

only learned of it in July of 2014 as a result of collection activity taken by the Department.

4. Pursuant to Illinois regulation section 200.175, Petitioner requested that the Chief Administrative Law Judge for the Department's Office of Administrative Hearings permit a late initial review of the 2009-2010 NTL, despite Petitioner's failure to timely protest. A copy of Petitioner's request to the Chief Administrative Law Judge is attached as Exhibit B.

5. Petitioner previously received a Notice of Tax Liability also dated January 29, 2014 in the amount of \$199,104.43, including interest and penalty, for the tax periods commencing July 1, 2006 through June 30, 2009 (the "2006-2009 NTL"). Petitioner timely filed a Petition protesting the 2006-2009 NTL with this Tax Tribunal which has been assigned Docket No. 14 TT 47.

6. By letter dated August 8, 2014, the Chief Administrative Law Judge granted Petitioner's request for a discretionary late review of the 2009-2010 NTL. A copy the August 8, 2014 letter is attached as Exhibit C. The letter from the Chief Administrative Law Judge explained that because the amount of the 2009-2010 NTL, when aggregated with the 2006-2009 NTL, exceeded the statutory jurisdiction of \$15,000 for review by the Department, that Petitioner should instead file a second Petition with this Tax Tribunal for review of the 2009-2010 NTL.

THE PARTIES

7. Petitioner is Volvo Sales & Service Center, Inc., 4375 Lincoln Ave., Lisle, Illinois 60532. Its phone number is (877) 427-1450.

8. Petitioner's attorneys are Fred Marcus, Horwood, Marcus & Berk Chtd., 500 West Madison St., Ste. 3700, Chicago, Illinois 60661, (312) 606-3200 and Brian R. Harris, Akerman LLP, 401 East Jackson St., Ste. 1700, Tampa, Florida 33602.

9. Petitioner's tax identification number is 0037-7015.

FACTS

10. Volvo Sales & Service Center, Inc. was engaged in the business of selling and leasing motor vehicles at retail in Illinois.

11. In order to provide financing to its customers and facilitate more sales, Volvo Sales & Service Center, Inc. entered into a lease assignment agreement with Ford Motor Credit Co.

12. The lease assignment agreement provides that Ford Motor Credit Co. will purchase motor vehicles from Volvo Sales & Service Center, Inc. for the purpose of leasing those motor vehicles to Volvo Sales & Service Center, Inc.'s customers.

13. The lease assignment agreement provides that Ford Motor Credit Co. may direct that the motor vehicles that it purchases pursuant to that agreement be titled in the name of any entity that Ford Motor Credit Co. designates.

14. Ford Motor Credit Co. directed that some of the vehicles be titled in the name of its wholly owned subsidiaries, including Volvo Car Finance NA, CAB East, LLC and FCALM, LLC.

15. These vehicle leasing transactions would begin with Volvo Sales & Service Center, Inc. entering into a lease directly with one of its customers.

16. Upon the execution of the lease, Volvo Sales & Service Center, Inc. sold the vehicle to Ford Motor Credit Co. and assigned the lease to Ford Motor Credit Co. pursuant to the lease assignment agreement.

17. Under Illinois law, Retailers' Occupation Tax is imposed on the sale of the vehicle from Volvo Sales & Service Center, Inc. to Ford Motor Credit Co. rather than on the lease payments from the lessee to the lessor.

18. Accordingly, after the sale of each vehicle to Ford Motor Credit Co., Volvo Sales & Service Center, Inc. timely submitted a sales tax transaction return ("ST-556") to the Department and paid the tax that was due.

19. In computing the sales price upon which Retailers' Occupation Tax was due, Volvo Sales & Service Center applied certain advance trade credits that Ford Motor Credit Co. possessed as a result of vehicles that it had previously traded in to Volvo Sales & Service Center, Inc. These advance trade-in credits are specifically authorized by Illinois law, and they reduce the sale price upon which the retailers' occupation tax or use tax is computed.

20. 35 ILCS § 105/2 and 35 ILCS § 120/1 define "Selling price" as "the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold, ..." (emphasis added).

21. The Department has promulgated a regulation that addresses trade-in credits. 86 Ill Admin. Code § 130.455. The Department's regulation specifically authorizes two types of trade-in credits: so-called "contemporaneous" trade-ins (i.e., where a customer trades in a vehicle at the same time that the customer purchases a new vehicle) and "advance" trade-ins (i.e., where a customer trades in a vehicle but does not purchase a new vehicle until a later time).

22. With respect to advance trade-in credits, the regulation provides that:

d) Advance Trade-ins

A transaction may constitute an advance trade-in if, at the time the vehicle is traded to the dealer, *the purchaser becomes contractually obligated to purchase one or more vehicles from the dealer within 9 months after the date of the advanced trade-in transaction.* Advance trade credits not used within the time specified expire and may not be used subsequent to the 9 month credit period. Advance trade credits are non-transferable.

1) In order to apply the trade-in credit toward the purchase price of a vehicle, the documents recording the purchaser's contractual obligation to purchase need not specify the name, model or purchase price of a vehicle to be purchased, only that the purchaser is under an obligation to purchase within the specified amount of time.

2) Advance trade-in credit given by the dealer to the purchaser in the amount of the value of or credit given for a traded-in vehicle at the time of the advance trade-in may be in the form of dealer credit or cash, and will not affect the purchaser's ability to apply the advance trade credit toward the purchase of one or more vehicles, so long as the purchaser is contractually obligated to purchase a vehicle from the dealer within the time specified. In completing the transaction, the purchaser may pay the dealer cash or other consideration for the purchase price of a vehicle or vehicles purchased. (Section 1 of the Act)

3) Documentation evidencing an advance trade-in transaction must include the following: the contract establishing the value of or credit given for a traded-in vehicle, the obligation to purchase a vehicle, and the date of expiration of the advance trade-in credit; the bill of sale for the traded in vehicle; and the appropriate sales or use tax return evidencing the purchase of the new or used vehicle and recording the application of the advance trade-in credit. Advance trade-in transactions may not be structured so that the purchaser is not the owner of the automobile offered for trade.

86 Ill. Admin. Code 130.455(d) (emphasis added).

23. That is, to obtain an advance trade credit under the Department's regulation, a person trading in a vehicle must enter into a written contract with the dealer promising to use the credit within nine months of the trade. 86 Ill. Admin. Code § 130.455(d).

24. Ford Motor Credit Co. traded in various vehicles and entered into the required contracts with Volvo Sales & Service Center, Inc. to obtain advance trade-in credits, which Ford Motor Credit Co. used when purchasing the vehicles that are the subject of the Department's Notice of Tax Liability.

25. The Department audited Volvo Sales & Service Center, Inc. for the period of July 1, 2009 to June 30, 2010. On January 29, 2014, the Department issued a Notice of Tax Liability asserting an additional Retailers' Occupation Tax Act liability of \$6,064.00.

26. The Department's proposed tax liability stems from its disallowance of Volvo Sales & Service Center, Inc.'s application of these advance trade credits to reduce the sale price, and therefore the retailers' occupation tax that was due, on various purchases made by Ford Motor Credit Co.

COUNT I
THE DEPARTMENT'S ASSESSMENT IS CONTRARY TO ILLINOIS LAW

27. The Department disallowed Volvo Sales & Service Center, Inc.'s application of the advance trade credits on Ford Motor Credit Co.'s purchases due to the way in which Ford Motor Credit Co. titled the vehicles that it purchased. The Department's disallowance of these advance trade credits is legally erroneous and cannot be sustained.

28. Ford Motor Credit Co. previously titled vehicles that it purchased in its name. Accordingly, the vehicles that Ford Motor Credit Co. traded in to obtain the advance trade-in credits were titled in the name of Ford Motor Credit Co.

29. However, during this time Ford Motor Credit Co. began using a titling trust to hold title to its vehicles. As a result of this change, Ford Motor Credit Co. began titling vehicles that it purchased in the name of CAB West, LLC.

30. CAB West, LLC is a wholly owned subsidiary of Ford Motor Credit Co. As a single member limited liability company, it is a disregarded entity for both federal and Illinois income tax purposes.

31. Although Ford Motor Credit Co. changed how it titled the newly purchased vehicles, Ford Motor Credit Co. continued to direct the purchases and administer the leases.

Indeed, the only reason that the newly purchased vehicles were even titled in the name of CAB West, LLC was because Ford Motor Credit Co. directed Volvo Sales & Service, LLC to title the vehicles in that manner.

32. All the incidents of ownership continued to rest with Ford Motor Credit Co. Illinois law is clear that the mere name on a title is not determinative of ownership. Under well-settled Illinois law, a “certificate of title is evidence of title, but it is not conclusive and one can own an automobile though the certificate of title is in the name of another.” *Hall v. Country Casualty Ins. Co.*, 204 Ill.App.3d 765, 780 (1990); *Dan Pilson Auto Center, Inc. v. DeMarco*, 156 Ill.App.3d 617, 620-21 (1987) (“Consequently, it is possible that one can own an automobile even though the certificate of title is in the name of another”).

33. This principle has been widely applied in the area of taxation. *See e.g., People v. Chicago Title and Trust Co.*, 75 Ill.2d 479 (1979) (stating in the context of a revenue statute that “[w]hile title may be a factor in determining ownership it is not decisive.”); *Northern Illinois University Foundation v. Sweet*, 237 Ill.App.3d 28, 35 (1992) (“Control of the property and the right to its benefits are more significant than legal title alone in determining the liability for real estate taxes.”)

34. It is “the intent of the parties involved, and not such statutory prerequisites which determine ownership.” *Dan Pilson Auto Center, Inc.*, 156 Ill.App.3d at 620. *See also Chicago Title and Trust Co.*, 75 Ill.2d at 492 (“Of far greater importance [than who is reflected as the owner on the title] is control of the property and the right to its benefits.”); *Northern Illinois University Foundation*, 237 Ill.App.3d at 35 (“The primary incidents of ownership include ... the right to alienate the property at will.”)

35. The Department's regulation does not place any requirement on how vehicles that are purchased with advance trade credits must be titled. 86 Ill. Admin. Code § 130.455. It does, however, contain a provision that provides that: "Advance trade-in transactions may not be structured so that the purchaser is not the owner of the automobile offered for trade." *Id.*

36. In interpreting and applying this provision, the Department casts aside a determination of the ownership of the vehicles and instead replaces this analysis with the sole requirement that the vehicles that were traded in to obtain the advance trade-in credits must be titled in the same name as the vehicles that were purchased with those credits.

37. Such a requirement is not present in the plain language of the regulation. Nor is it present in the broad language of the statute, which permits both contemporaneous and advance trade-ins without any regard to ownership or how the vehicles were titled.

38. Therefore, the Department's proposed tax liability is legally erroneous because it is based on an examination of how the vehicles were titled rather than how they were owned and because the facts surrounding the purchases show that Ford Motor Credit Co. owned the vehicles that were purchased using the advance trade credits.

THEREFORE, Volvo Sales & Service, Inc. requests that the Tribunal:

a) Find that the Department's proposed tax assessment is legally erroneous and that Volvo Sales & Service Center, Inc. correctly applied the advance trade credits when computing the Retailers' Occupation Tax that was due on the vehicles that Ford Motor Credit Co. purchased; and

b) Order such further relief as the Tribunal deems appropriate.

COUNT II
THE PORTION OF 86 ILL. ADM. CODE 130.455 THAT PURPORTS TO PROHIBIT THE TRANSFER OF ADVANCE TRADE CREDITS IS INVALID

39. Even if the Tribunal were to find that Ford Motor Credit Co. did not own the vehicles that were purchased using the advance trade-in credits or that the Department's regulation otherwise prohibits Volvo Sales & Service Center, Inc. from applying the advance trade-in credits, the Tribunal should invalidate the portion of the regulation that purports to prohibit the transfer of advance trade credits.

40. Neither the Retailers' Occupation Tax Act or the Use Tax Act differentiates between contemporaneous or advance trade-ins. As previously described, "selling price" is defined as "the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold, ..." ILCS § 105/2, § 120/1.

41. That is, the statutes only refer to trade-ins. The language of the statutes do not even refer to advance or contemporaneous trade-ins separately, let alone provide any basis for imposing substantively different requirements for these two types of trade-ins. Because there is no statutory authorization for treating advance trade-ins differently from contemporaneous trade-ins, the Department cannot create this distinction in its regulation.

42. The Department has the authority "to make, promulgate and enforce reasonable rules and regulations relating to the administration and enforcement of the provisions of the Retailers' Occupation Tax Act." *Du-Mont Ventilating Co. v. Department of Revenue*, 73 Ill. 2d

243, 247 (1978). However, the Department's rules "can neither limit nor extend the scope of a statute." Id.

43. In accordance with the broad statutory language regarding trade-ins, the Department's regulation expressly permits the transfer of contemporaneous trade credits. That is, it permits a vehicle owned by one party to be traded in and applied to reduce the taxable "sale price" of a vehicle purchased by a second party so long as the trade is made contemporaneously with the purchase. 86 Ill. Admin. Code § 130.455.

44. However, the Department's regulation purports to limit the transfer of advance trade credits by stating that "[a]dvance trade credits are non-transferable." 86 Ill. Admin. Code 130.455(d). Since there is no statutory authorization for treating advance trade-ins differently than contemporaneous trade-ins, this portion of the Department's regulation impermissibly limits the scope of the Retailers' Occupation Tax Act and is therefore invalid.

THEREFORE, Volvo Sales & Service, Inc. requests that the Tribunal:

- a) Find that if Ford Motor Credit Co.'s titling of the purchased vehicles in the name of CAB West, LLC, its wholly owned subsidiary, constitutes a prohibited transfer of the advance trade-in credits under the Department's regulation, that that portion of the regulation is invalid and that Volvo Sales & Service, LLC is entitled to apply the advance trade credits when computing the Retailers' Occupation Tax due on the sales; and
- b) Order such further relief as the Tribunal deems appropriate.

COUNT III
ATTORNEYS' FEES AND EXPENSES UNDER 5 ILCS 100/10-55(C)

45. Section 10-55c of the Illinois Administrative Procedure Act, 5 ILCS 100/10-55(c), provides that:

In any case in which a party has any administrative rule invalidated by a court for any reason, including but not limited to the agency's exceeding its statutory authority or the agency's failure to follow statutory procedures in the adoption of the rule, the court shall award the party bringing the action the reasonable expenses of the litigation, including reasonable attorney's fees.

46. This provision of law authorizes a party to recover its attorney's fees if the Tribunal invalidates a regulation because the agency exceeded its statutory authority in promulgating the regulation.

THEREFORE, Volvo Sales & Service, Inc. requests that, if the Tribunal invalidates a portion of the regulation as requested in Count II, that the Tribunal award Volvo Sales & Service, Inc. its reasonable expenses of litigation, including attorney's fees.

COUNT IV
THE TRIBUNAL SHOULD DECLINE
TO FOLLOW THE DEPARTMENT'S REGULATION

47. Even if the Tribunal finds that the Department's regulation is valid and prohibits Volvo Sales & Service, Inc. from applying the advance trade credits to the vehicles that Ford Motor Credit Co. purchased, it should nevertheless decline to follow the regulation and find that Volvo Sales & Service, Inc. is entitled to apply the advance trade credits.

48. Under Illinois law, valid regulations are not binding on the courts. They are, at most, entitled to some deference or respect. *American Stores Co.*, 296 Ill.App.3d at 299-300 (“An agency’s interpretation of a statute it is charged with administering, where based on agency expertise, is entitled to *some deference*.”) (emphasis added); *Du-Mont Ventilating Co.*, 73 Ill.2d at 247 (“The rule merely interprets the scope of the statutory exemption provision, and as such is entitled to *some respect* as an administration interpretation of the statute, but it is not binding on the courts.”) (emphasis added); *Van’s Mat’l Co., Inc. v. Department of Revenue*, 131 Ill. 2d 196,

209-210 (1989) (“Even if the regulations were not determined to be unduly restrictive, we are not bound by the Department’s interpretations of the statute.”)

49. It is unclear why the Department would permit the transfer of contemporaneous trade credits but not advance trade credits. Whatever rationale might underlie this distinction, that perceived harm is most certainly not present in this case where the alleged "transfer" is merely between Ford Motor Credit Co.'s decision to title the vehicle in the name of a wholly owned subsidiary that is a disregarded entity for tax purposes and where Ford Motor Credit Co. otherwise continues to direct the purchases of the vehicles and administer the leases. Thus, there is no reason for the Tribunal to apply the regulation in this case.

THEREFORE, Volvo Sales & Service, Inc. requests that, if the Tribunal finds that the Department's regulation is valid and prohibits Volvo Sales & Service, Inc. from applying the trade credits in computing the tax that is due on the vehicles that Ford Motor Credit Co. purchased, that the Tribunal nevertheless decline to follow the Department's regulation and hold that Volvo Sales & Service, Inc. is entitled to apply the advance trade credits when computing the Retailers' Occupation Tax due on the sales.

COUNT V
ABATEMENT OF LATE PENALTIES

50. Department imposed late penalties against Volvo Sales & Service, Inc. pursuant to 35 ILCS 735/3-3.

51. Late payment penalties may be abated where a taxpayer shows that its failure to pay the tax at the required time was due to reasonable cause. 35 ILCS 735/3-8. Reasonable cause is shown by a good faith effort to determine the proper tax liability.

