ILLINOIS INDEPENDENT
TAX TRIBUNAL

R. J. KOOL COMPANY OF ST. LOUIS, LLC,	)	
	)	
Petitioner,	)	
	)	
v.	)	
	)	
ILLINOIS DEPARTMENT OF REVENUE,	)	
	)	
Respondent.	)	

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PETITION

The Petitioner, R. J. Kool Company of St. Louis, LLC, hereby petitions the Illinois Independent Tax Tribunal to deny the Illinois Department of Revenue's (the "Department's") claim that it is liable for taxes assessed under the Retailers Occupation Tax Act for the period July 1, 2007 through June 30, 2009, and for the period July 1, 2009 through March 31, 2012 for the reasons stated below:

JURISDICTIONAL STATEMENT

Jurisdiction is proper with the Illinois Independent Tax Tribunal as the liability exceeds $15,000.00.

INTRODUCTION

1. Taxpayer. The Taxpayer petitioning this matter is R. J. Kool Company of St. Louis, LLC. Address: 234 W. 12th Ave., Kansas City, Missouri, 64116. Phone number: 800-345-4551, ext. 103. FEIN 47-0859259.

2. Taxpayer's Counsel. The Taxpayer is represented by Creighton R. Castle, Esq., Giffin, Winning, Cohen & Bodewes, P.C., 1 W. Old State Capitol Plaza, Suite 600, Springfield,

Illinois, 62701. His phone number is (217) 525-1571 and e-mail address is crcastle@giffinwinning.com.

3. Statutory Enclosures. The Taxpayer encloses a Notice of Proposed Liability dated May 7, 2013 for the audit period July 2007 through March 2012 ("NPL"); a Notice of Tax Liability for Form EDA-105-R, ROT Audit Report dated October 30, 2013 for the period July 1, 2009 through March 31, 2012 ("Notice A"); a Notice of Tax Liability for Form EDA-105-R, ROT Audit Report dated October 30, 2013 for the period July 1, 2007 through June 30, 2009 ("Notice B"); a Taxpayer Statement dated April 16, 2016; and a Collection Action – Notice of Intent dated April 16, 2016.

SUMMARY

1. The Department seeks to impose liability for tax under the Retailers' Occupation Tax Act ("ROTA"), against the Taxpayer.

2. K H Holdings, LLC owns a 100 percent interest in the Taxpayer.

3. K H Holdings, LLC also owns a 100 percent interest in R. J. Kool Company of Missouri, an Iowa corporation.

4. Darren Harding ("Harding") and William Kimmel ("Kimmel") collectively own a 100 percent interest in K H Holdings, LLC.

5. On May 7, 2013, a Notice of Proposed Liability (the "NPL") was issued by the Department to Walker Washer Service ("WWS"), a copy of which is attached hereto as **Exhibit A**. The NPL reflects "Taxpayer ID: 47-0859269" and "Account ID: 3325-9038" belonging to the Taxpayer. The NPL reflects an amount due of $33,504.47 based on estimated sales for the period July 2007 through March 2012.

6. WWS sold certain assets to the Taxpayer back in April, 2002, and the owner of WWS, Billey Walker, entered into a 5-year non-compete agreement with the Company, a copy of which is enclosed as **Exhibit B**.

7. Neither the Taxpayer, Harding, nor Kimmel had an ownership interest or involvement as an officer or an employee with WWS.

8. Harding, believing that the NPL was improperly issued to the Taxpayer because it was addressed to WWS, sent a letter to the Department stating his belief that the NPL should have been issued to WWS. A copy of Harding's letter is attached as **Exhibit C**.

9. On October 30, 2013, Notice A and Notice B were issued to WWS, a copy of which is attached as **Exhibit D**.

10. Neither Harding nor Kimmel recognized that while Notice A and Notice B were addressed to WWS, the notices had a Department account identification number related to the Taxpayer.

11. Harding also thought that Notice A and Notice B related to WWS because the Taxpayer filed its last sales tax return with the Department for the period ending June 30, 2007, as it ceased to transact business at the end of June, 2007. Harding and Kimmel were unaware that there was a special procedure to terminate the Taxpayer's business registration with the Department.

12. The Taxpayer's final items of income, gain, loss, deduction, and credits appeared on K H Holdings, LLC's income tax return filed in 2008.

13. It was the intent of the owners of K H Holdings, LLC, that the business operations of the Taxpayer would be taken over by R. J. Kool Company of Missouri.

14. On August 8, 2014, the Department issued a Collection Action – Assessment and Notice of Intent against Harding ("Harding Assessment") claiming that he was personally liable for the unpaid liability contained in Notice A and Notice B, a copy of which is attached as **Exhibit E**.

15. On August 8, 2014, the Department issued a Collection Action – Assessment and Notice of Intent against Kimmel ("Kimmel Assessment") claiming that he was personally liable for the unpaid liability contained in Notice A and Notice B, a copy of which is attached as **Exhibit F**.

