tax returns and paying the requisite taxes to the Department.

49. The penalties imposed by the Department must be abated for reasonable cause.

WHEREFORE, Petitioner, O & S CORP. d/b/a CITGO, respectfully requests that the Tax Tribunal find and order that any penalties assessed by the Department be abated in full and for such other and further relief as the Tax Tribunal deems appropriate in this matter.

O & S CORP. d/b/a CITGO, an Illinois corporation,
Petitioner

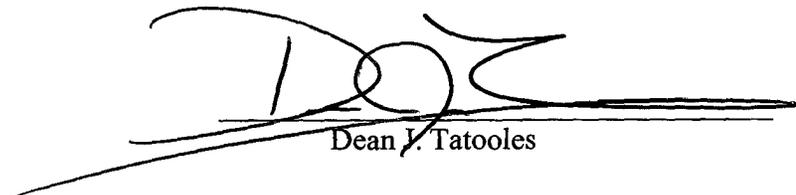
By: 

One of its attorneys

Mr. Jonathan M. Weis (jweis@lgattorneys.com)
Mr. Dean J. Tatoes (dtatoes@lgattorneys.com)
LEVIN GINSBURG
Firm No. 24765
Attorneys for Petitioner
180 North LaSalle Street, Suite 3200
Chicago, Illinois 60601-2800
Telephone: 312-368-0100
Telefax: 312-368-0111

CERTIFICATE OF SERVICE

I, Dean J. Tatoes, an attorney on oath, state that I caused a true and correct copy of this **Petition**, to be served upon the parties listed below in the manner indicated before 4:00 p.m. on August 4, 2014.



Dean J. Tatoes

(3) ORIGINAL VIA HAND DELIVERY TO:

Illinois Independent Tax Tribunal
160 N. LaSalle Street
Room N506
Chicago, Illinois 60601

ONE COPY VIA CERTIFIED MAIL TO:

Illinois Department of Revenue
Office of Legal Services
100 W. Randolph St.
Suite 7-900
Chicago, IL 60601

EXHIBIT “A”

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:

Dean J. Tatoes Name 180 N. LaSalle St., Suite 3200 Street address Chicago IL 60601 City State ZIP (312) 368-0100 Daytime phone number	Jonathan M. Weis Name 180 N. LaSalle St., Suite 3200 Street address Chicago IL 60601 City State ZIP (312) 368-0100 Daytime phone number	Name Street address City State ZIP Daytime phone number
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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>X</i> Taxpayer's signature	<i>X</i> Title, if applicable	<i>X</i> Date
<i>[Signature]</i> Signer's signature	<i>Partner</i> Title, if applicable	<i>7-10-14</i> Date
<i>[Signature]</i> If corporation or partnership, signature of officer or partner		

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.

Dean J. Tatoes Designation (attorney, C.P.A., enrolled agent)	Illinois Jurisdiction (state(s), etc.)	<i>[Signature]</i> Signature	<i>7/10/14</i> Date
Jonathan M. Weis Designation (attorney, C.P.A., enrolled agent)	Illinois Jurisdiction (state(s), etc.)	<i>[Signature]</i> Signature	<i>7/10/14</i> 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

EXHIBIT “B”

Notice of Tax Liability

for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

#BWNKMGV
#CNXX X17X 6546 9127#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXX17X65469127

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods January 01, 2008, through June 30, 2009. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	11,917.00	0.00	11,917.00
Late Payment Penalty	4,767.00	0.00	4,767.00
Late Filing Penalty Increase	477.00	0.00	477.00
Interest	3,867.07	0.00	3,867.07
Assessment Total	\$21,028.07	\$0.00	\$21,028.07

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 **Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 **Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 **Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 **Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 **Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability

for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

#BWNKMGV
#CNXX XX36 4369 6324#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXX3643696324

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods July 01, 2009, through December 31, 2012. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	46,290.00	0.00	46,290.00
Late Payment Penalty	9,259.00	0.00	9,259.00
Late Filing Penalty Increase	927.00	0.00	927.00
Interest	3,245.55	0.00	3,245.55
Assessment Total	\$59,721.55	\$0.00	\$59,721.55

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

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SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

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- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 **Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 **Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 **Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 **Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 **Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

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If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

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- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability
for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6046

#BWNKMGV
#CNXX X143 8111 4568#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXX14381114568