52. As discussed herein, Volvo Sales & Service, Inc. computed the tax, filed tax returns and paid the tax on these transactions. Volvo Sales & Service, Inc. had a good faith belief that it was entitled to apply the advance trade credits when computing the tax.

THEREFORE, Volvo Sales & Service, Inc. requests that, if the Tribunal sustains the Department's proposed tax assessment, that it nevertheless find that it acted with good faith in determining its tax liability and that it therefore abate all the late payment penalties imposed under 35 ILCS 735/3-3.

Respectfully submitted,

VOLVO SALES & SERVICE CENTER, INC.



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July 24, 2014

REQUEST FOR DISCRETIONARY HEARING

**BY CERTIFIED MAIL (7012 3460 0002 7135 1309)
RETURN RECEIPT REQUESTED**

Mr. Terry Charlton
Chief Administrative Law Judge
Illinois Department of Revenue
Administrative Hearings Division
James R. Thompson Center
100 West Randolph Street, Level 7
Chicago, IL 60601-3274

**Re: Volvo Sales & Service Center, Inc.
IBT #: 0037-7015
Tax Type: Retailers Occupation and Use Tax
Period 7/1/2009 – 6/30/2010**

Dear Mr. Charlton:

Volvo Sales & Service Center, Inc. ("Taxpayer") hereby requests that the Illinois Department of Revenue ("Department"), pursuant to Illinois Admin. Code Section title 86, sec. 200.175, accept this application for initial review of the above referenced matter. In support of this Request for Discretionary Hearing, the Taxpayer states as follows:

In November 2013, the Department issued audit workpapers to the Taxpayer identifying the Department's audit findings. At that time Taxpayer provided additional documentation to support reversal of certain audit adjustments and advised the auditor that although it would be protesting the audit assessment it would not be requesting an Informal Conference and consequently requested that the Department issue its Notice of Tax Liability. The protested audit assessment issue is the disallowance of advance trade credits. The identical issue is currently being litigated by other Illinois automobile dealers and the results of those cases should govern

Mr. Terry Charlton
July 24, 2014
Page 2

the outcome of this case. The Illinois automobile dealers involved in the litigation and the Department have also engaged in settlement discussions.

At the time that the audit workpapers were issued, Taxpayer knew it would be protesting the expected Notice of Tax Liability and intended to file a petition with the Tax Tribunal.¹ The Taxpayer and the Taxpayer's representative awaited the issuance of the Notice of Tax Liability.

On January 31, 2014, the Taxpayer received a Notice of Tax Liability dated January 29, 2014, in the amount of \$199,104.43, including interest and penalty, for the tax periods commencing July 1, 2006 through June 30, 2009. The Taxpayer timely filed a Petition with the Tax Tribunal. The Tax Tribunal Petition has been assigned Docket No. 14 TT 47.

In July of 2014, as a result of collection action taken by the Department, the Taxpayer became aware that a second Notice of Tax Liability had been issued in the amount of \$7,964.39, including interest and penalty, for the tax periods commencing July 1, 2009 through June 30, 2010. This second Notice of Tax Liability was dated January 29, 2014. The Taxpayer, however, never received this second Notice of Tax Liability and was unaware that a second Notice of Tax Liability had been issued. Upon learning of this second Notice of Tax Liability, the Taxpayer requested a copy, which it has attached and marked Exhibit A.

Pursuant to Illinois regulation section 200.175, the Chief Administrative Law Judge may permit an initial review of a final assessment in the case of failure to timely protest so long as the assessment has not been reduced to judgment and the taxpayer has not made payment in liquidation of the assessment. Regulation section 200.175 further provides that in determining whether to permit an initial review, the Department shall consider factors, such as: (1) the offer of proof with respect to matters of controversy; (2) new evidence and the nature and complexity of the legal issues raised; (3) the diligence of the person seeking the rehearing; and (4) the passage of time between the finalization of the assessment and the request for review.

The legal issue in this case is whether the auditor erroneously disallowed the advance trade credits on the basis that a vehicle trade in cannot be used to off-set the purchase price of a replacement vehicle if the name on the title of the trade in vehicle is that of the finance company, while the name on the title of the replacement vehicle is the finance company's wholly-owned titling trust. A number of Illinois dealers have been assessed on audit for this same legal issue and there are numerous cases pending in Appellate Court, Circuit Court and the Department's Administrative Division.

¹ The majority of the cases currently pending on the advanced trade issue are before the Department's Administrative Hearings Division. These case were filed prior to January 1, 2014, the date on which the Tax Tribunal began accepting jurisdiction in cases.

Mr. Terry Charlton
July 24, 2014
Page 3

The nature and complexity of the legal issue is such that the Department should grant initial review of the above referenced matter but that review should be held in abeyance pending a final judgment or order on the merits by a court of competent jurisdiction for which all rights of appeal have been exhausted or have expired in the case styled *Van Drunen Ford Company v. Illinois Department of Revenue, Brian Hamer, as Director of the Illinois Department of Revenue and Alexi Giannoulis as Treasurer of the State of Illinois*, currently pending before the 4th District Appellate Court under Docket No. 4-14-0449 (the "Ford Dealer Case"). A copy of the Amended Complaint filed in the Ford Dealer Case is attached and marked Exhibit B. A copy of the Sangamon County Circuit Court's Decision is attached and marked Exhibit C.

This matter and the Ford Dealer Case involve substantially similar facts and the identical legal issues. In the interests of judicial economy and conservation of resources, the Taxpayer requests that this case be held in abeyance pending a final judgment or order on the merits of the Ford Dealer case and agrees to be bound by such final judgment or order. Thus, if the defendants in the Ford Dealer Case are granted a final judgment on the merits on this issue in their favor, then a final judgment on the merits shall be entered in favor of the Department in this case. Likewise, if the plaintiff in the Ford Dealer Case is granted a final judgment on the merits on this issue in its favor, then a final judgment shall be entered in favor of the Taxpayer on this issue in this case. If the Ford Dealer Case is resolved other than by a final judgment, then this case will no longer be held in abeyance and the outcome of this case will not be governed by the outcome in the Ford Dealer Case.

By accepting initial review of this matter, the Department will not incur or suffer any prejudice or incur significant additional time or expense. The Department will be a party to litigation in Ford Dealer Case and the outcome of that case will directly affect the Department's case against Taxpayer. Moreover, this requested review does not present material questions of fact. As such, there is no offer of proof or evidence presented herein, but the facts of this case are virtually identical as the facts of the Ford Dealer case and a copy of the complaint and decision in that case is attached hereto.

No significant amount of time has passed between the time the Taxpayer learned of the Notice of Tax Liability in July 2014 and the date that the Taxpayer's counsel has filed this Request for Discretionary Hearing. This factor, which the Department is required by regulation to consider, also weighs in the Taxpayer's favor.

Mr. Terry Charlton
July 24, 2014
Page 4

Thank you for considering this request for initial review. Please contact me at your earliest convenience should you have any questions. A Power of Attorney is attached.

Very truly yours,



Fred O. Marcus

FOM:mla

Enclosures: Form RA-51-07 – Notice of Tax Liability for Form EDA-105-R,
Van Drunen Ford Company vs. Illinois Department of Revenue – Amended
Verified Complaint for Preliminary and Permanent Injunctive Relief and for
Declaratory Judgment
Circuit Court Decision



Illinois Department of Revenue
IL-2848 Power of Attorney

Read this information first

Attach a copy of this form to each specific tax return or item of correspondence for which you are requesting power of attorney.
 Do not send this form separately.

Step 1: Complete the following taxpayer information

1 Volvo Sales & Srvc. Ctr. Inc. d/b/a Volvo of Lisle 3 4375 Lincoln Avenue
 Taxpayer's name Taxpayer's street address
 2 0037-7015 Lisle IL 60532
 Taxpayer's identification number(s) City State ZIP

Step 2: Complete the following information

4 The taxpayer named above appoints the following to represent him before the Illinois Department of Revenue.

Joseph P. Roznal
 Name
MS&Co
 Name of firm
5750 Old Orchard Road, Ste 200
 Street address
Skokie IL 60077
 City State ZIP
(847) 213-2105
 Daytime phone number
joer@msco.net
 E-mail address
ROT/UT 2006 - 2010
 Specific tax type Year or period

Brian R. Harris
 Name
Akerman LLP
 Name of firm
401 E. Jackson Street, Ste 1700
 Street address
Tampa FL 33602
 City State ZIP
(813) 223-7333
 Daytime phone number
brian.harris@akerman.com
 E-mail address
ROT/UT 2006 - 2010
 Specific tax type Year or period

 Name

 Name of firm

 Street address

 City State ZIP

 Daytime phone number

 E-mail address

 Specific tax type Year or period

5 The attorneys-in-fact named above shall have, subject to revocation, full power and authority to perform any act that the principals can and may perform, including the authority to receive confidential information.

The attorneys-in-fact named above do not have the power to – Check only the items below you do not wish to grant.

- _____ endorse or collect checks in payment of refunds.
- _____ receive checks in payment of any refund of Illinois taxes, penalties, or interest.
- _____ execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund.
- _____ execute consents extending the statutory period for assessments or collection of taxes.
- _____ delegate authority or substitute another representative.
- _____ file a protest to a proposed assessment.
- _____ execute offers in compromise or settlement of tax liability.
- _____ represent the taxpayer before the department in all proceedings including hearings (requiring representation by an attorney) pertaining to matters specified above.
- _____ obtain a private letter ruling on behalf of the taxpayer.
- _____ perform other acts (explain) _____

6 This power of attorney revokes all prior powers of attorney on file with the department with respect to the same matters and years or periods covered by this form, except for the following:

 Name

 Street address

 City State ZIP

 Daytime phone number

 Date granted

 Name

 Street address

 City State ZIP

 Daytime phone number

 Date granted

 Name

 Street address

 City State ZIP

 Daytime phone number

 Date granted



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:

Peter O. Larsen - Akerman LLP	Joseph P. Roznai, CPA - MS&Co.	
Name	Name	Name
50 N. Laura St. Ste 3100	6750 Old Orchard Road, Ste 200	
Street address	Street address	Street address
Jacksonville FL 32202	Skokie IL 60077	
City State ZIP	City State ZIP	City State ZIP
Daytime phone number	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>	<i>PRES.</i>	<i>3/5/14</i>
Taxpayer's signature	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	FL-0849140	<i>[Signature]</i>	<i>3-7-14</i>
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), etc.)	Signature	Date
Attorney	FL-0392560	<i>[Signature]</i>	<i>3/7/2014</i>
Designation (attorney, C.P.A., enrolled agent)	Jurisdiction (state(s), etc.)	Signature	Date
Attorney	IL-	<i>[Signature]</i>	<i>7/23/14</i>
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

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

Peter O. Larsen - Akerman LLP
 Name
50 N. Laura St. Ste 3100
 Street address
Jacksonville FL 32202
 City State ZIP
 ()
 Daytime phone number

Joseph P. Roznal, CPA - MSRCo.
 Name
5750 Old Orchard Road, Ste 200
 Street address
Skokie IL 60077
 City State ZIP
 (847) 213-2105
 Daytime phone number

Name
 Street address
 City State ZIP
 ()
 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.

P. O. Larsen Date, if applicable 03/13/14
 Taxpayer's signature Title, if applicable Date

 Spouse's signature Title, if applicable Date

 If copartner 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.

<u>C.P.A.</u> Designation (attorney, C.P.A., enrolled agent)	<u>IL-065-015637</u> Jurisdiction (state(st), etc.)	<u>[Signature]</u> Signature	<u>11/21/2013</u> Date
<u>Attorney</u> Designation (attorney, C.P.A., enrolled agent)	<u>FL-0512001/IL-0216539</u> Jurisdiction (state(st), etc.)	<u>[Signature]</u> Signature	<u>03/07/14</u> Date
_____ Designation (attorney, C.P.A., enrolled agent)	_____ Jurisdiction (state(st), 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 the power of attorney as his or her voluntary act and deed.

 Signature of notary Date

Notary seal



Notice of Tax Liability
for Form EDA-556, Sales Tax Transaction Audit Report



#BWNKMGV
 CNXXX7X611X3X40#
 VOLVO SALES & SERVICE CENTER INC
 ATTN: ATTN ELLEN
 4375 LINCOLN AVE
 LISLE IL 60532-1211

January 29, 2014



Letter ID: CNXXX7X611X3X40

Account ID: 0037-7015

We have audited your account for the reporting period 01-Jul-2009 through 30-Jun-2010. As a result, we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	6,064.00	0.00	6,064.00
Late Payment Penalty Increase	1,213.00	0.00	1,213.00
Interest	687.39	0.00	687.39
Assessment Total	\$7,964.39	\$0.00	\$7,964.39

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 March 30, 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.

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

EXHIBIT A

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 day 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



July 9, 2014



Letter ID: L1828774928

VOLVO SALES & SERVICE CENTER INC
4475 LINCOLN AVE
LISLE IL 60532-1213

Taxpayer ID: 36-2595957
Total amount due: \$7,115.52

DUPLICATE

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.

ST-556 Sales Tax

Account ID: 0037-7015

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2010	6,064.00	1,313.00	762.40	-	(1,023.88)	7,115.52

SOC

Retain this portion for your records.

P-001329

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

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



Letter ID: L1828774928
VOLVO SALES & SERVICE CENTER INC

Total amount due: \$7,115.52
Write the amount you are paying below.

Mail this voucher and your payment to:
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

\$ _____
Write your Taxpayer ID on your check.

000 006 014529209124 731 123199 7 0000000711552

Notice of Tax Liability
for Form EDA-556, Sales Tax Transaction Audit Report



 #BWNKMGV
 #CNXXX124 2981 2169#
 VOLVO SALES & SERVICE CENTER INC

 ATTN: ATTN ELLEN

 4375 LINCOLN AVE
 LISLE IL 60532-1211

January 29, 2014



Letter ID: CNXXX12429812169

Account ID: 0037-7015



We have audited your account for the reporting period 01-Jul-2006 through 30-Jun-2009. As a result, we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	112,185.00	0.00	112,185.00
Late Payment Penalty Increase	44,874.00	0.00	44,874.00
Interest	42,045.43	0.00	42,045.43
Assessment Total	\$199,104.43	\$0.00	\$199,104.43

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 March 30, 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.

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 day 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.

Duplicate

Detailed Liability Statement
for Form ST-556, Sales Tax Transaction Return



June 13, 2014 TDD 1 800 544-5304



Letter ID: CNXXXX3223446728

Account ID: 0037-7015

#BWNKMGV
 #CNXXXX32 2344 6728#
 VOLVO SALES & SERVICE CENTER INC
 ATTN: PATTN ELLEN
 4376 LINCOLN AVE
 LISLE IL 60532-1211



This statement lists your unpaid balance by period (Date of delivery) and tax return number. This statement does not include returns that have not been processed or financial information for returns that have responses pending. Please refer to your Taxpayer Statement for a payment voucher and additional information. Note: If "Miscellaneous" is shown under the "Tax Return No." column, this line is either a bad check penalty, lien fee, or liabilities resulting from an audit.

Period (Date of delivery)	Tax Return No.	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2009	Miscellaneous	112,185.00	44,874.00	44,391.49	-	(33.53)	201,356.96
		112,185.00	44,874.00	44,331.49	0.00	(33.53)	201,356.96
30-Jun-2010	Miscellaneous	6,064.00	1,313.00	747.09	-	(1,023.88)	7,100.21
		6,064.00	1,313.00	747.09	0.00	(1,023.88)	7,100.21

EXHIBIT B

2. Plaintiff seeks, among other relief, to enjoin the Defendants from transferring to The Treasurer the sum of \$48,546.00, that Plaintiff paid to the Department under protest on April 20, 2009, in satisfaction of an alleged Retailers' Occupation and Use Tax deficiency for the tax periods of July 1, 2004 through December 31, 2006 (the "Audit Period").

3. Plaintiff further seeks, among other relief, to enjoin the Defendants from transferring to The Treasurer the sum of \$5,353.00 which Plaintiff made under protest on June 9, 2009, in satisfaction of an alleged Retailers' Occupation and Use Tax deficiency for the same Audit Period.

4. This Court has jurisdiction over this matter pursuant to § 2a of the Protest Monies Act.

5. Venue is proper in this Court pursuant to 735 ILCS 5/2-101 *et seq.* because the Defendants maintain offices in Cook County, Illinois.

6. The Department performed a Retailers' Occupation Tax and Use Tax audit of Plaintiff for the Audit Period.

7. Plaintiff attaches hereto a motion for preliminary injunction in accordance with the allegations contained herein.

THE PARTIES

8. Plaintiff is an Illinois' corporation and motor vehicle dealer authorized to do business in the State of Illinois.

9. The Department was and is charged, pursuant to 20 ILCS 2505/39b, with the duty of administering the revenue laws of the State of Illinois, including the Illinois Retailers' Occupation Tax Act, as amended 35 ILCS 120/1 *et seq.* (the "ROTA") and the Illinois Use Tax Act, as amended 35 ILCS 105/1 *et seq.* (the "UTA").