16. Harding and Kimmel engaged counsel in August, 2014 to protest the Harding Assessment and Kimmel Assessment.

17. The time to protest Notice A and Notice B, however, expired sixty (60) days after October 30, 2014.

18. The Taxpayer's counsel contacted Curt Regensberger, Revenue Audit Supervisor, Illinois Department of Revenue, 15 Executive Dr. Ste. 2, Fairview Heights, Illinois, 62208 (618-304-6901) to decipher the discrepancies in the assessments involving the company identified in Notice A and Notice B (*i.e.*, WWS) and the company identified in the Harding Assessment and the Kimmel Assessment (*i.e.*, R. J. Kool Company of St. Louis).

19. From counsel's contact with Mr. Regensberger, it appeared that the Department issued Notice A and Notice B based on a Sales Agreement issued to LaQuinta Inn on January 8, 2009 (the "Sales Agreement"), a copy of which is attached hereto as **Exhibit G**, and estimated a tax liability therefrom.

20. The Sales Agreement was executed by Tom Aubuchon.

21. The order was executed by Mr. Aubuchon, even though the sale was outside of the sales territory prescribed by suppliers.

22. The sales tax, if any, from the transaction encompassed by the Sales Agreement should have been reflected by R. J. Kool Company of Missouri since the Taxpayer's operations had been rolled over to R. J. Kool Company of Missouri in July 2007.

23. Harding and Kimmel were unaware that, if sales tax was due for the transaction involving the Sales Agreement, such tax was not reported and paid to the Department by R. J. Kool Company of Missouri.

24. It was only during the Department's investigation when the Taxpayer learned that the Sales Agreement was improperly completed by one of the sales associates and sales tax was not paid.

25. All invoices should have been processed through R. J. Kool Company of Missouri after June 2007.

26. Based on counsel's correspondence with Mr. Regensberger, it was agreed that the Department would perform an audit of R. J. Kool Company of Missouri for the period January 1, 2009 through June 30, 2014 (the "Audit Period") to derive an appropriate tax due the Department under Retailers Occupation Tax Act ("ROTA") including any tax due under ROTA for the Sales Agreement. A copy of correspondence between taxpayer's counsel and Mr. Regensberger is enclosed ("Regensberger Correspondence") as **Exhibit H**.

27. In the Regensberger Correspondence, Mr. Regensberger stated "So the RJ Kool of St. Louis was being handled by RJ Kool of Missouri. We should then see these transactions in our audit of RJ Kool of Missouri. RJ Kool of Missouri has nexus back to 1/1/09 our statutory

period so we will be auditing RJ Kool of Missouri for the period of 1/1/09 to 6/30/14. We will be able to work out all the company differences in this audit and come up to the correct answer."

28. Harding and Kimmel were under the understanding, based on the Regensberger Correspondence, that the Department would audit the books and records of the Taxpayer and R. J. Kool Company of Missouri so that the matters of Notice A and Notice B would be finally resolved.

29. On October 6, 2014, Harding and Kimmel each filed a Petition with the Illinois Independent Tax Tribunal requesting relief relating to the Department's claim that each was subject to personal liability for taxes assessed under ROTA relating to Notice A and Notice B. A copy of their Petitions are attached as **Exhibit I** and **Exhibit J**, respectively.

30. The Department completed the audit and issued a Notice of Audit Results for Sales, Use, and Excise Taxes and Fees dated September 11, 2015 and EDA-105-R (the "Notice"), a copy of which is attached as **Exhibit K**.

31. Harding and Kimmel fully complied with the audit requests of the Department's examiner, Douglas Allen. Harding explained and provided documentation to Mr. Allen indicating that the Taxpayer did not exist during the audit period identified by the Department (**Exhibit L**).

32. On November 19, 2015, the Illinois Independent Tax Tribunal cancelled the NPL issued to Harding and Kimmel. A copy of the respective Orders are attached as **Exhibit M** and **Exhibit N**, respectively.

33. Harding and Kimmel thought that the Department's completion of the audit and the Orders fulfilled all outstanding matters pertaining to the Taxpayer, R. J. Kool Company of Missouri, Harding and Kimmel.

34. However, on April 16, 2016, the Department issued a Taxpayer Statement indicating that the Taxpayer owes $38,394.97 in taxes, penalties and interest under ROTA for the same tax periods described in Notice A and Notice B, a copy of which is attached as **Exhibit O**.

35. On April 16, 2016, the Department also issued a Collection Action against the Taxpayer, a copy of which is attached as **Exhibit P**.

36. The Department's examiner, Douglas Allen, explained that the taxpayer's sole recourse to resolve the matter pertaining to NTL Notice A and NTL Notice B was through a request of a late discretionary hearing because "neither the Audit section nor the Collection section can change the results of a finalized audit." (**Exhibit L**).

37. On May 18, 2016, the Taxpayer submitted a request for late discretionary hearing with the Department.

38. On July 28, 2016, the Department granted the Taxpayer's request for a late discretionary hearing, a copy of which is attached as **Exhibit Q**.