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods January 01, 2013, through January 31, 2013. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	1,055.00	0.00	1,055.00
Late Payment Penalty	211.00	0.00	211.00
Late Filing Penalty Increase	21.00	0.00	21.00
Interest	13.41	0.00	13.41
Assessment Total	\$1,300.41	\$0.00	\$1,300.41

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 **Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 **Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 **Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 **Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 **Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability

for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

#BWNKMGV
#CNXX XX9X 124X 5449#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXXX9X124X5449

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods February 01, 2013, through February 28, 2013. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	1,272.00	0.00	1,272.00
Late Payment Penalty	254.00	0.00	254.00
Late Filing Penalty Increase	25.00	0.00	25.00
Interest	16.55	0.00	16.55
Assessment Total	\$1,567.55	\$0.00	\$1,567.55

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 **Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 **Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 **Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 **Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 **Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

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- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability

for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

June 5, 2014



Letter ID: CNXXXX225X644165

#BWNKMGV
#CNXX XX22 5X64 4165#
O & S CORP
ATTN: COMPLETE FUNANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods March 01, 2013, through March 31, 2013. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	1,165.00	0.00	1,165.00
Late Payment Penalty	233.00	0.00	233.00
Late Filing Penalty Increase	23.00	0.00	23.00
Interest	14.49	0.00	14.49
Assessment Total	\$1,435.49	\$0.00	\$1,435.49

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 **Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 **Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 **Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 **Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 **Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability
for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

#BWNKMGV
#CNXX XX76 1935 3281#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXXX7619353281

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods April 01, 2013, through April 30, 2013. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	1,511.00	0.00	1,511.00
Late Payment Penalty	302.00	0.00	302.00
Late Filing Penalty Increase	30.00	0.00	30.00
Interest	18.90	0.00	18.90
Assessment Total	\$1,861.90	\$0.00	\$1,861.90

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
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- 8 Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

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Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

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- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability

for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

#BWNKMGV
#CNXX XX33 X815 2XX9#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXXX33X8152XX9

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods May 01, 2013, through May 31, 2013. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	1,511.00	0.00	1,511.00
Late Payment Penalty	302.00	0.00	302.00
Late Filing Penalty Increase	30.00	0.00	30.00
Interest	18.90	0.00	18.90
Assessment Total	\$1,861.90	\$0.00	\$1,861.90

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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.

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If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

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- 1 **Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 **Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 **Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
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- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Notice of Tax Liability
for Form TP-1A, Tobacco Products Tax Audit Return



217 782-6045

#BWNKMGV
#CNXX XX86 7686 1125#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

June 5, 2014



Letter ID: CNXXXX8676861125

License No: TP-00055
Account ID: 40515321

We have audited your account for the reporting periods June 01, 2013, through June 30, 2013. As a result we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	1,511.00	0.00	1,511.00
Late Payment Penalty	302.00	0.00	302.00
Late Filing Penalty Increase	30.00	0.00	30.00
Interest	18.90	0.00	18.90
Assessment Total	\$1,861.90	\$0.00	\$1,861.90

If you agree, pay the assessment total as soon as possible to minimize additional penalty and interest. Mail a copy of this notice and your payment with the voucher on the enclosed Taxpayer Statement. By including a copy of this notice, your payment will be properly applied to the audit liability.

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

- If the amount of this tax liability, exclusive of penalty and interest, is more than \$15,000, or if no tax liability 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 that do not fall within the jurisdiction of the Illinois Independent Tax Tribunal, file a protest with us, the Illinois Department of Revenue, and request an administrative hearing within 60 days of the date of this notice, which is August 04, 2014. Submit your protest on Form AH-4, Protest and Request for Administrative Hearing with the Illinois Department of Revenue (available on our website at tax.illinois.gov). Mail form AH-4 along with a copy of this notice to the address on the form. If you do not file a protest within the time allowed, you will waive your right to a hearing, and this liability will become final. An administrative hearing is a formal legal proceeding conducted pursuant to the rules adopted by the Department and is presided over by an administrative law judge. A protest of this notice does not preserve your rights under any other notice.
- Instead of filing a petition with the Illinois Independent Tax Tribunal or a protest with us, the Illinois Department of Revenue, 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 liability 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 assessment total 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 to satisfy your liability.