10. The Department is an agency of the Executive Department of the government of the State of Illinois pursuant to 20 ILCS 5/5-15.

11. Director Hamer is the current Director of the Department and is charged, pursuant to 20 ILCS 5/5-20, with the duty of administering and enforcing the revenue laws of the State of Illinois, including the ROTA and the UTA, and with administering and supervising the Department.

12. Giannoulis is the current Treasurer of the State of Illinois and is charged, pursuant to the Illinois Constitution of 1970, Art. V, § 18, with the custody, administration, and disposition of funds paid into the Treasury of the State of Illinois, as well as with the custody of funds paid under protest to a state officer or employee within the meaning of the Protest Monies Act.

STATEMENT OF FACTS

13. All facts alleged herein were true and correct for the entire Audit Period except as is specifically stated otherwise.

14. Plaintiff was engaged in the business of selling and leasing motor vehicles at retail in Illinois.

15. Plaintiff and Ford Motor Credit Company, LLC ("FMCC") entered into a master Red Carpet Lease Assignment Agreement (the "Assignment Agreement") whereby FMCC agreed to acquire certain motor vehicles and related lease agreements by assignment from the Plaintiff.

16. The Assignment Agreement provides that FMCC will purchase motor vehicles from the Plaintiff for the purpose of leasing such motor vehicles to the Plaintiff's customers.

17. The Assignment Agreement provides that FMCC may direct that motor vehicles purchased by FMCC pursuant to the Assignment Agreement be titled in the name of any entity authorized by FMCC.

18. Upon the execution of the leases with its customers (the "Leases"), Plaintiff sold vehicles (the "Replacement Vehicles") and simultaneously assigned the related Leases to FMCC pursuant to the Assignment Agreement.

19. After the sale of each of the Replacement Vehicles to FMCC, the Plaintiff timely submitted a sales tax transaction return ("ST-556") to the Department indicating the actual amount of the sale of the Replacement Vehicle to FMCC.

20. In the ST-556 for the sale of 25 of the Replacement Vehicles to FMCC, FMCC directed that the Replacement Vehicles be titled in the name of CAB West, LLC and the Plaintiff allowed a credit for a trade in made by FMCC against the price paid by FMCC for the Replacement Vehicles (the "Advance Trade Credits"), and the Plaintiff remitted to the State the tax on the difference between the price paid by FMCC and the trade in credit.

21. The Advance Trade Credits arose from a trade in of a vehicle that FMCC previously owned that the Plaintiff accepted in exchange for a credit against FMCC's future purchase of a vehicle from the Plaintiff.

22. The Advance Trade Credit was for traded in vehicles of like kind and character as the Replacement Vehicles.

23. FMCC was contractually obligated to purchase the Replacement Vehicles within nine months after the advance trade.

24. Plaintiff retained all documentation necessary to support its allowance of the Advance Trade Credits for the Replacement Vehicles.

25. Neither Plaintiff, FMCC, nor CAB West, LLC transferred the Advance Trade Credits taken against the purchase prices of the Replacement Vehicles.

26. After FMCC paid Plaintiff for the Replacement Vehicles, FMCC handled the leasing of the motor vehicles to the customers, including collection of lease payments and, if necessary, repossession of the Replacement Vehicles.

27. FMCC titled the Replacement Vehicles in the name of CAB West, LLC pursuant to the Assignment Agreement.

28. CAB West, LLC is not a party to the Assignment Agreement.

29. CAB West, LLC is a single member limited liability company that is disregarded for federal income tax purposes.

30. CAB West Holdings, LLC, a single member limited liability company is the sole member of CAB West, LLC.

31. CAB West Holdings, LLC is a disregarded entity for federal income tax purposes.

32. FMCC is the sole member of CAB West Holdings LLC.

33. FMCC created CAB West, LLC solely to hold naked legal title to vehicles acquired by FMCC pursuant to assignments from dealers such as the Plaintiff.

34. FMCC controlled all aspects and operations of CAB West, LLC.

35. The fact that FMCC caused naked legal title to the Replacement Vehicles to be in the name of CAB West, LLC did not have any effect on the Plaintiff's or FMCC's sale/purchase and leasing of motor vehicles.

36. CAB West, LLC did not have any employees.

37. CAB West, LLC did not file income tax returns.

38. CAB West, LLC's financial activities were consolidated with those of FMCC and were reported in the accounts and on the accounting books and financial statements of FMCC.

39. CAB West, LLC owned a single asset - a bank account with a balance of approximately \$1,000 on which there is no activity.

40. CAB West, LLC did not maintain a balance sheet separate from FMCC that reflected ownership of the Replacement Vehicles or any vehicles.

41. For accounting and tax purposes, FMCC realized the benefits and burdens associated with the ownership of motor vehicles held and titled in the name of CAB West, LLC, including any depreciation deductions.

42. FMCC issued all billing notices on leases held in the name of CAB West, LLC.

43. Lessees of motor vehicles titled in the name of CAB West, LLC were required to remit lease payments directly to FMCC.

44. If a lease account relating to a vehicle titled in the name of CAB West, LLC went into default, FMCC repossessed the vehicle, sued the lessee for any delinquencies, and charged off the lease account on its federal and state income tax returns.

45. FMCC bore the full risk of loss on leases of motor vehicles titled in the name of CAB West, LLC.

46. Numerous Ford Motor Co. and FMCC trademarks and logos are on the form of the leases held in the name of CAB West, LLC, including the Ford Motor Co. and FMCC logos and the term "Red Carpet Lease," itself a trademark of FMCC.

47. FMCC is the owner of all motor vehicles (including the Replacement Vehicles) titled in the name of CAB West, LLC for retailer's occupation and use tax purposes under the ROTA and the UTA.

48. CAB West, LLC served as an agent of FMCC to hold naked title to Replacement Vehicles purchased by FMCC for retailer's occupation and use tax purposes under the ROTA and the UTA.

49. FMCC (and not CAB West, LLC) paid the purchase price and retailer's occupation and use tax on the purchase of each of the Replacement Vehicles.

50. FMCC is the owner of the Replacement Vehicles titled in the name of CAB West, LLC for occupation and use tax purposes under the ROTA and the UTA.

CONTROVERSY

51. The Department conducted an audit of the Plaintiff's books and records for the Audit Period.

52. On September 20, 2007, the Department issued an audit report (the "Audit Report"), Form EDA-105, in which it disallowed, among other things, the Plaintiff's allowance of the Advance Trade Credits. A true and accurate copy of the Audit Report is attached hereto as Exhibit "A" and is incorporated herein by reference.

53. In the Audit Report, the Department disallowed the Advance Trade Credits on the grounds that FMCC transferred the Advance Trade Credits to CAB West, LLC..

54. On September 27, 2007, the Department issued a Notice of Proposed Liability, Form EDA-123, which indicated the additional liability of the Plaintiff for occupation and use taxes in accordance with the Audit Report. A true and accurate copy of the Notice of Proposed Liability is attached hereto as Exhibit "B" and incorporated herein by reference.

55. On October 29, 2007, Plaintiff submitted a Request for Informal Conference Board Review seeking review of the findings and conclusions in the Audit Report with respect to, among other things, the disallowance of the Advance Trade Credits.

56. On December 29, 2008, the Department's Informal Conference Board issued an Action Decision upholding its initial decision with respect to the Advance Trade Credits (the "Action Decision"). A true and accurate copy of the Action Decision is attached hereto as Exhibit "C" and is incorporated herein by reference.

57. On April 20, 2009, Plaintiff paid the sum of \$48,546.00 under protest for the purpose of advancing this claim (the "Protest Payment"), along with a cover letter reserving the Plaintiff's rights under the Protest Monies Act. True and accurate copies of the Notice of Payment Under Protest evidencing the Protest Payment, Form RR-374, and the cover letter are attached hereto as Composite Exhibit "D" and incorporated herein by reference.

58. On May 6, 2009, Plaintiff filed a Verified Complaint for Preliminary and Permanent Injunction for Declaratory Judgment in the Circuit Court for the Seventh Judicial Circuit of Illinois in Sangamon County, Springfield, Illinois.

59. On May 13, 2009, Judge Graves issued a Preliminary Injunction Order enjoining the Defendants from transferring the amount of \$48,546.00 into the general fund of the Treasury of the State of Illinois, or to any other fund or funds whatsoever.

60. On May 22, 2009, the Department issued Plaintiff two Notices of Tax Liability for the Audit Period in the amounts of \$14.00 and \$5,339.00, for a total amount of \$5,353.00. True and accurate copies of the Notices of Tax Liability are attached hereto as Exhibit "E" and incorporated herein by reference.

61. On June 9, 2009, Plaintiff made an additional payment under protest, as provided in Section 2a.1 of the Protest Monies Act, in the sum of \$3,353.00, representing the additional amount assessed on the Notice of Tax Liability. A true and accurate copy of Plaintiff's June 9, 2009, protest payment is attached hereto as Exhibit "F."

62. The payment represents the full amount of tax interest and penalty shown on the Notice of Tax Liability.

COUNT I

PROTEST MONIES ACT INJUNCTION

63. Plaintiff realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 56 inclusive.

64. On April 20, 2009, Plaintiff timely paid the sum of \$48,546.00 to the Department under protest pursuant to § 2a.1 of the Protest Monies Act.

65. This Protest Payment in the amount of \$48,546.00 represented the total tax, penalties and interest reflected in the Notice of Proposed Liability issued to Plaintiff, less the amount of \$8,480.00 that was previously paid on October 10, 2007.

66. On June 9, 2009, Plaintiff timely paid the sum of \$5,353.00 to the Department under protest pursuant to § 2a.1 of the Protest Monies Act.

67. This Protest Payment in the amount of \$5,353.00 represented the total tax, interest and penalty reflected in the Notice of Tax Liability issued to Plaintiff on May 22, 2009.

68. All officers and agencies of the Executive Department of state government are subject to the Protest Monies Act.

69. Every officer and employee subject to the Protest Monies Act must notify the Treasurer about money paid to such officer or agency under protest as provided in § 2a.1 of the Protest Monies Act, and the Treasurer is to place the money in a special fund known as the "Protest Fund" pursuant to 30 ILCS 230/2a.

70. Section 2a of the Protest Monies Act provides that a party that has made a payment under protest as provided in § 2a.1 of the Protest Monies Act must obtain a preliminary

injunction or a temporary restraining order within 30 days of the payment under protest, which enjoins the transfer of the payment under protest from the Protest Fund to the appropriate fund in which such payment would be placed had the payment been made without a protest.

71. Plaintiff is without adequate remedy at law.

72. Failure to enter an injunction within the 30-day period specified in the Protest Monies Act will cause the Protest Payment to be deposited into the General Revenue Fund.

73. Plaintiff will suffer irreparable harm to its ability to gain a speedy, efficient, and impartial *de novo* hearing before this Court, and its ability to obtain a refund of its payment under protest, unless this Court timely enters an Order preliminarily enjoining the transfer of the Protest Payment from the Protest Fund to any other fund in the State Treasury pending a final, nonappealable Order or judgment of the highest court in this State having jurisdiction over this case.

74. An actual controversy exists between the Plaintiff and the Department with respect to the proper disposition of the Protest Payment.

75. Plaintiff has a reasonable likelihood of success on the merits of its claim for relief under the Protest Monies Act because the Plaintiff filed this Complaint with the Court before a Notice of Tax Liability or an Audit Report issued by the Department became final, filed a motion for preliminary injunction under Count I of this Complaint, and timely served the Complaint and the motion upon the Department and the Illinois Attorney General.

76. Because the moneys allegedly due from Plaintiff have been paid under protest and are now in the custody or control of the Defendants, good cause exists for not requiring Plaintiff to post any bond upon the issuance of a temporary or preliminary injunction.

WHEREFORE, Plaintiff respectfully requests that this Court enter judgment in its favor against Defendants and to award Plaintiff the following relief:

- a) enjoins the Treasurer from transferring the protest payments by Plaintiff from the Protest Fund to another fund in the State Treasury until the final order or judgment of this Court;
- b) enjoins the Department from taking or causing another to take any action to assess, enforce, offset against overpayments, or otherwise collect the liability proposed by the Department and paid under protest by Plaintiff or on the Plaintiff's behalf until a final order or judgment of this Court; and
- c) grants such further relief as the Court deems appropriate under the circumstances.

**COUNT II
ILLINOIS RETAILERS' OCCUPATION TAX AND
USE TAX WAS ERRONEOUSLY ASSESSED ON THE SALE OF THE
REPLACEMENT VEHICLES**

77. Plaintiff realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 62 inclusive, hereinabove.

78. The Retailers' Occupation Tax is imposed on persons engaged in the business of selling tangible personal property to purchasers for use or consumption and is measured by the seller's gross receipts from such sales made in the course of the seller's business.

79. The Use Tax is imposed on the privilege of using tangible personal property purchased at retail from a retailer and is measured by the selling price of the tangible personal property.

80. Selling price is defined as the consideration for a sale valued in money but not including the value of or credit given for traded in tangible property where the item that is traded in is of like kind and character as that which is being sold.

81. The ROTA and the UTA allow the Advance Trade Credits that are the subject of this case.

82. Plaintiff properly remitted the full amount of Retailers' Occupation and Use taxes due to the Department after applying the Advance Trade Credits against the selling price of the Replacement Vehicles, as evidenced by copies of Form ST-556 – Sales Tax Transaction Form filed with the Department by the Plaintiff or other documentation retained by Plaintiff as proof of payment.

83. In its Audit Report and Notice of Proposed Tax Liability, the Department erroneously disallowed the Advance Trade Credits used to offset the full purchase price of the Replacement Vehicles and improperly computed tax due based on the consideration from the sales including the amount of the Advance Trade Credits.

84. ILCS § 105/2 and ILCS § 120/1 define "Selling price" as "the consideration for a sale valued in money whether received in money or otherwise, including cash, credits, property other than as hereinafter provided, and services, but not including the value of or credit given for traded-in tangible personal property where the item that is traded-in is of like kind and character as that which is being sold, ..."

85. 86 Illinois Administrative Code 130.455 (the "Trade Credit Regulation") defines an advance trade credit as "a trade-in credit earned as the result of the trade-in of a vehicle on the future purchase of a vehicle where the purchaser is contractually obligated to make a purchase within 9 months after the advance trade."

86. The Trade Credit Regulation further states that "[a]dvance trade credits are non-transferable."

87. In selling the Replacement Vehicles, the Plaintiff allowed the Advance Trade Credits.

88. The Advance Trade Credit was for traded in tangible personal property where the item that was traded in was of like kind and character as that which was being sold.

89. Neither Plaintiff, FMCC, nor CAB West, LLC transferred the Advance Trade Credits for the Replacement Vehicles.

90. FMCC was contractually obligated to purchase the Replacement Vehicles within nine months after the advance trade and purchased the Replacement Vehicles within the nine month period.

91. Plaintiff retained all documentation necessary to support its claim to the Advance Trade Credits for the Replacement Vehicles.

92. The ROTA and the UTA allow a trade in credit for all trade ins regardless of whether the names listed on the certificate of title to the Replacement Vehicles are the same as the names listed on the certificate of title to the traded in vehicles.

93. FMCC is the owner of both the traded in vehicles and the Replacement Vehicles, either directly or through CAB West, LLC, as its agent or nominee.

94. CAB West, LLC as FMCC's nominee did not enjoy the benefits of the Replacement Vehicles, did not exercise dominion and control over the Replacement Vehicles and did not interfere with the use of the Replacement Vehicles.

95. An actual controversy exists between Plaintiff and the Department within the meaning of § 2-701 of the Illinois Code of Civil Procedure as to whether Plaintiff is entitled to a refund of all or a portion of the Protest Payment.

WHEREFORE, Plaintiff prays that this Court enter a Judgment finding and declaring:

- a) that the Department's erroneous disallowance of the Advance Trade in Credits is not authorized by Illinois law;
- b) that the Advance Trade Credits were not transferred and the Department's disallowance of the Advance Trade Credits is not authorized;
- c) ordering that the Treasurer refund Plaintiff's protest payments with interest as provided by law within 30 days from the entry of the final order or judgment of this Court;
- d) enjoining the Department from taking any action to assess, lien, levy, offset, or in any other way prosecute and collect the amount of the proposed additional tax invalidated by the order of this Court; and
- e) grants such further relief as the Court deems appropriate under the circumstances.

COUNT III

86 ILL. ADM. CODE 130.455 IS PARTIALLY INVALID

96. Plaintiff realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 62 inclusive, hereinabove.

97. Plaintiff should be allowed to apply the Advance Trade Credits because the portion of the Trade Credit Regulation referenced in paragraph 81, which purportedly limits the application of advance trade in credits based on the ownership of the vehicles at issue, is invalid.

98. Subsection (a) of the Trade Credit Regulation purportedly limits the application of advance trade credits by defining an advance trade credit as "a trade-in credit earned as the result of the trade-in of a vehicle on the future purchase of a vehicle where the purchaser is contractually obligated to make a purchase within 9 months after the advance trade."

99. The final sentence of subsection (d) of the Trade Credit Regulation (the "Limiting Sentence") further states that "[a]dvance trade credits are non-transferable."

100. The ROTA and the UTA, allow a trade in credit for all trade ins regardless of the ownership of the vehicles being traded in or purchased.

101. The Department allows a trade in credit for trade ins regardless of the names on the title of the vehicle being traded in or being purchased in any transaction where the trade in and the purchase of the replacement vehicle occurs simultaneously.

102. The Limiting Sentence of the Trade Credit Regulation purportedly limits the scope and restricts the general provisions of the ROTA and the UTA in that it treats simultaneous trades differently than advance trades.

103. Any such restriction is contrary to the intent of the Illinois legislature in enacting the ROTA and UTA in their current form and undermines the legislative intent.

104. The Limiting Sentence of the Trade Credit Regulation is invalid because its restriction of the ROTA and the UTA provisions governing trade in credits goes beyond the rule-making authority of the Department.

105. An actual controversy exists between Plaintiff and the Department within the meaning of § 2-701 of the Illinois Code of Civil Procedure as to whether Plaintiff is entitled to a refund of all or a portion of the Protest Payment.

WHEREFORE, Plaintiff prays that this Court enter a Judgment finding and declaring:

- a) that if the Trade Credit Regulation is interpreted to disallow the use of the Advance Trade Credits because the name on the certificate of title to the Replacement Vehicles is different from the name on the title to the traded in

vehicles, that the Limiting Sentence of the Trade Credit Regulation referenced in paragraph 99 of this Verified Complaint is invalid;

- b) that the Limiting Sentence of the Trade Credit Regulation, to the extent that it imposes additional restrictions on the application of advance trade credits, as opposed to simultaneous trade in credits, is invalid;
- c) that the Department's erroneous interpretation of the allowability of the Advance Trade Credits is not authorized by Illinois law;
- d) ordering that the Treasurer refund Plaintiff's protest payment with interest as provided by law within 30 days form the entry of the final order or judgment of this Court;
- e) enjoining the Department from taking any action to assess, lien, levy, offset or in any other way prosecute and collect the amount of the proposed additional tax invalidated by the order of this Court; and
- f) granting such further relief as the Court deems appropriate under the circumstances.

COUNT IV

ATTORNEYS' FEES AND EXPENSES UNDER 5 ILCS 100/10-55(C)

106. The Plaintiff realleges and incorporates by reference herein the allegations contained in paragraphs 1 through 62 and paragraphs 96 through 105 inclusive, hereinabove.

107. Section 10-55c of the Illinois Administrative Procedure Act, 5 ILCS 100/10-55(c), provides that:

In any case in which a party has any administrative rule invalidated by a court for any reason, including but not limited to the agency's exceeding its statutory authority or the agency's failure to follow statutory procedures in the adoption of

the rule, the court shall award the party bringing the action the reasonable expenses of the litigation, including reasonable attorney's fees.

108. In Count III of this Amended Verified Complaint, Plaintiff asks this Court to declare that the Limiting Sentence of the Trade Credit Regulation is invalid as contrary to the ROTA and the UTA and as unfairly and improperly discriminatory.

109. If this Court invalidates a portion of the Trade Credit Regulation for any reason, Plaintiff is entitled, pursuant to 5 ILCS 100/10-55(c), to reasonable expenses of this litigation, including reasonable attorneys' fees.

110. Plaintiff retained the undersigned to prosecute its challenge to the Trade Credit Regulation, and agreed to pay the undersigned a reasonable fee.

111. Accordingly, Plaintiff is entitled to reasonable attorneys' fees and costs upon the entry of a judgment invalidating the Trade Credit Regulation as requested.

WHEREFORE, Plaintiff prays that this Court enter a Judgment finding and declaring:

- a) that the Trade Credit Regulation's additional restrictions on the application of advance trade-in credits, as opposed to simultaneous trade-in credits, is invalid;
- b) ordering that the Treasurer refund Plaintiff's protest payment with interest as provided by law within 30 days form the entry of the final order or judgment of this Court;
- c) enjoining the Department from taking any action to assess, lien, levy, offset or in any other way prosecute and collect the amount of the proposed additional tax invalidated by the order of this Court; and
- d) granting such further relief as the Court deems appropriate under the circumstances.

COUNT V

ABATEMENT OF LATE PAYMENT PENALTIES

112. Plaintiff realleges and reincorporates by reference herein the allegations contained in paragraphs 1 through 56 inclusive.

113. Pursuant to 35 ILCS 735/3-3, the Department imposed late penalties against Plaintiff in the Audit Report.

114. Pursuant to 35 ILCS 735/3-8, late payment penalties may be abated where a taxpayer shows that its failure to pay the tax at the required time was due to reasonable cause.

115. Reasonable cause is shown by a good faith effort to determine the proper tax liability.

116. Plaintiff acted in good faith when it applied the Advance Trade Credits to subsequent purchases of vehicles by FMCC under the Assignment Agreement and acted in good faith when collecting and remitting all tax to the Department of Revenue.

117. Plaintiff made a good faith effort to determine its proper tax liability and to file and pay its proper liability because it exercised ordinary business care and prudence.

118. With respect to the disallowed Advance Trade Credits, FMCC instructed Plaintiff to title the Replacement Vehicles in the name of CAB West, LLC pursuant to the Assignment Agreement.

119. Plaintiff then sold the Replacement Vehicles to FMCC within 9 months of the date that FMCC traded in the vehicles and believed that it was complying with the law when it applied the Advance Trade Credit.

120. Under Illinois law, the name on the title of a vehicle does not determine legal ownership of the vehicle for Retailers' Occupation and Use Tax purposes, so Plaintiff reasonably relied on the fact that FMCC was the owner of the Replacement Vehicles.

121. Plaintiff exercised ordinary business care and prudence when it sold and titled the vehicles in accordance with the Assignment Agreement and applied the Advance Trade Credit.

122. Plaintiff made a good faith effort to determine its proper tax liability.

WHEREFORE, Plaintiff prays that this court enter a Judgment finding and declaring:

- a) Plaintiff acted in good faith when it applied the Advance Trade Credits to subsequent purchases of vehicles by FMCC under the Assignment Agreement and when collecting and remitting all tax due to the Department of Revenue;
- b) that, pursuant to 35 ILCS 735/3-8, Plaintiff has acted with reasonable cause with respect to any failure to pay taxes due the Department;
- c) that all late payment penalties imposed under 35 ILCS 735/3-3 be abated in full;
- d) ordering that the Treasurer refund Plaintiff's protest payment with interest as provided by law within 30 days form the entry of the final order or judgment of this Court;
- e) enjoining the Department from taking any action to assess, lien, levy, offset or in any other way prosecute and collect the amount of the proposed additional tax invalidated by the order of this Court; and
- f) granting such further relief as the Court deems appropriate under the circumstances.

Respectfully submitted,

VAN DRUNEN FORD COMPANY



One of Plaintiff's Attorneys

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- and -

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212 South Second Street
Springfield, Illinois 62701
(217) 528-2870
Attorney No. 03124765

STATE OF Illinois)
)
COUNTY OF Cook)

VERIFICATION

I, Marvin G. Van Drunen, being duly sworn on oath, depose and state that I am an employee of Van Drunen Ford Company, and that as such I have been authorized to sign the foregoing Amended Verified Complaint and that the facts contained herein are true, accurate, and correct to the best of my knowledge and belief.

Marvin G. Van Drunen
Name: MARVIN G. VAN DRUNEN
Title: PRESIDENT

Subscribed and Sworn to before me
this 22nd day of June, 2009

Elise N. Van Drunen
Notary Public



EXHIBIT A

Illinois Department of Revenue

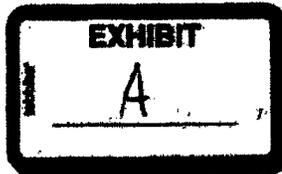
Rev 01
STATION 854

EDA-105 Audit Report

Audit type	<input checked="" type="checkbox"/> RET	<input type="checkbox"/> MPEA	<input type="checkbox"/> ART	<input type="checkbox"/> TIRE (Indicate only one audit type per form)	
IBT number	0126-0561			Processing period	07/01/2004 - 12/31/2006
Business name	VAN DRUMEN FORD CO			Interest through (issue) date	10/09/2007
Business address	3233 W. 183RD STREET HOMEROD, IL 60430			Earliest statute date	12/31/2007
				Audit period	07/2004 - 12/2006

Part A: Taxes due per audit		Part C: Applied prepayment:	
1 Retailers'/service occupation tax		11 Total tax/fee due	11 44026
a General merch. (pre 1/1990)	1a	12 PST-2 payments	12
b General merch. (post 12/1989)	1b 43629	13 RR-3 payments	13
c Food and drug	1c	14 Prior overpayment	14
		15 Net tax/fee due	15 44026
2 Local tax (pre 1/1990)	2	Part D: Penalty and interest due	
3 County supp. tax (pre 1/1990)	3	16 Penalty	
4 Mass transit taxes (pre 1/1990)	4	a Pre 12/1993 penalty	16a
5 CMT (pre 1/1990)	5	b Late filing penalty	16b
		c Negligence penalty	16c
6 Use taxes		d Fraud penalty	16d
a General merch. (pre 1/1990)	6a	e Post 11/03 Late pay penalty	16e 7532
b General merch. (post 12/1989)	6b 497		
c Food and drug	6c		
7 Home rule tax		17 Interest	
a Home rule	7a	a Interest on tax	17a 5585
b Home rule use tax	7b	b Interest on late filing pen.	17b
c Location code	7c	c Interest on neg./fraud pen.	17c
(enter only when different location)			
Part B: Other taxes and fees		Part E: Amount due or overpaid	
8 MPEA tax	8	18 Total due	18 57143
9 Tire user fee	9	19 Excess tax collected	19
		20 Credit memo	20
10 Auto rental tax		21 Amount Due	21 57143
a ART sales tax	10a		
b ART use tax	10b		
c ART local tax	10c		
d ART MPEA tax	10d		

FOR INFORMATIONAL PURPOSES ONLY. THIS IS NOT A PROCESSABLE EDA-105



Illinois Department of Revenue

Rev 01
STATION 654

EDA-105 Audit Report

Audit type	<input checked="" type="checkbox"/> RUT	<input type="checkbox"/> MPEA	<input type="checkbox"/> ART	<input type="checkbox"/> Title (Indicate only one audit type per form)	
IST number	0128-6561			Processing period	07/01/2004 - 12/30/2004
Business name	VAN DRUNEN FORD CO			Interest through (issue) date	10/09/2007
Business address	3233 W. 143RD STREET HOMEROCK, IL 60430			Earliest statute date	12/31/2007
				Audit period	07/2004 - 12/2006

Part A: Taxes due per audit		Part C: Applied prepayments	
1 Retailers/service occupation tax		11 Total tax/fee due	11 10890
a General merch. (pre 1/1990)	1a _____	12 PST-2 payments	12 _____
b General merch. (post 12/1989)	1b 10890	13 RR-3 payments	13 _____
c Food and drug	1c _____	14 Prior overpayment	14 _____
2 Local tax (pre 1/1990)	2 _____	15 Net tax/fee due	15 10890
3 County supp. tax (pre 1/1990)	3 _____	Part D: Penalty and interest due	
4 Mass transit taxes (pre 1/1990)	4 _____	16 Penalty	
5 CMT (pre 1/1990)	5 _____	a Pre 12/1993 penalty	16a _____
6 Use taxes		b Late filing penalty	16b _____
a General merch. (pre 1/1990)	6a _____	c Negligence penalty	16c _____
b General merch. (post 12/1989)	6b _____	d Fraud penalty	16d _____
c Food and drug	6c _____	e Post 11/03 Late payment penalty	16e 2178
7 Home rule tax		17 Interest	
a Home rule	7a _____	a Interest on tax	17a 1829
b Home rule use tax	7b _____	b Interest on late filing pen.	17b _____
c Location code	7c _____	c Interest on neg./prior pen.	17c _____
(enter only when different location)		Part E: Amount due or overpaid	
Part B: Other taxes and fees		18 Total due	18 14897
8 MPEA tax	8 _____	19 Excess tax collected	19 _____
9 Tire user fee	9 _____	20 Credit memo	20 _____
10 Auto rental tax		21 Amount Due	21 14897
a ART sales tax	10a _____		
b ART use tax	10b _____		
c ART local tax	10c _____		
d ART MPEA tax	10d _____		

Under penalties of perjury, I state that I have examined this report and, to the best of my knowledge, it is true, correct, and complete. The information in this report is taken from the records of the business to which it is filed. This Form EDA-105 constitutes a notice and demand for purposes of Sections 3-2 and 3-3 of the Uniform Penalty and Interest Act. Therefore, if I do not pay the amount shown due on this report within 30 days after the date of my signature on this report additional interest will accrue.

Taxpayer's signature _____ Title _____ Date _____ Auditor's signature _____ 5532 Title _____ Date _____

Official use only. Do not write below this line.

Total audit price _____ Remit amt. _____ MP: amt. _____

Track no. 423618 Date received _____ AL EL MF MA AD _____

EDA-105 (R-10/2005) IL-482-3247

Illinois Department of Revenue
 EDA-105 Audit Report

Rev 01
 STATION 854

Audit type	<input checked="" type="checkbox"/> RDT	<input type="checkbox"/> MPEA	<input type="checkbox"/> ART	<input type="checkbox"/> Title (indicate only one audit type per form)
IBT number	0125-0661	Processing period 12/01/2004- 12/31/2006		
Business name	VAN DRILINER FORD CO	Interest through (issue) date 10/09/2007		
Business address	3233 W. 183RD STREET HOMEROCK, IL 60430	Earliest statute date 12/31/2007		
		Audit period 07/2004 - 12/2006		

Part A: Taxes due per audit				Part C: Applied payments			
1	Retailers' services occupation tax			11	Total tax/fee due	11	33136
a	General merch. (pre 1/1990)	1a		12	PST-2 payments	12	
b	General merch. (post 12/1989)	1b	32639	13	RR-3 payments	13	
c	Food and drug	1c		14	Prior overpayment	14	
				15	Net tax/fee due	15	33136
2	Local tax (pre 1/1990)	2		Part D: Penalty and interest due			
3	County supp. tax (pre 1/1990)	3		16	Penalty		
4	Mass transit taxes (pre 1/1990)	4		a	Pre 12/1993 penalty	16a	
5	OMT (pre 1/1990)	5		b	Late filing penalty	16b	
				c	Negligence penalty	16c	
6	Use taxes			d	Fraud penalty	16d	
a	General merch. (pre 1/1990)	6a		e	Post 11/03 Late pay. penalty	16e	5354
b	General merch. (post 12/1989)	6b	497				
c	Food and drug	6c		17	Interest		
7	Home rule tax			a	Interest on tax	17a	3756
a	Home rule	7a		b	Interest on late filing pen.	17b	
b	Home rule use tax	7b		c	Interest on neg./fraud pen.	17c	
c	Location code	7c					
	(enter only when different location)			Part E: Amount due or overpaid			
Part B: Other taxes and fees				18	Total due	18	42246
8	MPEA tax	8		19	Excess tax collected	19	
9	Tire user fee	9		20	Credit memo	20	
10	Auto rental tax			21	Amount Due	21	42246
a	ART sales tax	10a					
b	ART use tax	10b					
c	ART local tax	10c					
d	ART MPEA tax	10d					

Under penalties of perjury, I state that I have examined this report and, to the best of my knowledge, it is true, correct, and complete. The information in this report is taken from the records of the business to which it is filed. This Form EDA-105 constitutes a notice and demand for purposes of Section 3-2 and an amended return for purposes of Section 3-3 of the Uniform Penalty and Interest Act. Therefore, if I do not sign this report and pay the amount shown due on this report within 30 days after this report is provided to me by the Department:

- additional interest will accrue; and
- an increase in the late-payment penalty from 15% to 20% for tax due on or after January 1, 2005 will be assessed.

Taxpayer's signature _____ Title _____ Date _____ Auditor's signature _____ 5532 Title _____ Date _____

Official use only. Do not write below this line.