If you have questions, write or call us weekdays between 8:00 a.m. and 4:00 p.m. Our contact information is listed below.

BUREAU OF AUDITS
TECHNICAL REVIEW SECTION
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19012
SPRINGFIELD IL 62794-9012

217 785-6579

Penalties and Fees

For detailed information on penalties and rates in effect for specific periods on or after January 1, 1994, see Publication 103.

- 1 Late-filing or Nonfiling penalty** - You owe this penalty if you do not file a return by the due date, including any extended due date, or you file a return that is not processable and you do not correct it within 30 days of the date we notify you.
- 2 Late-payment penalty for underpayment of estimated or quarter-monthly tax** - You owe this penalty if you were required to make estimated or quarter-monthly tax payments and failed to do so, or if you failed to pay the required amount by the payment due date.
- 3 Late-payment penalty for regular tax payments** - You owe this penalty if you did not pay the tax you owed by the original due date of the return.
- 4 Negligence penalty** - You owe this penalty if, in preparing a return or amended return, you do not make a reasonable attempt to comply with the provisions of any tax act, including showing careless, reckless, or intentional disregard for the law or regulations.
- 5 Fraud penalty** - You owe this penalty if any part of a deficiency is due to fraud.
- 6 Cost of collection fee** - You owe this fee if you do not pay the total amount you owe within 30 days after a bill has been issued.
- 7 Bad check penalty** - You owe this penalty if you send a remittance to the Department that is not honored by your financial institution.
- 8 Audit penalty** - You owe this penalty if you did not pay the tax you owed before the start of an audit or investigation.

Are penalties ever abated?

If you were unable to either timely pay the required amount of estimated or quarter-monthly payments, pay the tax you owed by the due date, or file your tax return by the extended due date because of a casualty, disaster, or other similar circumstance, you may request a waiver of penalties due to reasonable cause. To request this waiver, send us a detailed explanation of the cause of the delay and any documentation you have to support your request. Reasonable cause will be determined on a case-by-case basis according to our rules and regulations.

How is interest figured?

Interest is calculated on your tax from the day after the original due date of your return through the date you pay the tax (for certain tax periods interest may also accrue on penalties). Interest accrues at simple rates established by the Internal Revenue Service. See Publication 103 for more information.

Bankruptcy Information

If you are currently under the protection of the Federal Bankruptcy Court, contact us and provide the bankruptcy number and the bankruptcy court. The bankruptcy automatic stay does not change the fact that you are required to file tax returns.

Taxpayer Bill of Rights

- You have the right to call the Department of Revenue for help in resolving tax problems.
- You have the right to privacy and confidentiality under most tax laws.
- You have the right to respond, within specified time periods, to Department notices by asking questions, paying the amount due, or providing proof to refute the Department's findings.
- You have the right to appeal Department decisions, in many instances, within specified time periods, by asking for Department review, by filing a petition with the Illinois Independent Tax Tribunal, or by filing a complaint in circuit court.
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment.
- For more information about these rights and other Department procedures, you may contact us. Our contact information is on the front of this notice.

Taxpayer Statement



217 782-6046

June 5, 2014



Letter ID: CNXXXX4341378249

#BWNKMGV
#CNXX XX43 4137 8249#
O & S CORP
ATTN: COMPLETE FINANCIAL SERVICE / LOUIS E
NAJJAR
7101 N CICERO AVE STE 108
LINCOLNWOOD IL 60712-2130

License No: TP-00055
Account ID: 40515321
Total amount due: \$90,638.77

This statement lists our most recent information about your unpaid balance, available credits, or returns you have not filed. A payment voucher is included so you may pay the balance due.

Tobacco Products Tax

License No: TP-00055

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2009	11,917.00	5,244.00	3,867.07	-	-	21,028.07
31-Dec-2012	46,290.00	10,186.00	3,245.55	-	-	59,721.55
31-Jan-2013	1,055.00	232.00	13.41	-	-	1,300.41
28-Feb-2013	1,272.00	279.00	16.55	-	-	1,567.55
31-Mar-2013	1,165.00	256.00	14.49	-	-	1,435.49
30-Apr-2013	1,511.00	332.00	18.90	-	-	1,861.90
31-May-2013	1,511.00	332.00	18.90	-	-	1,861.90
30-Jun-2013	1,511.00	332.00	18.90	-	-	1,861.90

SOA

Retain this portion for your records.