Total audit parts _____ Rent amt. _____ REP. amt. _____

Track no. 423618 Date received _____ AL EL WF MA AD _____

EDA-105 (R-10/2005) IL-692-3247

Van Drunen Ford Co.
ROT# 012B-0551

EDA-105

DATE	ROT Due	Use Tax Due	Tax Due	Penalty	Interest	Total
Jul-04	\$2,501	\$0	\$2,501			
Aug-04	\$705	\$0	\$705			
Sep-04	\$850	\$0	\$850			
Oct-04	\$2,719	\$0	\$2,719			
Nov-04	\$4,113	\$0	\$4,113			
	<u>\$10,890</u>	<u>\$0</u>	<u>\$10,890</u>	<u>\$2,178</u>	<u>\$1,829</u>	<u>\$14,397</u>
Dec-04	-\$75	\$0	-\$75			
Jan-05	\$137	\$0	\$137			
Feb-05	-\$149	\$0	-\$149			
Mar-05	\$1,951	\$0	\$1,951			
Apr-05	\$970	\$0	\$970			
May-05	\$3,162	\$0	\$3,162			
Jun-05	\$486	\$0	\$486			
Jul-05	\$698	\$0	\$698			
Aug-05	\$2,094	\$0	\$2,094			
Sep-05	\$1,751	\$0	\$1,751			
Oct-05	\$1,655	\$0	\$1,655			
Nov-05	\$4,856	\$0	\$4,856			
Dec-05	\$3,557	\$0	\$3,557			
Jan-06	\$7,598	\$0	\$7,598			
Feb-06	\$3,060	\$0	\$3,060			
Mar-06	\$2,082	\$0	\$2,082			
Apr-06	\$203	\$0	\$203			
May-06	\$81	\$0	\$81			
Jun-06	\$343	\$497	\$840			
Jul-06	\$508	\$0	\$508			
Aug-06	-\$179	\$0	-\$179			
Sep-06	-\$595	\$0	-\$595			
Oct-06	-\$873	\$0	-\$873			
Nov-06	-\$424	\$0	-\$424			
Dec-06	-\$267	\$0	-\$267			
	<u>\$32,639</u>	<u>\$497</u>	<u>\$33,136</u>	<u>\$5,354</u>	<u>\$3,756</u>	<u>\$42,246</u>
Total	<u>\$43,626</u>	<u>\$497</u>	<u>\$44,028</u>	<u>\$7,532</u>	<u>\$5,585</u>	<u>\$57,143</u>

VAN DRUWEN FORD CO
INTEREST COMPUTATION SCHEDULE 2A

0126-0561
10/09/2007
GR

DATE COMPUTED THROUGH: 10/09/2007

FILING STATUS FOR INTEREST COMP: Monthly

BEGINNING MONTH IN AUDIT PERIOD: 07/01/2004
ENDING MONTH IN AUDIT PERIOD: 12/31/2006

MONTH	DETAIL LIABILITY	AVERAGE LIABILITY	PRE PAYMENTS	TOTAL LIABILITY	RATE	INTEREST
07/2004	2176.00	325.37	0.00	2501.37	17.63%	440.99
08/2004	388.00	325.37	0.00	705.37	17.29%	121.96
09/2004	525.00	325.37	0.00	850.37	16.96%	144.22
10/2004	2394.00	325.37	0.00	2719.37	16.63%	452.23
11/2004	3768.00	325.37	0.00	4113.37	16.29%	670.07
12/2004	-400.00	325.37	0.00	-74.68	15.91%	-11.87
01/2005	-188.00	325.37	0.00	137.37	15.48%	21.26
02/2005	-474.00	325.37	0.00	-148.68	15.09%	-22.43
03/2005	1626.00	325.37	0.00	1951.37	14.66%	285.07
04/2005	645.00	325.37	0.00	978.37	14.26%	138.37
05/2005	2837.00	325.37	0.00	3162.37	13.83%	437.36
06/2005	161.00	325.37	0.00	486.37	13.38%	65.08
07/2005	373.00	325.37	0.00	698.37	12.86%	89.61
08/2005	1769.00	325.37	0.00	2094.37	12.36%	258.86
09/2005	1426.00	325.37	0.00	1751.37	11.86%	207.71
10/2005	1330.00	325.37	0.00	1655.37	11.36%	188.05
11/2005	4531.00	325.37	0.00	4856.37	10.86%	527.40
12/2005	3232.00	325.37	0.00	3557.37	10.30%	366.41
01/2006	7273.00	325.37	0.00	7598.37	9.71%	737.80
02/2006	2795.00	325.37	0.00	3060.37	9.17%	280.64
03/2006	1757.00	325.37	0.00	2082.37	8.57%	178.46
04/2006	-122.00	325.37	0.00	203.37	7.99%	16.25
05/2006	-244.00	325.37	0.00	81.37	7.40%	6.02
06/2006	515.00	325.37	0.00	840.37	6.78%	56.98
07/2006	183.00	325.37	0.00	508.37	6.10%	31.01
08/2006	-504.00	325.37	0.00	-178.68	5.42%	-9.68
09/2006	-920.00	325.37	0.00	-694.68	4.85%	-28.84
10/2006	-1198.00	325.37	0.00	-872.68	4.42%	-38.57
11/2006	-749.00	325.37	0.00	-423.68	4.01%	-16.99
12/2006	-592.00	325.37	0.00	-266.68	3.59%	-9.57
TOTAL	34265.00	9761.10	0.00	44026.10		5565.00

TOTAL PRE 12/1993 INTEREST	0.00
TOTAL 12/1993 TO 11/2000 INTEREST	0.00
TOTAL 12/2000 - 6/2002 INTEREST	0.00
TOTAL 07/2002 - 11/2003 INTEREST	0.00
TOTAL 12/2003 - 11/2004 INTEREST	1829.00
TOTAL POST 12/2004 INTEREST	3756.00

VAN DRUMEN FORD CO
Penalty Computation Schedule 2B

0126-0561
10/09/2007
6R

Date Computed Through: 10/09/2007

Filing status for Penalty Comp: Monthly

Beginning month in audit period: 07/01/2004
Ending month in audit period: 12/31/2006
Audit Liability : 44825

Month	Tax Liability			Late File		Late Pay		Negligence		Fraud	
	Average	Detail	Total	Rate	Penalty	Rate	Penalty	Rate	Penalty	Rate	Penalty
07/2004	325.37	2176.00	2501.37	0.00	0.00	0.20	500.27	0.00	0.00	0.00	0.00
08/2004	325.37	380.00	705.37	0.00	0.00	0.20	141.67	0.00	0.00	0.00	0.00
09/2004	325.37	525.00	850.37	0.00	0.00	0.20	170.67	0.00	0.00	0.00	0.00
10/2004	325.37	2394.00	2719.37	0.00	0.00	0.20	543.87	0.00	0.00	0.00	0.00
11/2004	325.37	3788.00	4113.37	0.00	0.00	0.20	828.67	0.00	0.00	0.00	0.00
12/2004	325.37	-400.00	-74.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01/2005	325.37	-188.00	137.37	0.00	0.00	0.15	20.61	0.00	0.00	0.00	0.00
02/2005	325.37	-474.00	-148.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/2005	325.37	1626.00	1951.37	0.00	0.00	0.15	292.71	0.00	0.00	0.00	0.00
04/2005	325.37	645.00	970.37	0.00	0.00	0.15	146.66	0.00	0.00	0.00	0.00
05/2005	325.37	2837.00	3162.37	0.00	0.00	0.15	474.96	0.00	0.00	0.00	0.00
06/2005	325.37	161.00	486.37	0.00	0.00	0.15	72.96	0.00	0.00	0.00	0.00
07/2005	325.37	373.00	698.37	0.00	0.00	0.15	104.76	0.00	0.00	0.00	0.00
08/2005	325.37	1769.00	2094.37	0.00	0.00	0.15	314.16	0.00	0.00	0.00	0.00
09/2005	325.37	1426.00	1751.37	0.00	0.00	0.15	262.71	0.00	0.00	0.00	0.00
10/2005	325.37	1330.00	1655.37	0.00	0.00	0.15	248.31	0.00	0.00	0.00	0.00
11/2005	325.37	4531.00	4856.37	0.00	0.00	0.15	729.46	0.00	0.00	0.00	0.00
12/2005	325.37	3232.00	3557.37	0.00	0.00	0.15	633.61	0.00	0.00	0.00	0.00
01/2006	325.37	7273.00	7598.37	0.00	0.00	0.15	1129.76	0.00	0.00	0.00	0.00
02/2006	325.37	2735.00	3060.37	0.00	0.00	0.15	459.06	0.00	0.00	0.00	0.00
03/2006	325.37	1767.00	2092.37	0.00	0.00	0.15	312.36	0.00	0.00	0.00	0.00
04/2006	325.37	-122.00	203.37	0.00	0.00	0.15	30.61	0.00	0.00	0.00	0.00
05/2006	325.37	-244.00	81.37	0.00	0.00	0.15	12.21	0.00	0.00	0.00	0.00
06/2006	325.37	515.00	840.37	0.00	0.00	0.15	126.06	0.00	0.00	0.00	0.00
07/2006	325.37	183.00	508.37	0.00	0.00	0.15	76.26	0.00	0.00	0.00	0.00
08/2006	325.37	-504.00	-178.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09/2006	325.37	-920.00	-594.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10/2006	325.37	-1186.00	-860.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11/2006	325.37	-749.00	-423.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12/2006	325.37	-592.00	-266.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS							7532.38				
Total 12/2000 - 6/2002 Penalties						0.00	0.00			0.00	0.00
Total 7/2002 - 11/2003 Penalties						0.00	0.00			0.00	0.00
Total 12/2003 - 11/2004 Penalties						0.00	2177.85			0.00	0.00
Total 12/2004 - present Penalties (UPIA V)						0.00	5354.43			0.00	0.00
Total Penalties										7532.38	
Additional UPIA V Late Pay Penalties Due if not paid within 30 days							1784.63				

Van Drunen Ford Co.
ROT# 0128-0361

Calculation of Proposed Interest and Penalty w/o Cab West Liability

Gerisa Richard Bell
847-636-7411

011

04/09/2009 12:49 FAX 17087980770

DATE	ROT Due	Use Tax Due	Tax Due	Penalty	Interest	Total	Cab West		Liability w/o Cab West	Interest Rate	Interest Due w/o Cab W	Penalty Rate	Penalty Due w/o Cab W
							ROT Tax Base	ROT Tax Due @ 7%					
Jul-04	\$2,601	\$0	\$2,601				\$23,770	\$1,884	\$837	17.63%	\$148	20.00%	\$167
Aug-04	\$705	\$0	\$705				\$0	\$0	\$705	17.29%	\$122	20.00%	\$141
Sep-04	\$850	\$0	\$850				\$36,881	\$2,582	-\$1,731	16.86%	-\$294	20.00%	\$0
Oct-04	\$2,719	\$0	\$2,719				\$58,146	\$4,070	-\$1,351	16.63%	-\$225	20.00%	\$0
Nov-04	\$4,113	\$0	\$4,113				\$0	\$0	\$4,113	16.29%	\$670	15.00%	\$817
	\$10,888	\$0	\$10,888	\$2,178	\$1,828	\$14,897	\$118,798	\$8,316	\$2,674		\$421		\$928
Dec-04	-\$75	\$0	-\$75				\$0	\$0	-\$75	16.01%	-\$12	15.00%	\$0
Jan-05	\$137	\$0	\$137				\$0	\$0	\$137	15.48%	\$21	15.00%	\$21
Feb-05	-\$149	\$0	-\$149				\$0	\$0	-\$149	15.52%	-\$22	15.00%	\$0
Mar-05	\$1,961	\$0	\$1,961				\$21,600	\$1,612	\$458	14.88%	\$64	15.00%	\$66
Apr-05	\$970	\$0	\$970				\$0	\$0	\$970	14.26%	\$138	15.00%	\$148
May-05	\$3,182	\$0	\$3,182				\$32,850	\$2,307	\$868	13.83%	\$118	15.00%	\$128
Jun-05	\$488	\$0	\$488				\$0	\$0	\$488	13.38%	\$65	15.00%	\$73
Jul-05	\$688	\$0	\$688				\$0	\$0	\$688	12.66%	\$90	15.00%	\$105
Aug-05	\$2,084	\$0	\$2,084				\$24,828	\$1,738	\$357	12.38%	\$44	15.00%	\$53
Sep-05	\$1,751	\$0	\$1,751				\$17,388	\$1,217	\$534	11.88%	\$63	15.00%	\$69
Oct-05	\$1,855	\$0	\$1,855				\$16,487	\$1,163	\$503	11.36%	\$57	15.00%	\$76
Nov-05	\$4,856	\$0	\$4,856				\$86,478	\$4,653	\$203	10.86%	\$22	15.00%	\$30
Dec-05	\$3,557	\$0	\$3,557				\$47,725	\$3,341	\$217	10.30%	\$22	15.00%	\$32
Jan-06	\$7,598	\$0	\$7,598				\$109,073	\$7,635	-\$37	9.71%	-\$4	15.00%	\$0
Feb-06	\$3,080	\$0	\$3,080				\$43,288	\$3,030	\$30	9.17%	\$3	15.00%	\$5
Mar-06	\$2,082	\$0	\$2,082				\$30,200	\$2,114	-\$32	8.57%	-\$3	15.00%	\$0
Apr-06	\$203	\$0	\$203				\$0	\$0	\$203	7.99%	\$16	15.00%	\$30
May-06	\$81	\$0	\$81				\$0	\$0	\$81	7.40%	\$6	15.00%	\$12
Jun-06	\$343	\$497	\$840				\$10,100	\$707	\$133	6.78%	\$9	15.00%	\$20
Jul-06	\$508	\$0	\$508				\$8,100	\$537	-\$128	6.10%	-\$8	15.00%	\$0
Aug-06	-\$179	\$0	-\$179				\$0	\$0	-\$179	5.42%	-\$10	15.00%	\$0
Sep-06	-\$595	\$0	-\$595				\$0	\$0	-\$595	4.85%	-\$29	15.00%	\$0
Oct-06	-\$873	\$0	-\$873				\$0	\$0	-\$873	4.42%	-\$39	15.00%	\$0
Nov-06	-\$424	\$0	-\$424				\$0	\$0	-\$424	4.01%	-\$17	15.00%	\$0
Dec-06	-\$287	\$0	-\$287				\$0	\$0	-\$287	3.69%	-\$10	15.00%	\$0
	\$32,839	\$497	\$33,336	\$6,364	\$3,756	\$42,246	\$428,180	\$30,843	\$3,982		\$588		\$877
Total	\$43,828	\$497	\$44,325	\$7,532	\$6,686	\$57,143	\$547,960	\$38,369	\$5,667		\$1,610		\$1,803

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VAN DRUNEN FORD CO
0126-0661
GLOBAL TAXABLE EXCEPTIONS

15:18:41

PAGE: 1

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
07/22/04	SCH 40	HOKSTRA INC	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	23770.00
10/04/04	SCH 40	WASHINGTON	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	11811.00
10/26/04	SCH 40	SCHMIDT	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	25070.00
11/06/04	SCH 40	BOHANNON	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	25450.00
11/29/04	SCH 40	A & A STEEL	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	32695.00
TAX: 60, EXAM TYPE: 100, DETAIL					118795.00

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
03/31/05	SCH 40	LOUKAKI	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	21600.00
05/14/05	SCH 40	SMITH	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	32950.00
06/29/05	SCH 40	PACKO	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	24826.00
09/15/05	SCH 40	CARLTON	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	17386.00
10/03/05	SCH 40	HALE/CORDES	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	16467.00
11/21/05	SCH 40	CLEVELAND	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	42875.00
11/26/05	SCH 40	KALOUK	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	6609.00
11/29/05	SCH 40	PROVIDENCE HENT	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	17100.00
12/13/05	SCH 40	TRANCHITA	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	28775.00
12/27/05	SCH 40	JURSEL	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	18950.00
TAX: 60, EXAM TYPE: 105, DETAIL					227429.00

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
01/10/06	SCH 40	PROVIDENCE HENT	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	25530.00
01/21/06	SCH 40	YOUNG	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	30643.00
01/24/06	SCH 40	DRIVECO INC	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	29200.00
01/31/06	SCH 40	WILSON	CAB WEST TRADE-IN	DISALLOWED TRADE-IN	23800.00

09/20/2007

16:10:41

VAN DRUEN FORD CO
0126-0561
GLOBAL TAXABLE EXCEPTIONS

PAGE: 2

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
02/01/06	SCH 40	KLOMPNER	CAR WEST TRADE-IN	DISALLOWED TRADE-IN	17852.00
02/13/06	SCH 40	VISI	CAR WEST TRADE-IN	DISALLOWED TRADE-IN	5500.00
02/28/06	SCH 40	KILES	CAR WEST TRADE-IN	DISALLOWED TRADE-IN	19936.00
03/30/06	SCH 40	TRI R DIST	CAR WEST TRADE-IN	DISALLOWED TRADE-IN	30200.00
06/10/06	SCH 40	GRANDINETTI	CAR WEST TRADE-IN	DISALLOWED TRADE-IN	10100.00
07/17/06	SCH 40	PROVIDENCE MENT	CAR WEST TRADE-IN	DISALLOWED TRADE-IN	9100.00

TAX: 60. EXAM TYPE: 110 DETAIL 201761.00

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
07/01/04	SCH 4C-1	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		8522.79
08/01/04	SCH 4C-1	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		5460.55
09/01/04	SCH 4C-1	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		6477.25
10/01/04	SCH 4C-1	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		3683.40
11/01/04	SCH 4C-1	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		2674.21
12/01/04	SCH 4C-1	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		4395.51

TAX: 60. EXAM TYPE: 120 DETAIL 31313.71

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
01/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		3033.48
02/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		1612.71
03/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		4832.69
04/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		6951.44
05/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		5370.87
06/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		5209.81
07/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		2727.37
08/01/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		1415.37
10/10/05	SCH 4C-2	VARIOUS CUSTOMERS	MONTHS RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		2843.90

09/20/2007

15:10:41

VAN DRUMEN FORD CO
0126-0561
GLOBAL TAXABLE EXCEPTIONS

PAGE: 3

11/01/05 SCH 4C-2	VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556	1206.76
12/01/05 SCH 4C-2	VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556	2049.37
TAX: 60. EXAM TYPE: 121 DETAIL			37257.77

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
02/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		3470.42
03/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		4926.98
04/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		4457.75
05/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		4891.07
06/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		1961.42
07/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		4589.96
08/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		3382.16
09/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		1644.49
10/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		1954.06
11/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		1604.35
12/01/06 SCH 4C-3		VARIOUS CUSTOMERS	MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556		5900.92
TAX: 60. EXAM TYPE: 122 DETAIL					37962.58

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
07/01/04 SCH 5		TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-1150.00
08/01/04 SCH 5		TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-25.00
09/01/04 SCH 5		TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	929.00
10/01/04 SCH 5		TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-5749.00
11/01/04 SCH 5		TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-6066.00
12/01/04 SCH 5		TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-9136.00

09/20/2007
15:10:41

VAN DRUMEN FORD CO
0126-0561
GLOBAL TAXABLE EXCEPTIONS

PAGE: 4

TAX: 60, EXAM TYPE: 130, DETAIL, -21237.00

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
01/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-5156.00
02/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-7570.00
03/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-2885.00
04/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	2038.00
05/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	1986.00
06/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-2637.00
07/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	2353.00
08/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	400.00
09/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	1425.00
10/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-289.00
11/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-2656.00
12/01/05	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-3248.00

TAX: 60, EXAM TYPE: 131, DETAIL, -16230.00

DATE	DOCUMENT NUMBER	CUSTOMER/VENDOR	DESCRIPTION	REASON QUESTIONED	AMOUNT TAXABLE
01/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-4872.00
02/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-6953.00
03/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-9057.00
04/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-5597.00
05/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-6833.00
06/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-10660.00
07/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-9982.00
08/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-9564.00
09/01/06	SCH 5	TAX COLLECTIONS	TAX COLLECTIONS	DIF BTM-TAX ACCRUAL & ST-1	-13354.00

09/20/2007
15:22:22

VAN DRUMEN FORD CO
0126-0561
DETAIL ADOTT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/09 ROT/SOT
EXAM TYPE CODE: 100 07/04 CARGEST TRADE-IN DISALLOWED - SCHEDULE 4D

ADDITIONAL TAXABLE BASE: 118796.00

RATES	AMOUNTS	TAXES
7.00	118796	8316
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT; NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 1d ON THE ED-105.