P-000019

Fold and detach on perforation. Return bottom portion with your payment.

Taxpayer Statement (R-12/08) (136)



Letter ID: CNXXXX4341378249
O & S CORP

Total amount due: \$90,638.77

Write the amount you are paying below.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19006
SPRINGFIELD IL 62794-9006

\$ _____
Write your Account ID on your check.

000 006 002276062880 731 123199 4 0000009063877

EXHIBIT “C”

IBT: 3305-3499
rmb
9/27/2013

Chicago
Chicago II
Schedule of Purchases Other Tobacco Products
M.Y. Enterprise Inc
For period January 1, 2008 through June, 30, 2013

Source: State of Indiana report on OTP sold to Illinois retailers.

2008

Date	Amount
Jan-08	\$2,653.34

Date	Amount
2/4/2008	\$508.50
2/18/2008	\$518.50
	<u>\$1,027.00</u>

Date	Amount
3/3/2008	\$546.00
3/17/2008	\$561.00
	<u>\$1,107.00</u>

Date	Amount
4/7/2008	\$596.00
4/21/2008	\$579.00
	<u>\$1,175.00</u>

Date	Amount
5/12/2008	\$607.00
5/19/2008	\$445.00
	<u>\$1,052.00</u>

Date	Amount
6/2/2008	\$441.00
6/9/2008	\$837.00
6/16/2008	\$577.00
6/23/2008	\$763.25
6/30/2008	\$525.00
	<u>\$3,143.25</u>

Date	Amount
7/7/2008	\$563.00
7/14/2008	\$456.00
7/21/2008	\$430.50
7/28/2008	\$562.00
	<u>\$2,011.50</u>

Date	Amount
8/4/2008	\$430.50
8/8/2008	\$986.75
8/14/2008	\$317.00
8/18/2008	\$936.50
8/21/2008	\$651.00
8/25/2008	\$709.00
	<u>\$4,030.75</u>

Date	Amount
9/1/2008	\$505.50
9/8/2008	\$967.00
9/15/2008	\$869.50
9/22/2008	\$826.00
9/29/2008	\$885.00
	<u>\$4,053.00</u>

Date	Amount
10/6/2008	\$912.00
10/13/2008	\$719.50
10/20/2008	\$920.50
10/27/2008	\$890.50
	<u>\$3,352.50</u>

Date	Amount
11/3/2008	\$834.00
11/10/2008	\$1,283.00
11/17/2008	\$758.00
11/24/2008	\$563.00
	<u>\$3,438.00</u>

Date	Amount
12/1/2008	\$803.00
12/8/2008	\$791.50
12/15/2008	\$938.25
12/22/2008	\$1,275.50
12/29/2008	\$988.50
	<u>\$4,796.75</u>

Date	Amount
1/12/2009	\$935.50
1/19/2009	\$675.50
1/26/2009	\$1,022.00
	<u>\$2,633.00</u>

Date	Amount
2/2/2009	\$934.75
2/9/2009	\$3,094.50
2/16/2009	\$2,405.50
2/23/2009	\$2,908.00
	<u>\$9,342.75</u>

Date	Amount
3/2/2009	\$2,827.00
3/9/2009	\$2,092.00
3/16/2009	\$563.00
3/30/2009	\$2,982.00
	<u>\$8,464.00</u>

Date	Amount
4/6/2009	\$541.00
4/13/2009	\$732.00
4/20/2009	\$791.00
4/27/2009	\$1,369.00
	<u>\$3,433.00</u>

Date	Amount
5/4/2009	\$524.25
5/11/2009	\$987.25
5/18/2009	\$824.00
	<u>\$2,335.50</u>

Date	Amount
6/1/2009	\$1,228.00
6/8/2009	\$1,932.00
6/15/2009	\$1,642.00
6/22/2009	\$1,303.00
6/29/2009	\$2,049.00
	<u>\$8,154.00</u>

Date	Amount
7/6/2009	\$1,395.00
7/13/2009	\$1,713.00
7/20/2009	\$1,458.00
7/27/2009	\$1,342.00
	<u>\$5,908.00</u>

Date	Amount
8/3/2009	\$1,705.00
8/10/2009	\$1,493.00
8/17/2009	\$1,693.00
8/24/2009	\$2,110.50
8/31/2009	\$796.00
	<u>\$7,797.50</u>