09/20/2007
15:22:22

YAN DRUGEN FORD CO
0126-0561
DETAIL AUDIT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/89 ROT/SOT
EXEM TYPE CODE: 105 2005 CARMEST TRADE-IN DISALLOWED - SCHEDULE 4D

ADDITIONAL TAXABLE BASE: 227429.00

RATES	AMOUNTS	TAXES
7.00	227429	15920
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 16 ON THE EDA-105.

09/20/2007
15:22:23

VAN DRUMEN FORD CO
0126-0561
DETAIL AUDIT QNTA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/89 ROT/SOT
EXAM TYPE CODE: 110 2006 CABREST TRADE-IN DISALLOWED - SCHEDULE 4D

ADDITIONAL TAXABLE BASE: 201761.00

RATES	AMOUNTS	TAXES
7.00	201761	14128
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 1b ON THE EDA-105.

09/20/2007

VAN DRUNEN FORD CO
0126-0561
DETAIL AUDIT DATA RESULTS

15:22:24

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/89 ROT/SOT
EXAM TYPE CODE: 120 7/04 - 12/04 MONTHS REMO F/FORD FOR X PLAN NOT INCLUDED ON: Y-556, SCH 4C-1

ADDITIONAL TAXABLE BASE: 31314.00

RATES	AMOUNTS	TAXES
7.00	31314	2192
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 3b ON THE EDN-205.

09/20/2007
15:22:24

VAN DRUMEX FORD CO
0128-0681
DETAIL AUDIT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/09 ROT/SOT
EXAM TYPE CODE: 121 2005 MONTES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-656.d SCH 4C-2

ADDITIONAL TAXABLE BASE: 37258.00

RATES	AMOUNTS	TAXES
7.00	37258	2608
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 1b ON THE ED-106.

09/20/2007
15:28:25

VAN ORBEM FORD CO
0125-8563
DETAIL AUDIT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/89 RPT/SOT
EXAM TYPE CODE: 122 2005 MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556: SCH 4C-3

ADDITIONAL TAXABLE BASE: 37963.00

RATES	AMOUNTS	TAXES
7.00	37963	2657
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 10 ON THE EDA-105.

09/20/2007
15:22:25

VAN DRUMEN FORD CO
0126-0561
DETAIL AUDIT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/88 ROT/SOT
EXAM TYPE CODE: 130 7/04 TAX COLLECTIONS SCHEDULE 5

ADDITIONAL TAXABLE BASE: -21237.00

RATES	AMOUNTS	TAXES
7.75	-21237	-1646
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE
TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 1b ON THE EDI-105.

09/20/2007
15:22:26

VAN DRAMEN FORD CO
0126-0563
DETAIL AUDIT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 60 POST 12/31/89 ROT/SDT
EXAM TYPE CODE: 131 2006 TAX COLLECTIONS SCHEDULE 5

ADDITIONAL TAXABLE BASE: -16230.00

RATES	AMOUNTS	TAXES
7.75	-16230	-1258
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.90	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE

TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 16 ON THE EDA-105.

09/20/2007
15:22:38

VAN DRUMEN FORD CO
0126-0561
DETAIL AUDIT DATA RESULTS

SELECTION CRITERIA:

TAX TYPE CODE: 62 POST 12/31/89 USE TAX
EXAM TYPE CODE: 101 2006 FIXED ASSET EXAMINATION - SCHEDULE 7A-3

ADDITIONAL TAXABLE BASE: 7104.00

RATES	AMOUNTS	TAXES
7.00	7104	497
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0
0.00	0	0

TAX ON THIS ADDITIONAL BASE WILL NEED SPREAD IN THE FOLLOWING AREAS OF LAYOUT: NONE

TAX ON THIS ADDITIONAL BASE WILL GO TO LINE 6b ON THE ED4-105.

DATE: 09/20/2007
 TIME: 15:24:46
 TBT: 0125-0561

VAN DRUEN FORD CO
 SCHEDULE 1
 SUMMARY ANALYSIS
 FOR 07/01/2004 THRU 12/31/2006

PAGE: 1
 AUDITOR: GR
 AUDITOR ID: 5532

ITEM DESCRIPTION	TAX TYPE/ STR CODES	EXEMPTION AMOUNT	RATE	TAX AMOUNT	TOTAL
07/04 CABWEST TRADE-IN DISALLOWED - SCHEDULE 4D	ROT/SOT 60-100	1,4796	7.00%	8316	8316
2005 CABWEST TRADE-IN DISALLOWED - SCHEDULE 4D	ROT/SOT 60-105	25,429	7.00%	15920	15920
2006 CABWEST TRADE-IN DISALLOWED - SCHEDULE 4D	ROT/SOT 60-110	2,1761	7.00%	14123	14123
7/04 - 12/04 MONIES RCVD F/FORD FOR X PLAN NOT INCLUDED ON ST-556, SCH 4C-1	ROT/SOT 60-120	1,1314	7.00%	2192	2192
2005 MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556, SCH 4C-2	ROT/SOT 60-121	1,258	7.00%	2608	2608
2006 MONIES RCVD F/FORD FOR X PLANS NOT INCLUDED ON ST-556, SCH 4C-3	ROT/SOT 60-122	1,963	7.00%	2667	2667
7/04 TAX COLLECTIONS SCHEDULE 5	ROT/SOT 60-130	-1,1237	7.75%	-1,646	-1,646
2005 TAX COLLECTIONS SCHEDULE 5	ROT/SOT 60-131	-1,620	7.75%	-1,258	-1,258
2006 TAX COLLECTIONS SCHEDULE 5	ROT/SOT 60-132	-1,3975	7.75%	-9143	-9143
R.O. MAINTENANCE PLANS - 3 MO BLK (11/04, 4/05 & 8/06), SCHEDULE 4A	ROT/SOT 60-200	1,5940	7.75%	9760	9760
2006 FIXED ASSET EXAMINATION - SCHEDULE 7A-3	UT/SUT 62-101	7104	7.00%	497	497
TOTAL OF ALL ITEMS					44026
COMPOSITE ERRORS IN COMPUTING TAX ON THE FACE OF THE RETURN					0
ROUNDING ADJUSTMENT					0
TOTAL ADDITIONAL TAX					44026

VAN DRUNEN FORD CO
INTEREST COMPUTATION SCHEDULE 2A

0126-0561
09/20/2007
GR

DATE COMPUTED THROUGH: 09/27/2007

FILING STATUS FOR INTEREST COMP: Monthly

BEGINNING MONTH IN AUDIT PERIOD: 07/01/2004
ENDING MONTH IN AUDIT PERIOD: 12/31/2006

MONTH	DETAIL LIABILITY	AVERAGE LIABILITY	PRE PAYMENTS	TOTAL LIABILITY	RATE	INTEREST
07/2004	2176.00	325.37	0.00	2501.37	17.37%	434.49
08/2004	380.00	325.37	0.00	705.37	17.03%	120.12
09/2004	525.00	325.37	0.00	850.37	16.70%	142.01
10/2004	2394.00	325.37	0.00	2719.37	16.37%	445.16
11/2004	3788.00	325.37	0.00	4113.37	16.03%	659.37
12/2004	-400.00	325.37	0.00	-74.63	15.68%	-11.68
01/2005	-188.00	325.37	0.00	137.37	15.22%	20.91
02/2005	-474.00	325.37	0.00	-148.63	14.83%	-22.04
03/2005	1626.00	325.37	0.00	1951.37	14.40%	281.00
04/2005	645.00	325.37	0.00	970.37	14.00%	135.85
05/2005	2837.00	325.37	0.00	3162.37	13.57%	429.13
06/2005	161.00	325.37	0.00	486.37	13.11%	63.76
07/2005	373.00	325.37	0.00	698.37	12.59%	87.92
08/2005	1769.00	325.37	0.00	2094.37	12.09%	253.21
09/2005	1426.00	325.37	0.00	1751.37	11.60%	203.16
10/2005	1330.00	325.37	0.00	1655.37	11.10%	183.75
11/2005	4631.00	325.37	0.00	4856.37	10.60%	514.78
12/2005	3232.00	325.37	0.00	3557.37	10.04%	357.16
01/2006	7273.00	325.37	0.00	7598.37	9.45%	718.05
02/2006	2735.00	325.37	0.00	3060.37	8.91%	272.68
03/2006	1767.00	325.37	0.00	2082.37	8.31%	173.04
04/2006	-122.00	325.37	0.00	203.37	7.73%	15.72
05/2006	-244.00	325.37	0.00	81.37	7.14%	5.81
06/2006	515.00	325.37	0.00	840.37	6.51%	54.71
07/2006	183.00	325.37	0.00	508.37	5.83%	29.64
08/2006	-504.00	325.37	0.00	-178.63	5.15%	-9.20
09/2006	-920.00	325.37	0.00	-594.63	4.68%	-27.83
10/2006	-1198.00	325.37	0.00	-872.63	4.26%	-37.17
11/2006	-749.00	325.37	0.00	-423.63	3.85%	-16.31
12/2006	-592.00	325.37	0.00	-266.63	3.42%	-9.12
TOTAL	34255.00	9761.10	0.00	44025.10		5468.00

TOTAL PRE 12/1993 INTEREST 0.00
 TOTAL 12/1993 TO 11/2000 INTEREST 0.00
 TOTAL 12/2000 - 6/2002 INTEREST 0.00
 TOTAL 07/2002 - 11/2003 INTEREST 0.00
 TOTAL 12/2003 - 11/2004 INTEREST 1801.00
 TOTAL POST 12/2004 INTEREST 3667.00

VAN DRINKEN FORD CO
Penalty Computation Schedule 2B

0125-0561
09/20/2007
GR

Date Computed Through: 09/27/2007

Filing status for Penalty Comp: Monthly

Beginning month in audit period: 07/01/2004
Ending month in audit period: 12/31/2006
Audit Liability : 44025

Month	Tax Liability			Late File		Late Pay		Negligence		Fraud	
	Average	Detail	Total	Rate	Penalty	Rate	Penalty	Rate	Penalty	Rate	Penalty
01/2004	325.37	2176.00	2501.37	0.00	0.00	0.20	508.27	0.00	0.00	0.00	0.00
06/2004	325.37	380.00	705.37	0.00	0.00	0.20	141.07	0.00	0.00	0.00	0.00
09/2004	325.37	525.00	850.37	0.00	0.00	0.20	170.07	0.00	0.00	0.00	0.00
10/2004	325.37	2394.00	2719.37	0.00	0.00	0.20	543.87	0.00	0.00	0.00	0.00
11/2004	325.37	3788.00	4113.37	0.00	0.00	0.20	822.67	0.00	0.00	0.00	0.00
12/2004	325.37	-400.00	-74.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01/2005	325.37	-188.00	137.37	0.00	0.00	0.15	20.61	0.00	0.00	0.00	0.00
02/2005	325.37	-474.00	-148.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
03/2005	325.37	1526.00	1951.37	0.00	0.00	0.15	292.71	0.00	0.00	0.00	0.00
04/2005	325.37	646.00	970.37	0.00	0.00	0.15	145.56	0.00	0.00	0.00	0.00
05/2005	325.37	2837.00	3162.37	0.00	0.00	0.15	474.36	0.00	0.00	0.00	0.00
06/2005	325.37	161.00	486.37	0.00	0.00	0.15	72.96	0.00	0.00	0.00	0.00
07/2005	325.37	373.00	698.37	0.00	0.00	0.15	104.76	0.00	0.00	0.00	0.00
08/2005	325.37	1769.00	2094.37	0.00	0.00	0.15	314.16	0.00	0.00	0.00	0.00
09/2005	325.37	1426.00	1751.37	0.00	0.00	0.15	262.71	0.00	0.00	0.00	0.00
10/2005	325.37	1330.00	1655.37	0.00	0.00	0.15	248.31	0.00	0.00	0.00	0.00
11/2005	325.37	4531.00	4856.37	0.00	0.00	0.15	728.46	0.00	0.00	0.00	0.00
12/2005	325.37	3232.00	3557.37	0.00	0.00	0.15	533.61	0.00	0.00	0.00	0.00
01/2006	325.37	7273.00	7598.37	0.00	0.00	0.15	1139.76	0.00	0.00	0.00	0.00
02/2006	325.37	2735.00	3060.37	0.00	0.00	0.15	459.06	0.00	0.00	0.00	0.00
03/2006	325.37	1767.00	2092.37	0.00	0.00	0.15	312.36	0.00	0.00	0.00	0.00
04/2006	325.37	-122.00	203.37	0.00	0.00	0.15	30.61	0.00	0.00	0.00	0.00
05/2006	325.37	-244.00	81.37	0.00	0.00	0.15	12.21	0.00	0.00	0.00	0.00
06/2006	325.37	515.00	840.37	0.00	0.00	0.15	126.06	0.00	0.00	0.00	0.00
07/2006	325.37	183.00	508.37	0.00	0.00	0.15	76.26	0.00	0.00	0.00	0.00
08/2006	325.37	-504.00	-178.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
09/2006	325.37	-920.00	-594.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10/2006	325.37	-1198.00	-872.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11/2006	325.37	-749.00	-423.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12/2006	325.37	-592.00	-266.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTALS							7532.38				
Total 12/2000 - 6/2002 Penalties							0.00				0.00
Total 7/2002 - 11/2003 Penalties							0.00				0.00
Total 12/2003 - 11/2004 Penalties							0.00	2177.95			0.00
Total 12/2004 - present Penalties (UPIA V)							0.00	5354.43			0.00
Total Penalties								7532.38			

Additional UPIA V Late Pay Penalties Due if not paid within 30 days 1784.63

Van Drunen Ford
ROT#0126-0581

Sales Exam
R.O. - Maintenance Plans
Three-Month Block Sample
11/04, 4/05, 8/06
Projections

Sch 4A
Pg. 1 of 1
G.R.

Description	Schedule #	Exceptions (Taxable)
Nov-04	Sch 4A-1	\$4,628.26
Apr-05	Sch 4A-2	\$3,338.24
Aug-06	Sch 4A-3	\$4,628.68
		<u>\$12,594</u>
# of exam mos		<u>3</u>
Avg per mo. (\$12,594 / 3 mos)		\$4,198.05
# of mos in audit (7/04 - 12/06) x		<u>30</u>
Projected Exceptions		\$125,941.90
ROT Tax Rate x		<u>7.75%</u>
Tax Due		<u>\$9,760.80</u>

EXHIBIT B



Illinois Department of Revenue

EDA-123 Notice of Proposed Liability

VAN DRUNEN FORD CO
3233 W. 183RD STREET
HOMEWOOD IL 60434

Date: 09/27/2007
IST no.: 0126-0561
Track number: 42361B
Audit period: 7/1/04 - 12/31/06

Dear Taxpayer:

We have audited your account and have determined that there is additional liability due.

Tax	\$	44,026.00
Penalty	\$	7,532.00
Interest	\$	5,468.00
Total	\$	57,026.00

Our calculations, periods covered, and other explanations resulting in the determination are attached for your review.

If you agree with the tax amount as shown, please contact the Department of Revenue auditor identified below for further instructions.

If you do not agree with the figures, you may request a review of this proposed liability by the Informal Conference Board (Section 2505-510). To do this, you must complete Form ICB-1, Request for Informal Conference Board Review, within 60 days from the date of this notice and mail it along with the auditor's work papers and a copy of this notice to:

Administrative Clerk
Informal Conference Board
PO Box 19049
Springfield, IL 62794-9049

If you do not request an ICB review within 60 days from the date of this notice, we will issue a Notice of Tax Liability for the amount proposed to be due. At that time, you have the right to protest our determination by filing a written protest and requesting a hearing with the Office of Administrative Hearings. Information on how to do this will be provided on the notice you receive.

To obtain forms, visit our Web site at www.tax.illinois.gov call Illinois Tax Fax at 217 785-3400; or call our 24-hour forms order line at 1 800 356-6302. If you have any questions about this notice, you should contact your auditor.

Sincerely,

Gerise Ricard

Gerise Ricard
847 636-7411

REVENUE
EDA-123(L-100)
IL-692-077

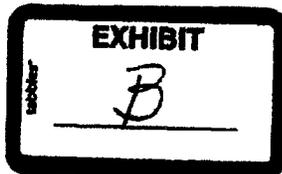


EXHIBIT C



Illinois Department of Revenue
Informal Conference Board
100 West Randolph Street, 7-341
Chicago, Illinois 60601
Phone: 312 814-1722
Fax: 312-814-3055

Re: Docket No. 07-0233
Taxpayer: Van Drunen Ford Company
IBT No.: 0126-0561
Track No. 42361B

ACTION DECISION

The Informal Conference Board has reviewed the Illinois Department of Revenue Audit Bureau's proposed adjustments in this matter and finds that no adjustments were noted as requiring change. The Audit Bureau is instructed to conclude and process the audit in a manner consistent with this decision.

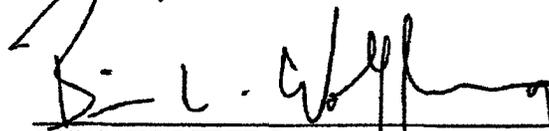
The Taxpayer has not provided adequate documentation to support its allegation that Ford Motor Credit and CAB West, LLC are the same entity for the purposes of enjoying the advance trade credit.

Taxpayer Request for Audit Adjustments Denied.



JOHN W. McCAFFREY
MEMBER, INFORMAL CONFERENCE BOARD

DAN HALL
MEMBER, INFORMAL CONFERENCE BOARD



BRIAN WOLFBERG
MEMBER, INFORMAL CONFERENCE BOARD

12-29-08
DATE ENTERED



EXHIBIT D



50 North Laura Street
Suite 2500
Jacksonville, Florida 32202-3646
www.akerman.com
904 798 3700 tel 904 798 3730 fax
904 634 1690 31st floor fax

Peter O. Larsen
904 598 8602
peter.larsen@akerman.com

Denver
Fort Lauderdale
Jacksonville
Los Angeles
Madison
Miami
New York
Orlando
Tallahassee
Tampa
Tysons Corner
Washington, DC
West Palm Beach

April 20, 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Illinois Department of Revenue
Audit Support Division
PO Box 19012
101 West Jefferson Street
Springfield, IL 62794-9012

Re: **Van Drunen Ford Co.**
IBT #: 0126-0561
Payment Under Protest: For the Periods 7/1/2004 – 12/31/2006

Dear Sir/Madam:

We represent Van Drunen Ford Co. ("Van Drunen Ford") pursuant to the enclosed Power of Attorney. Please take notice that the enclosed payment of \$48,546 for the tax periods 7/1/2004 – 12/31/2006 is made under protest pursuant to the provisions of the State Officers and Employees Money Disposition Act (30 ILCS 230/1 et seq.) (the "Act"). Also enclosed is Form RR-374, Notice of Payment Under Protest.

The enclosed payment of \$48,546 is made pursuant to Form EDA-123 Notice Proposed Liability (copy enclosed) dated September 27, 2007 issued by the Illinois Department of Revenue to Van Drunen Ford. On October 10, 2007, Van Drunen Ford remitted \$8,480 in partial payment of the total liability of \$57,026 listed on Form EDA-123. The enclosed payment of \$48,546 represents the remaining amount of tax, interest and penalty shown on the Notice of Proposed Liability. Van Drunen Ford will file suit pursuant to the Act, in the Circuit Court of

(TP471408;1)



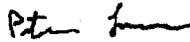
April 20, 2009
Page 2

either Cook County or Sangamon County within thirty (30) days in which it will be a plaintiff in a case relating to the enclosed payment under protest.

Please contact me with any questions.

Sincerely,

AKERMAN SENTERFITT



Peter O. Larsen

Enclosures

cc: Faye Van Drunen

Use your 'Mouse' or the 'Tab' key to move through the fields, use your 'Mouse' or 'Space Bar' to enable the 'Check Boxes'.

Illinois Department of Revenue Notice of Payment Under Protest

Step 1: Identify yourself (and your business, if applicable)

1	First name	Middle initial	Last name	5	Social security number
2	Van Duren Ford Company			6	Federal employer identification number
3	3233 W. 183rd Street			7	0128 - 0581 Illinois business tax number
4	()			8	License number
	City	State	ZIP		
	Daytime phone number				

Step 2: Specify what payment is made under protest and the amount

9 Date 04 / 20 / 2009
 10 You will please take notice that \$ 48,546.00 of the enclosed or attached remittance in the amount of \$ 48,546.00 for taxes due for the period of 7/1/2004 - 12/31/2008 penalties thereon, and interest accrued to the date of this payment is made under protest as specified in the State Officers and Employees Money Disposition Act, 30 ILCS 230/2a and 2a.1.

11 Write the amount of tax, penalty, and interest paid under protest for each applicable tax type.

	Column A Tax	Column B Penalty	Column C Interest	Column D Total (A+B+C)	Column E Total for tax type
a Retailers' Occupation Tax					
(1) State portion	<u>38,359.00</u>	<u>5,729.00</u>	<u>4,458.00</u>	<u>48,546.00</u>	
(2) Local portion					
(3) Mass transit					
(4) Other:					
					11a <u>48,546.00</u>
b Use Tax					
(1) State portion					
(2) Local portion					
(3) Mass transit					
(4) Other:					
					11b
c Service Occupation Tax/Service Use Tax					
(1) State portion					
(2) Local portion					
(3) Mass transit					
(4) Other:					
					11c
d Other Occupation Taxes or Fees (Identify tax type — e.g. Automobile Renting Occupation Tax, Tire User Fee.)					
(1)					
(2)					
(3)					
(4)					
					11d
e Income Tax					
(1) Individual Income Tax					
(2) Business Income Tax					
(3) Withholding Income Tax					
(4) Other:					
					11e
f Excise Tax (Identify tax type — e.g., Hotel Operators' Occupation Tax, Motor Fuel Use Tax.)					
(1)					
(2)					
(3)					
(4)					
					11f
12 Add Lines 11a through 11f and write the result. This is the total amount paid under protest.					12 <u>48,546.00</u>

Step 3: Identify and attach the case or cases for which the payment is made under protest

List the title of the case or cases, the court in which the case or cases are pending, and the general court number assigned to each. If more than one suit is pending, identify the amount paid under protest for each case. If you are filing at more than one location, list the specific city or county and the amount of each payment made under protest. Please tell us if a case has not been filed yet.

Step 4: Read the statement and sign below

The undersigned is an original (or intervening) party plaintiff in case or cases identified in the attachment in relation to which the payment identified above is made under protest.

Signature of person making payment under protest: Peter L. ... Authorized officer or agent: ATTORNEY-IN-FACT



Van Drunen Ford Co.

3233 West 183rd Street Phone (708) 798-1688
HOMEWOOD, ILLINOIS 60430

GREAT LAKES BANK
HOMEWOOD, ILLINOIS

70-1178
719

CHECK# 121710

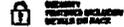
121710

PAY ****FORTY EIGHT THOUSAND FIVE HUNDRED FORTY SIX DOLLARS AND 00/100****

TO THE ORDER OF
ILLINOIS DEPARTMENT OF REVENUE

DATE	AMOUNT
04/09/09	\$48,546.00

VAN DRUNEN FORD CO.



Joseph Van Drunen _____
Marilyn Van Drunen _____
 AUTHORIZED SIGNATURE

⑈121710⑈ ⑆071911788⑆ ⑆0101013858⑆

NAME	NUMBER	DATE
ILLINOIS DEPARTMENT OF REVENUE		04/09/09

ILLINOIS DEPARTMENT OF REVENUE

04/09/09

TAX ASSESSMENT, PENALTY AND INTEREST
 CAB WEST LEASES -- AUDIT PERIOD JUL 2004-DEC 2006
 ACCT# AMOUNT CTRL# DESC
 1560 48546.00

REMITTANCE ADVICE
DETACH AND RETAIN

VAN DRUNEN FORD CO.
HOMEWOOD, ILLINOIS 60430

CHECK NO. 121710

NET AMOUNT

\$48,546.00

Illinois Department of Revenue
IL-2848 Power of Attorney

Read this information first
 Attach a copy of this form to each specific tax return or form of correspondence for which you are requesting power of attorney.
 Do not send this form separately.

Step 1: Complete the following taxpayer information

1 Van Driemel Food Co 2 3232 W. 183RD STREET
 Taxpayer's name Taxpayer's street address
 3 31-2472207 Hannston IL 60430
 Taxpayer's identification number City State ZIP

Step 2: Complete the following information

4 The taxpayer named above appoints the following to represent him before the Illinois Department of Revenue.

Name	Name	Name
<u>Pefer A. Larsen</u>	<u>David E. Ware</u>	<u>Leslow J. Walsch</u>
<u>Akerman Senterfitt</u>	<u>Akerman Senterfitt</u>	<u>Akerman Senterfitt</u>
<u>58 North Laura Street Ste. 2500</u>	<u>58 North Laura Street Ste. 2500</u>	<u>58 North Laura Street Ste. 2500</u>
<u>Jacksonville FL 32202</u>	<u>Jacksonville FL 32202</u>	<u>Jacksonville FL 32202</u>
<u>(904) 798-3700</u>	<u>(904) 798-3700</u>	<u>(904) 798-3700</u>
<u>pefer.larsen@aksemtan.com</u>	<u>david.ware@aksemtan.com</u>	<u>leslow.walsch@aksemtan.com</u>
<u>ROTARY</u>	<u>ROTARY</u>	<u>ROTARY</u>
Specific tax type Year of period	Specific tax type Year of period	Specific tax type Year of period

5 The attorneys-in-fact named above shall have, subject to restriction, full power and authority to perform any act that the principals can and may perform, including the authority to receive confidential information.

The attorneys-in-fact named above do not have the power to — Check only the items below you do not wish to grant.

- endorse or collect checks in payment of refunds.
- receive checks in payment of any refund of Illinois taxes, penalties, or interest.
- execute waivers (including offers of relief) of penalties on assessment or collection of delinquencies in tax and waivers of notice of discontinuance of a claim for credit or refund.
- execute consents extending the statutory period for assessments or collection of taxes.
- delegate authority or substitute another representative.
- file a protest to a proposed assessment.
- execute offers in compromise or settlement of tax liability.
- represent the taxpayer before the department in all proceedings including hearings (requiring representation by an attorney) pertaining to matters specified above.
- obtain a private letter ruling on behalf of the taxpayer.
- perform other acts (explain) _____

6 This power of attorney revokes all prior powers of attorney on file with the department with respect to the same matters and years or periods covered by this form, except for the following:

Name	Name	Name
<u>DREIER, Doms & VanDriemel</u>		
<u>17075 So. Poppe Avenue</u>		
<u>So. Holland, IL 60478</u>		
<u>708 596-6100</u>		
<u>9/12/07</u>		
<u>(KEN OOMS)</u>		

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:

Perla O. Larsen

Name Perla O. Larsen	Name	Name
Street address 50 North Laura Street Ste. 2500	Street address	Street address
City Jacksonville	City	City
State FL	State	State
ZIP 32202	ZIP	ZIP
Daytime phone number	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.

Signature <i>Perla O. Larsen</i>	Title, if applicable President	Date 9/12/2007
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 Designation (attorney, CPA, enrolled agent)	FL - 0049148	<i>Perla Larsen</i>	10-15-07
Attorney Designation (attorney, CPA, enrolled agent)	FL - 0037470	<i>David C. Hines</i>	10 Oct 2007
Attorney Designation (attorney, CPA, enrolled agent)	FL - 0380068	<i>Leela Willard</i>	9/28/07

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 the power of attorney as his or her voluntary act and deed.

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

Notary seal

EXHIBIT E

Notice of Tax Liability for Form EDA-105-R, Audit Report



VAN DRUNEN FORD CO
3233 183RD ST
HOMewood IL 60430-2601

May 22, 2009



Letter ID: L1741100928

Account ID: 0126-0561
Reporting periods: 07/2004 - 11/2004
Interest through: May 22, 2009



We have audited your account for the period of July 2004 through November 2004. Below is a summary of the balance, which includes a combination of Retailers' Occupation Tax, Service Occupation Tax, Use Tax, Service Use Tax, local taxes, and fees.

Tax remaining due	\$	10,389.00
Excess tax due	\$	0.00
Late-filing penalty	\$	0.00
Late-payment penalty	\$	2,178.00
Negligence or Fraud penalty	\$	0.00
Audit penalty	\$	0.00
Interest	\$	2,014.00
Payment/credit applied	\$	15,067.00
Balance	\$	14.00

If you later determine you have overpaid the notice, you may file a Form EDA-98-R, Claim Request for Audit of Sales and Use Taxes, along with any proof that you do not owe the amount stated in this notice. We will let you know whether we agree with your corrections or the supporting documentation you send us.

You may file a protest and request an administrative hearing within 60 days of the date of this notice, which is July 21, 2009. Your request must be in writing. Clearly indicate that you want to protest, and explain in detail why you do not agree with our actions. If you do not file a protest within the time allowed, you will give up your right to a hearing and this liability will become final. An administrative hearing is a formal legal proceeding conducted under the rules of evidence and presided over by an administrative law judge. You may be represented by your attorney. To protect your protest rights, Illinois statutes require the department to send this notice certified mail. A protest of this notice does not preserve your rights under any other notice.

If you have any questions, please visit our web site at tax.illinois.gov, write to the ILLINOIS DEPARTMENT OF REVENUE, AUDIT BUREAU, TECHNICAL REVIEW, PO BOX 19012, SPRINGFIELD IL 62794-0012 or call 217 785-6579 weekdays between 8:30 a.m. and 4:30 p.m.

Sales and Use Taxes include Retailers' Occupation Tax, Use Tax, Service Occupation Tax, and Service Use Tax.

Notice of Tax Liability

for Form EDA-105-R, Audit Report



May 22, 2009



Letter ID: L0937269120

VAN DRUNEN FORD CO
3233 183RD ST
HOMWOOD IL 60430-2601

Account ID: 0126-0561
Reporting periods: 12/2004 - 12/2006
Interest through: May 22, 2009



We have audited your account for the period of December 2004 through December 2006. Below is a summary of the balance, which includes a combination of Retailers' Occupation Tax, Service Occupation Tax, Use Tax, Service Use Tax, local taxes, and fees.

Tax remaining due	\$	33,138.00
Excess tax due	\$	0.00
Late-filing penalty	\$	0.00
Late-payment penalty	\$	7,140.00
Negligence or Fraud penalty	\$	0.00
Audit penalty	\$	0.00
Interest	\$	7,020.00
Payment/credit applied	\$	41,959.00
Balance	\$	6,339.00

If you later determine you have overpaid the notice, you may file a Form EDA-98-R, Claim Request for Audit of Sales and Use Taxes, along with any proof that you do not owe the amount stated in this notice. We will let you know whether we agree with your corrections or the supporting documentation you send us.

You may file a protest and request an administrative hearing within 60 days of the date of this notice, which is July 21, 2009. Your request must be in writing. Clearly indicate that you want to protest, and explain in detail why you do not agree with our actions. If you do not file a protest within the time allowed, you will give up your right to a hearing and this liability will become final. An administrative hearing is a formal legal proceeding conducted under the rules of evidence and presided over by an administrative law judge. You may be represented by your attorney. To protect your protest rights, Illinois statutes require the department to send this notice certified mail. A protest of this notice does not preserve your rights under any other notice.

If you have any questions, please visit our web site at tax.illinois.gov, write to the ILLINOIS DEPARTMENT OF REVENUE, AUDIT BUREAU, TECHNICAL REVIEW, PO BOX 19012, SPRINGFIELD IL 62794-9012 or call 217 785-6579 weekdays between 8:30 a.m. and 4:30 p.m.

Sales and Use Taxes include Retailers' Occupation Tax, Use Tax, Service Occupation Tax, and Service Use Tax.

Taxpayer Statement



May 22, 2009

TDD 1 800 544-5304

#BWNKMGV
#CNXX X196 5627 2645#
VAN DRUNEN FORD CO
3233 183RD ST
HOMEWOOD IL 60430-2601



Letter ID: CNXXX19656272645

Account ID: 0126-0561
Total amount due: \$5,353.00



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.