Date	Amount
9/7/2009	\$1,601.00
9/14/2009	\$946.00
9/21/2009	\$1,068.50
9/28/2009	\$1,786.00
	<u>\$5,401.50</u>

Date	Amount
10/5/2009	\$1,102.50
10/12/2009	\$1,640.00
10/19/2009	\$1,187.00
10/26/2009	\$1,176.00
	<u>\$5,105.50</u>

Date	Amount
11/2/2009	\$1,649.00
11/9/2009	\$1,178.00
11/16/2009	\$1,355.00
11/23/2009	\$1,513.00
11/30/2009	\$1,319.00
	<u>\$7,014.00</u>

Date	Amount
12/7/2009	\$1,141.00
12/14/2009	\$1,126.00
12/21/2009	\$1,220.00
12/28/2009	\$1,286.00
	<u>\$4,773.00</u>

Date	Amount
1/4/2010	\$1,019.50
1/11/2010	\$1,967.00
1/18/2010	\$874.00
1/25/2010	\$1,260.50
	<u>\$5,121.00</u>

Date	Amount
2/1/2010	\$1,439.00
2/8/2010	\$1,119.00
2/15/2010	\$1,388.50
2/22/2010	\$561.00
	<u>\$4,607.50</u>

Date	Amount
3/1/2010	\$1,015.50
3/8/2010	\$1,553.50
3/15/2010	\$955.00
3/22/2010	\$1,275.50
3/29/2010	\$1,174.00
	<u>\$5,973.50</u>

Date	Amount
4/5/2010	\$1,551.00
4/12/2010	\$1,196.00
4/19/2010	\$1,425.00
4/26/2010	\$1,062.00
	<u>\$5,234.00</u>

Date	Amount
5/3/2010	\$1,125.50
5/10/2010	\$935.00
5/17/2010	\$1,566.50
5/24/2010	\$1,262.00
5/31/2010	\$1,229.50
	<u>\$6,118.50</u>

Date	Amount
6/7/2010	\$1,487.00
6/14/2010	\$1,112.00
6/21/2010	\$1,130.50
6/28/2010	\$1,233.00
	<u>\$4,962.50</u>

Date	Amount
7/5/2010	\$1,600.00
7/12/2010	\$1,166.00
7/19/2010	\$1,369.00
7/26/2010	\$1,686.00
	<u>\$5,821.00</u>

Date	Amount
Aug-10	\$5,994.78

Date	Amount
Sep-10	<u>\$5,994.78</u>

Date	Amount
Oct-10	<u>\$5,994.78</u>

Date	Amount
11/1/2010	\$1,673.00
11/8/2010	\$1,774.00
11/12/2010	\$920.00
11/15/2010	\$1,947.00
11/22/2010	\$2,213.50
11/29/2010	\$1,971.00
	<u>\$10,498.50</u>

Date	Amount
12/13/2010	\$1,917.00
12/20/2010	\$1,795.00
12/27/2010	\$1,904.50
	<u>\$5,616.50</u>

Date	Amount
1/3/2011	\$1,525.00
1/10/2011	\$1,491.50
1/17/2011	\$1,058.00
1/24/2011	\$1,397.00
1/31/2011	\$1,265.00
	<u>\$6,736.50</u>

Date	Amount
2/7/2011	\$1,733.00
2/14/2011	\$1,657.00
2/21/2011	\$1,794.00
2/28/2011	\$1,461.00
	<u>\$6,645.00</u>

Date	Amount
3/7/2011	\$2,034.00
3/14/2011	\$2,170.50
3/21/2011	\$2,001.50
3/28/2011	\$2,055.00
	<u>\$8,261.00</u>

Date	Amount
4/4/2011	\$1,875.00
4/11/2011	\$1,992.00
4/18/2011	\$1,704.00
4/26/2011	\$1,571.00
	<u>\$7,142.00</u>

Date	Amount
5/2/2011	\$2,389.00
5/9/2011	\$1,826.50
5/16/2011	\$2,385.00
5/23/2011	\$1,567.50
5/30/2011	\$1,826.00
	<u>\$9,994.00</u>