Sales and Use Taxes

Account ID: 0126-0561

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Nov-2004	24,876.00	2,178.00	2,014.00	-	(29,054.00)	14.00
• \$15,081.00 of this amount is subject to protest.						
31-Dec-2008	46,045.00	7,140.00	7,020.00	-	(54,866.00)	5,339.00
• \$47,298.00 of this amount is subject to protest.						

60A

Retain this portion for your records.

P-000025

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

Taxpayer Statement (R-1208) (136)



Letter ID: CNXXX19656272645
VAN DRUNEN FORD CO

Total amount due: \$5,353.00

Write the amount you are paying below.

\$ _____

Write your Account ID on your check.

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

\$62,379.00 is subject to protest.
Do not pay any Income Tax liability that you intend to protest.

000 006 007287916163 731 163199 5 0000000535300

EXHIBIT F

Denver
Fort Lauderdale
Jacksonville
Los Angeles
Madison
Miami
New York
Orlando
Tallahassee
Tampa
Tysons Corner
Washington, DC
West Palm Beach

50 North Laura Street
Suite 2500
Jacksonville, Florida 32202-3646
www.akerman.com
904 798 3700 *tel* 904 798 3730 *fax*
904 634 1690 *31st floor fax*

Peter O. Larsen
904 598 8602
peter.larsen@akerman.com

June 9, 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Illinois Department of Revenue
Audit Support Division
PO Box 19012
101 West Jefferson Street
Springfield, IL 62794-9012

Re: Van Drunen Ford Co.
IBT #: 0126-0561
Payment Under Protest: For the Periods 7/1/2004 – 12/31/2006

Dear Sir/Madam:

We represent Van Drunen Ford Co. pursuant to the enclosed Power of Attorney. Please take notice that the enclosed payment of \$5,353 for the tax period of 7/1/2004 – 12/31/2006 is made under protest pursuant to the provisions of the State Officers and Employees Money Disposition Act (30 ILCS 230/1 et seq.) (the "Act"). Also enclosed is Form RR-374, Notice of Payment Under Protest.

The enclosed payment of \$5,353 is made pursuant to Forms RA-51-07 - Notices of Tax Liability for Form EDA-105 (copies enclosed) dated May 22, 2009, issued by the Illinois Department of Revenue to Van Drunen Ford Co. The enclosed payment represents the full amount of tax, interest and penalty shown on the Notices of Tax Liability. Van Drunen Ford Co. previously made a payment in the amount of \$48,546 for the same tax period and filed suit pursuant to the Act in the Circuit Court of Sangamon County on May 6, 2009 (Case No. 2009-

June 9, 2009
Page 2

TX-0001/4) for such amount. The complaint filed on May 6, 2009 will be amended to reflect this payment in the amount of \$5,353.

Please contact me with any questions.

Sincerely,

AKERMAN SENTERFITT



Peter O. Larsen

Enclosures

cc: Faye Van Drunen

Use your 'Mouse' or the 'Tab' key to move through the fields, use your 'Mouse' or 'Space Bar' to enable the "Check Boxes".



Illinois Department of Revenue

Notice of Payment Under Protest

Step 1: Identify yourself (and your business, if applicable)

1 First name Van Drunen Middle initial Ford Last name Co. 5 Social security number _____

2 Business name Van Drunen Ford Co. 6 Federal employer identification number _____

3 3233 W. 183rd Street 7 0126 - 0561 Illinois business tax number _____

Street address _____ 8 License number _____

Homewood _____

City _____ State _____ ZIP _____

4 () _____ Daytime phone number _____

Step 2: Specify what payment is made under protest and the amount

9 Date 06 / 09 / 2009

10 You will please take notice that \$ 5,353.00 of the enclosed or attached remittance in the amount of \$ 5,353.00 for taxes due for the period of 7/1/2004 - 12/31/2006, penalties thereon, and interest accrued to the date of this payment is made under protest as specified in the State Officers and Employees Money Disposition Act, 30 ILCS 230/2a and 2a.1.

11 Write the amount of tax, penalty, and interest paid under protest for each applicable tax type.

	Column A Tax	Column B Penalty	Column C Interest	Column D Total (A+B+C)	Column E Total for tax type
a Retailers' Occupation Tax					
(1) State portion	1.00	1,786.00	3,566.00	5,353.00	
(2) Local portion					
(3) Mass transit					
(4) Other:					
					11a <u>5,353.00</u>
b Use Tax					
(1) State portion					
(2) Local portion					
(3) Mass transit					
(4) Other:					
					11b _____
c Service Occupation Tax/Service Use Tax					
(1) State portion					
(2) Local portion					
(3) Mass transit					
(4) Other:					
					11c _____
d Other Occupation Taxes or Fees (Identify tax type — e.g. Automobile Renting Occupation Tax, Tire User Fee.)					
(1)					
(2)					
(3)					
(4)					
					11d _____
e Income Tax					
(1) Individual Income Tax					
(2) Business Income Tax					
(3) Withholding Income Tax					
(4) Other:					
					11e _____
f Excise Tax (Identify tax type — e.g., Hotel Operators' Occupation Tax, Motor Fuel Use Tax.)					
(1)					
(2)					
(3)					
(4)					
					11f _____
12 Add Lines 11a through 11f and write the result. This is the total amount paid under protest.					12 <u>5,353.00</u>

Step 3: Identify and attach the case or cases for which the payment is made under protest

List the title of the case or cases, the court in which the case or cases are pending, and the general court number assigned to each. If more than one suit is pending, identify the amount paid under protest for each case. If you are filing at more than one location, list the specific city or county and the amount of each payment made under protest. Please tell us if a case has not been filed yet.

Step 4: Read the statement and sign below

The undersigned is an original (or intervening) party plaintiff in case or cases identified in the attachment in relation to which the payment identified above is made under protest.

Signature of person making payment under protest _____ *Peter Van Drunen* **ATTORNEY-IN-FACT**
 Authorized officer or agent

RR-374 (R-6/01) This form is authorized as outlined by the Illinois Income Tax Act and the Retailers' Occupation and related occupation taxes and fees acts. Disclosure of this information is REQUIRED. Failure to provide information could result in a penalty. This form has been approved by the Forms Management Center. IL-492-2109

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER



Van Drunen Ford Co.

3233 West 183rd Street Phone (708) 798-1668
HOMEWOOD, ILLINOIS 60430

GREAT LAKES BANK
HOMEWOOD, ILLINOIS

70-1178
719

CHECK# 122330

122330

PAY **FIVE THOUSAND THREE HUNDRED FIFTY THREE DOLLARS AND 00/100**

TO THE ORDER OF
ILLINOIS DEPARTMENT OF REVENUE
36-2673207

DATE	AMOUNT
06/03/09	\$5,353.00

VAN DRUNEN FORD CO.

SECURITY FEATURES INCLUDED
VISIBLE ON FRONT

Paul Van Drunen

AUTHORIZED SIGNATURE

⑈ 122330 ⑈ ⑆ 071911788 ⑆ ⑆ 0101013858 ⑈

NAME	NUMBER	DATE
ILLINOIS DEPARTMENT OF REVENUE		06/03/09
ADDITIONAL PEN/INT -- AUDIT PERIOD 7/04-12/06		
ACCT#	AMOUNT	CTRL#
1560	5353.00	

REMITTANCE ADVICE
DETACH AND RETAIN

VAN DRUNEN FORD CO.
HOMEWOOD, ILLINOIS 60430

CHECK NO.
122330

NET
AMOUNT

\$5,353.00

EXHIBIT C

Docket detail for case 2009-TX-0001/4:

Case: 2009-TX-0001/4 Type: Injunction Assigned Judge: BELZ
Filed: 05/06/2009 Status: Open Report: Open

Case Participant	Attorney
Plaintiff VAN DRUNEN FORD COMPANY	JAMES DUNN
vs.	
Defendant IL DEPT OF REVENUE	WILLIAM KATICH
Defendant BRIAN HAMER	
Defendant ALEXI GIANNOULIAS	

05/06/2009 Injunction Fee: \$193.00 Plaintiff: VAN DRUNEN FORD COMPANY
Defendant: IL DEPT OF REVENUE

05/06/2009 Summons Issued

05/07/2009 Summons Served

Summons served Illinois Department of Revenue, Brian Hamer, Illinois
State Treasurer

05/11/2009 Petition Filed by Plaintiff's Attorney: JAMES DUNN
Motion and Petition for Admission Pro Hac Vice

05/11/2009 Affidavit Filed by
Affidavit of Peter Larsen

05/13/2009 Agreed Order Signed Judge: GRAVES
Preliminary Injunction

05/13/2009 Agreed Order Signed Judge: GRAVES

05/13/2009 Certification of Service May 13, 2009 Filed by
Plaintiff's Attorney: JAMES DUNN

Served Illinois Dept of Revenue, Brian Hamer, Treasurer of the State
of Illinois with Agreed Preliminary Injunction Order

06/12/2009 Motion for Extension of Time to Answer or Otherwise Plead Filed by
Filed by William Katich Special Assistant Attorney General

06/22/2009 Order Signed Judge: GRAVES

Agreed Order Extending Time of Defendants to Answer or Otherwise Plead

06/22/2009 Motion for Leave to File an Amended Verified Complaint Filed by
Plaintiff's Attorney: JAMES DUNN

06/22/2009 Motion for Preliminary Injunction Filed by
Plaintiff's Attorney: JAMES DUNN

06/23/2009 Amended Complaint Filed by Plaintiff's Attorney: JAMES DUNN
Amended Verified Complaint for Preliminary and Permanent Injunctive
Relief and for Declaratory Judgment

06/23/2009 Pleading Preliminary Injunction Order signed Judge: GRAVES

06/23/2009 Order for Leave to File Amended Verified Complaint Signed

Judge: GRAVES

06/23/2009 Certification of Service Jun 23, 2009 Mailed

See attached.

08/07/2009 Answer to Amended Verified Complaint for Preliminary and Permanent

Filed by Defendant: IL DEPT OF REVENUE

Injunctive Relief and for Declaratory Judgment.

09/03/2013 Notice of Filing Filed by Plaintiff's Attorney: JAMES DUNN

09/03/2013 Motion for Summary Judgment Filed by

Plaintiff's Attorney: JAMES DUNN

11/12/2013 Motion Cross For Summary Judgment Filed by

Assistant Attorney General: OFFICE OF ATTORNEY GENERAL

11/12/2013 Memorandum in Support of its Cross-Motion For Summary Judgment

Filed by Assistant Attorney General: OFFICE OF ATTORNEY GENERAL

01/10/2014 Opposition to Plaintiff's Motion For Summary Judgment Filed by

Assistant Attorney General: OFFICE OF ATTORNEY GENERAL

01/14/2014 Notice of Filing Filed by

04/15/2014 Entry

Present for the Plaintiff by Attorney's HARRIS and MARCUS. Present for the Respondent by Special Assistant Attorney General KATICH. Matter called on for Cross Motions on Summary Judgment. Arguments heard. Court takes the matter under advisement. Court will make a ruling within 5 business days.

Judge: SCHMIDT Clerk: JL

04/15/2014 Entry

This matter comes before this Court on cross motions for summary judgment. Both sides agree there is no issue of material fact present and all that remains is a question of law.

After review of the pleadings, and exhibits and arguments of counsel, the court finds as follows:

1. CAB West is not a separate entity from Ford Motor Company Credit.
2. For purpose of 86 Ill. Admin. Code 130.455(a) Ford Motor Company Credit was the owner of the vehicles traded.

Therefore, the Court finds the Illinois Department of Revenue's audit determination is erroneous and contrary to Illinois law, and Ford Motor Company Credit is the owner of the vehicles regardless how they are titled and the Plaintiff has met all the requirements imposed by the statutes and regulations for excluding the advance trade-in credits when computing the tax owed on the sales. The Plaintiff's motion for summary judgment is allowed and the Defendant's motion for summary judgment is denied. This is a final and appealable order with no just cause to delay its enforcement. CLERK IS DIRECTED TO SEND A COPY OF THIS DOCKET ENTRY TO ALL PARTIES OF RECORD.

Judge: SCHMIDT Clerk: JL

04/15/2014 Proof of Service Apr 15, 2014 Sent Plaintiff's Attorney: JAMES DUNN

Defendant's Attorney: WILLIAM KATICH

Judge: SCHMIDT Clerk: JL

7012 3460 0002 7135 1309
POST SETL 2000 094E 2T02

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	\$ 3.08
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.08



Mr. Terry Charlton
Chief Administrative Law Judge
Illinois Department of Revenue
Administrative Hearings Division
James R. Thompson Center
100 West Randolph Street, Level 7
Chicago, IL 60601-3274

Form 15179-001

mla

or Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Terry Charlton
Chief Administrative Law Judge
Illinois Department of Revenue
Administrative Hearings Division
James R. Thompson Center
100 West Randolph Street, Level 7
Chicago, IL 60601-3274

2. Article Number
(transfer from service label)

COMPLETE THIS SECTION ON DELIVERY

- A. Signature **IL DEPT. OF REVENUE**
X JRTO, 7-200 Agent
 Addressee
- B. Received by (Printed Name) **SUPPORT SERVICES** Date of Delivery
100 W. RANDOLPH ST
CHICAGO, IL 60601 **1/28/19**
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
 Certified Mail® Priority Mail Express™
 Registered Return Receipt for Merchandise
 Insured Mail Collect on Delivery

4. Restricted Delivery? (Extra Fee) Yes

7012 3460 0002 7135 1309

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-19

• Sender: Please print your name, address, and ZIP+4® in this box •

Horwood Marcus & Berk Chtd.
500 W. Madison St., Suite 3700
Chicago, IL 60661

FOM/15179.001



Notice of Tax Liability
for Form EDA-556, Sales Tax Transaction Audit Report



#B01NKMGV
#CNXXX7X 611X 3X40#
VOLVO SALES & SERVICE CENTER INC
ATTN: ATTN ELLEN
4375 LINCOLN AVE
LISLE IL 60532-1211

January 29, 2014



Letter ID: CNXXX7X611X3X40

Account ID: 0037-7015

We have audited your account for the reporting period 01-Jul-2009 through 30-Jun-2010. As a result, we have assessed the amounts shown below.

	<u>Liability</u>	<u>Payments/Credit</u>	<u>Unpaid Balance</u>
Tax	6,064.00	0.00	6,064.00
Late Payment Penalty Increase	1,213.00	0.00	1,213.00
Interest	687.39	0.00	687.39
Assessment Total	\$7,964.39	\$0.00	\$7,964.39

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 March 30, 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.

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 day 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.



Illinois Department of Revenue
OFFICE OF ADMINISTRATIVE HEARINGS
Willard Ice Building
101 West Jefferson Street – Level 5SW
Springfield, IL 62702
(217)782-6995

August 8, 2014

Fred O. Marcus
Horwood Marcus & Berk
500 West Madison Street, Suite 3700
Chicago, IL 60661

Re: **Late Discretionary Hearing Granted – Tribunal Jurisdiction**
Volvo Sales & Service Center, Inc.
Taxpayer ID: 0037-7015
Notices of Tax Liability (“NTL”)
Letter ID: CNXXXX7X611X3X40, dated January 29, 2014

Dear Mr. Marcus:

The Office of Administrative Hearings of the Illinois Department of Revenue received your request for a late discretionary hearing for Volvo Sales & Service Center, Inc. regarding the above NTL. Based on the information provided in your request, I believe that it is appropriate to grant your request for a late discretionary hearing for Volvo Sales & Service Center, Inc. for the above NTL.

The amount of liability at issue for this protest, when aggregated with the NTL that you referenced in your letter that is already the subject of a protest before the Independent Tax Tribunal, exceeds the statutory amount (\$15,000, exclusive of penalties and interest) or (\$15,000 for notices that involve only penalties and interest) for which the Department has jurisdiction for late discretionary hearings that are granted on or after January 1, 2014. For late discretionary hearings that are granted on or after January 1, 2014 and that exceed the statutory amount, jurisdiction is vested solely in the Illinois Independent Tax Tribunal (Tax Tribunal). See 35 ILCS 1010/1-1 *et seq.*

The Tax Tribunal’s website (www.illinois.gov/taxtribunal) contains rules that include guidance on filing requirements and contact information for the Tax Tribunal. **The Tax Tribunal’s rules provide that, when a late discretionary hearing is granted and the protest meets the statutory amount, the taxpayer shall file a petition with the Tax Tribunal within 60 days and shall attach a copy of the letter granting the late**

discretionary hearing. See Subsection (a)(5) of Section 5000.310 of the Tax Tribunal's rules. Please note that the Tax Tribunal has different requirements than the Department for filing protests, including the payment of filing fees and the filing of a petition in the form required by the Tax Tribunal.

I recommend that you review the information provided on the Tax Tribunal's website and contact them if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Charlton". The signature is fluid and cursive, with the first name "Terry" being more prominent than the last name "Charlton".

Terry D. Charlton
Chief Administrative Law Judge
Illinois Department of Revenue

TDC

CERTIFICATE OF SERVICE

Undersigned counsel of record hereby certifies that he caused a copy of the foregoing **Petition** to be served upon other counsel of record herein by causing the same to be delivered by messenger before the hour of 5:00 p.m. on the 3rd day of October, 2014.

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

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid horizontal line.