Date	Amount
6/6/2011	\$1,845.50
6/13/2011	\$2,022.50
6/20/2011	\$1,581.00
6/27/2011	\$1,066.00
	<u>\$6,515.00</u>

Date	Amount
7/4/2011	\$2,037.50
7/11/2011	\$1,407.50
7/18/2011	\$2,538.50
7/25/2011	\$1,500.00
	<u>\$7,483.50</u>

Date	Amount
8/1/2011	\$1,504.00
8/8/2011	\$1,183.00
8/15/2011	\$1,653.00
8/22/2011	\$1,420.00
8/29/2011	\$1,393.00
	<u>\$7,153.00</u>

Date	Amount
9/30/2011	<u>\$7,350.82</u>

Date	Amount
10/3/2011	\$1,323.00
10/10/2011	\$1,855.50
10/17/2011	\$1,841.00
10/24/2011	\$1,795.50
10/31/2011	\$2,099.00
	<u>\$8,914.00</u>

Date	Amount
11/7/2011	\$1,445.00
11/14/2011	\$1,172.50
11/21/2011	\$1,728.00
11/28/2011	\$1,558.50
	<u>\$5,904.00</u>

Date	Amount
12/5/2011	\$1,645.00
12/12/2011	\$1,633.00
12/19/2011	\$1,391.50
12/25/2011	\$1,441.50
	<u>\$6,111.00</u>

Date	Amount
1/2/2012	\$1,631.00
1/9/2012	\$1,590.00
1/16/2012	\$1,522.00
1/23/2012	\$1,615.50
1/30/2012	\$1,403.00
	<u>\$7,761.50</u>

Date	Amount
2/6/2012	\$1,784.50
2/13/2012	\$737.50
2/20/2012	\$603.00
2/27/2012	\$702.00
	<u>\$3,827.00</u>

Date	Amount
3/5/2012	\$463.50
3/12/2012	\$864.00
3/19/2012	\$1,012.00
3/26/2012	\$739.50
	<u>\$3,079.00</u>

Date	Amount
4/2/2012	\$323.50
4/9/2012	\$1,040.00
4/15/2012	\$1,001.00
4/23/2012	\$1,047.00
4/30/2012	\$1,234.00
	<u>\$4,645.50</u>

Date	Amount
5/7/2012	\$1,194.50
5/14/2012	\$477.50
	<u>\$1,672.00</u>

Date	Amount
Jun-12	<u>\$2,464.00</u>

Date	Amount
Jul-12	<u>\$2,969.14</u>

Date	Amount
Aug-12	<u>\$3,095.00</u>

Date	Amount
Sep-12	<u>\$2,677.00</u>

Date	Amount
Oct-12	<u>\$2,988.00</u>

Date	Amount
Nov-12	<u>\$3,322.00</u>

Date	Amount
Dec-12	<u>\$3,737.00</u>

Date	Amount
Jan-13	<u>\$2,930.00</u>

Date	Amount
Feb-13	<u>\$3,533.00</u>

Date	Amount
Mar-13	<u>\$3,236.00</u>

Date	Amount
Apr-13	<u>\$4,197.00</u>

Date	Amount
May-13	<u>\$4,197.00</u>

Date	Amount
Jun-13	<u>\$4,197.00</u>

Note: Months where just the month and year is shown are estimates based on available MY purchases for the specific year averaged. For example, Jan 2008 is estimated based on eleven months of actual purchases divided by eleven. Years 2012 and 2013 are averaged using actual purchases divided by number of months of actual. The projected average purchases per month are reduced by Illinois purchases of like and similar items in 2012 and 2013.

GROUP EXHIBIT “D”

IBT: 3305-3499
 rnb
 2/4/2014

Citgo
 Chicago II
 Schedule OTP Tax for SC-10
 For period January 1, ~~2011~~ through June, 30, 2013
 2008

<u>2008</u>	<u>Purchased</u> <u>OTP</u>	<u>OTP Tax</u>	
Jan	\$2,653	\$477.54	
Feb	\$1,027	\$184.86	
Mar	\$1,107	\$199.26	
Apr	\$1,176	\$211.68	
May	\$1,052	\$189.36	
Jun	\$3,143	\$565.74	\$1,828.44
Jul	\$2,012	\$362.16	
Aug	\$4,031	\$725.58	
Sep	\$4,053	\$729.54	
Oct	\$3,353	\$603.54	
Nov	\$3,438	\$618.84	
Dec	\$4,797	\$863.46	\$3,903.12
Total	\$31,842	\$5,781.56	
Tax Rate	18%		
Tax	<u>\$5,731.56</u>		

<u>2009</u>	<u>Purchased</u> <u>OTP</u>	<u>OTP Tax</u>	
Jan	\$2,633	\$473.94	
Feb	\$9,343	\$1,681.74	
Mar	\$8,464	\$1,523.52	
Apr	\$3,433	\$617.94	
May	\$2,336	\$420.48	
Jun	\$8,154	\$1,467.72	
Jul	\$5,908	\$1,063.44	
Aug	\$7,798	\$1,403.64	
Sep	\$5,402	\$972.36	
Oct	\$5,106	\$919.08	
Nov	\$7,014	\$1,262.52	
Dec	\$4,773	\$859.14	
Total	\$70,384	\$12,665.52	
	18%		
	<u>\$12,665.52</u>		

<u>2010</u>	<u>Purchased</u> <u>OTP</u>	<u>OTP Tax</u>	
Jan	\$5,121	\$921.78	
Feb	\$4,608	\$829.44	
Mar	\$5,974	\$1,075.82	
Apr	\$5,234	\$942.12	
May	\$6,119	\$1,101.42	\$6,185.84
Jun	\$4,963	\$893.84	
Jul	\$5,821	\$1,047.78	
Aug	\$5,995	\$1,079.10	
Sep	\$5,995	\$1,079.10	
Oct	\$5,995	\$1,079.10	
Nov	\$10,499	\$1,889.82	\$6,480.18
Dec	\$5,617	\$1,011.06	
Total	\$71,941	\$12,949.88	
	18%		
	<u>\$12,949.88</u>		

TP-00055
mb
9/27/2013

Citgo
Chicago II
Summary of purchases of other tobacco products
M.Y. Enterprise Inc
For period January 1, 2011 through June, 30, 2013
2013

Note 1								
<u>2008</u>	Purchased OTP	STT Taxable Receipts	<u>2009</u>	Purchased OTP	STT Taxable Receipts	<u>2010</u>	Purchased OTP	STT Taxable Receipts
Jan	\$2,653	\$5,306.00	Jan	\$2,633	\$4,623.80	Jan	\$5,121	\$8,992.98
Feb	\$1,027	\$2,054.00	Feb	\$9,343	\$16,407.22	Feb	\$4,608	\$8,092.10
Mar	\$1,107	\$2,214.00	Mar	\$8,464	\$14,863.61	Mar	\$5,974	\$10,490.93
Apr	\$1,176	\$2,288.43	Apr	\$3,433	\$6,028.68	Apr	\$5,234	\$9,191.41
May	\$1,052	\$2,047.14	May	\$2,336	\$4,102.24	May	\$6,119	\$10,745.56
Jun	\$3,143	\$6,116.11	Jun	\$8,154	\$14,319.22	Jun	\$4,963	\$8,715.51
Jul	\$2,012	\$3,533.27	Jul	\$5,908	\$10,375.02	Jul	\$5,821	\$10,746.46
Aug	\$4,031	\$7,078.83	Aug	\$7,798	\$13,694.05	Aug	\$5,995	\$11,067.69
Sep	\$4,053	\$7,117.46	Sep	\$5,402	\$9,486.44	Sep	\$5,995	\$11,067.69
Oct	\$3,353	\$5,888.20	Oct	\$5,106	\$8,966.63	Oct	\$5,995	\$11,067.69
Nov	\$3,438	\$6,037.46	Nov	\$7,014	\$12,317.27	Nov	\$10,499	\$19,382.77
Dec	\$4,797	\$8,424.00	Dec	\$4,773	\$8,381.85	Dec	\$5,617	\$10,369.85
Total	<u>\$31,842</u>		Total	<u>\$70,364</u>		Total	<u>\$71,941</u>	
Tax Rate	18%		Tax Rate	18%		Tax Rate	18%	
Tax	<u>\$5,731.56</u>		Tax	<u>\$12,665.52</u>		Tax	<u>\$12,949.38</u>	

TP-00055
rmb
9/27/2013

Citgo
Chicago II
Summary of purchases of other tobacco products
M.Y. Enterprise Inc
For period January 1, 2011 through June, 30, 2013
FOCP

<u>2011</u>	<u>Purchased</u>	<u>STT</u>	<u>2012</u>	<u>Purchased</u>	<u>STT</u>
	<u>OTP</u>	<u>Taxable Receipts</u>		<u>OTP</u>	<u>Taxable Receipts</u>
Jan	\$6,737	\$12,437.54	Jan	\$7,762	\$14,706.95
Feb	\$6,645	\$12,267.69	Feb	\$3,827	\$7,251.16
Mar	\$8,261	\$15,251.08	Mar	\$3,079	\$5,833.89
Apr	\$7,142	\$13,185.23	Apr	\$4,646	\$8,802.00
May	\$9,994	\$18,450.46	May	\$1,672	\$3,168.00
Jun	\$6,515	\$12,027.69	Jun	\$2,464	\$4,668.63
Jul	\$7,484	\$13,816.62	Jul	\$2,969	\$11,250.95
Aug	\$7,153	\$13,205.54	Aug	\$3,095	\$11,728.42
Sep	\$7,351	\$13,571.08	Sep	\$2,677	\$10,144.42
Oct	\$8,914	\$16,456.62	Oct	\$2,988	\$11,322.95
Nov	\$5,904	\$10,899.69	Nov	\$3,322	\$12,588.63
Dec	\$6,111	\$11,281.85	Dec	\$3,737	\$14,161.26
Total	\$88,211		Total	\$42,238	
	<u>18%</u>		1/1-6/30/12	18%	
	<u>\$15,877.98</u>		7/1-12/31/12	36%	
			Tax @ 18%	\$4,220.91	
			Tax @ 36%	\$6,763.68	
			Total	\$10,984.59	

<u>Note 2</u>		
<u>2013</u>	<u>Purchased</u>	<u>STT</u>
	<u>OTP</u>	<u>Taxable Receipts</u>
Jan	\$2,930	\$11,403.24
Feb	\$3,533	\$13,750.05
Mar	\$3,236	\$12,594.16
Apr	\$4,197	\$16,334.27
May	\$4,197	\$16,334.27
Jun	\$4,197	\$16,334.27
Total	\$22,290	
		36%
Tax	\$8,024.40	

\$7,762

Note 1: The taxable receipts represent the receipts taxable at the effective sales tax rate for STT purposes.

Note 2: M.Y. Enterprises report shows Citgo purchases through May 2012. Since we are required to be projected for periods where sales were not reported after May 2012, the 2012 monthly average purchases from M.Y. Enterprises was determined to be \$4,197. After considering purchases from new sources, which were in Illinois and OTP taxes were paid, the projected monthly purchases from M.Y Enterprises was reduced by actual purchases each month from other sources from 02/12 to 03/13. Therefore, \$3,439 (\$4,913 - \$1,474) of OTP purchases from M.Y. Enterprises was projected for the period 5/1/12 - 6/30/13.

EXHIBIT “E”

IBT; 3305-3499
 rnb
 11/27/2013

Citgo
Chicago II
Schedule of Purchases Other Tobacco Products
For period January 1, 2012 through June, 30, 2013
 2012

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
MY Enterprise Purchases	\$7,762	\$3,827	\$3,079	\$4,646	\$1,672							
Average yearly purchases						\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00
purchases from IL sources						-\$1,733.03	-\$1,227.86	-\$1,101.86	-\$1,519.60	-\$1,209.34	-\$874.76	-\$460.32
Net Avg MY Ent. Purchases						\$2,463.97	\$2,969.14	\$3,095.14	\$2,677.40	\$2,987.66	\$3,322.24	\$3,736.68

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
MY Enterprises Purchases						
Average yearly purchases	\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00	\$4,197.00
purchases from IL sources	-\$1,176.90	-\$663.78	-\$961.19	\$0.00	\$0.00	\$0.00
Net Avg MY Ent. Purchases	\$3,020.10	\$3,533.22	\$3,235.81	\$4,197.00	\$4,197.00	\$4,197.00

Note: Since May 2012 and the period June 2012 through end of audit period does not reflect sales from MY Enterprises or very minor purchases, purchases were estimated based on Jan - May 2012 documented purchases average which is \$4197. The \$4197 was reduced by purchases made from Illinois vendors and OTP was shown to be paid.