CONCLUSION AND RELIEF REQUESTED

The Retailers' Occupation Tax Act ("ROTA") imposes a tax upon persons engaged in the business of selling at retail tangible personal property. 35 ILCS 120/2. The rate of tax under ROTA is 6.25% of gross receipts from sales of tangible personal property made in the course of business. 35 ILCS 120/2-10.

On May 7, 2013, the Department issued the NPL to WWS. The NPL reflects an amount due of $33,504.47 based on estimated sales for the period July 2007 through March 2012. Harding thought that Notice A and Notice B related to WWS because the Taxpayer filed its last tax return with the Department under ROTA for the period ending June 30, 2007, some six (6) years earlier, as it ceased to transact business at the end of June, 2007. Harding, believing that

the NPL was improperly issued to the Taxpayer, because it was addressed to WWS, sent a letter to the Department stating his belief that the NPL should have been sent to WWS.

On October 30, 2013, Notice A and Notice B were issued to WWS. Neither Harding nor Kimmel recognized that while Notice A and Notice B were addressed to WWS, the notices had account identification numbers related to the Taxpayer. The sixty (60) day period to file a protest with the Department expired and, in August 2013, the Department issued the Harding Assessment and the Kimmel Assessment. Harding and Kimmel timely protested these assessments which relate to the imposition of personal liability for taxes, penalties and interest assessed under Notice A and Notice B.

Based on Harding's and Kimmel's counsel's correspondence with Mr. Curt Regensberger of the Department, it was agreed that the Department would perform an audit of R. J. Kool Company of Missouri for the period January 1, 2009 through June 30, 2014 (the "Audit Period") to derive an appropriate tax due the Department under ROTA. In this correspondence, Mr. Regensberger stated "So the RJ Kool of St. Louis was being handled by RJ Kool of Missouri. We should then see these transactions in our audit of RJ Kool of Missouri. RJ Kool of Missouri has nexus back to 1/1/09 our statutory period so we will be auditing RJ Kool of Missouri for the period of 1/1/09 to 6/30/14. We will be able to work out all the company differences in this audit and come up to the correct answer." Harding and Kimmel were under the understanding, based on the correspondence, that the Department would audit the relevant books and records of the Taxpayer and R. J. Kool Company of Missouri so that the matters of Notice A and Notice B would be finally resolved.

The Department proceeded to audit the books and records of R. J. Kool Company of Missouri. Mr. Harding explained and provided documentation to Douglas Allen of the

Department indicating that the Taxpayer did not exist during the Audit Period and that all operations were transferred to R. J. Kool Company of Missouri. The Department completed the audit and issued a Notice of Audit Results for Sales, Use, and Excise Taxes and Fees dated September 11, 2015 and, on November 19, 2015, the Illinois Independent Tax Tribunal cancelled the NPL issued to Harding and Kimmel.

Harding and Kimmel thought that the Department's audit completion and the Orders cancelling the NPL issued to Harding and Kimmel fulfilled all outstanding matters pertaining to the Taxpayer, R. J. Kool Company of Missouri, Harding and Kimmel. However, on April 16, 2016, the Department issued a Taxpayer Statement indicating that the Taxpayer owes $38,394.97 in taxes, penalties and interest under ROTA for the same tax periods described in Notice A and Notice B.

It appears from the correspondence of Douglas Allen of the Department (attached as **Exhibit L**) that there were two occurrences which led to this predicament. The first is the Taxpayer's failure to file a notice with the Department to terminate its business registration status in June, 2007. The second issue was the Taxpayer's failure to timely request a hearing before the Informal Conference Review Board after the NPL was issued or to timely protest the issuance of Notice A and Notice B. Douglas Allen of the Department explained that the Taxpayer's sole recourse to resolve the matter pertaining to NTL Notice A and NTL Notice B was through a request of a late discretionary hearing because neither the Department's Audit Section nor Collection Section can change the results of a finalized audit. The Taxpayer was granted its request for a late discretionary hearing on July 28, 2016.

Following June 2007, the Taxpayer had no gross receipts subject to ROTA as all of Taxpayer's operations had rolled over to R J. Kool Company of Missouri. This matter was

explained to the Department's Mr. Regensberger and Mr. Allen pre audit and during the audit. The Department audited R J Kool Company of Missouri for the period covering the Audit Period and issued a Notice of Audit Results and EDA-105-R reflecting a tax liability of $28,042 covering the Audit Period. The Department had full access to the books and records of R. J. Kool Company of Missouri and of the Taxpayer to derive the proper amount of gross receipts for purposes of ROTA. The Department did audit some stray invoices belonging to the Taxpayer and any adjustments are reflected in the Notice of Audit Results. The Department derived a tax due of $28,042 based on actual rather than the estimated gross receipts stated in Notice A and Notice B. The imposition of further tax on these gross receipts as stated in Notice A and Notice B would constitute a double taxation under ROTA of the same gross receipts. The Taxpayer therefore requests that the Department deny the assessments contained in Notice A and Notice B.

[Signature Page Follows]

Respectfully submitted,

R. J. KOOL COMPANY OF ST. LOUIS, LLC,
Petitioner

By: _____
DARREN HARDING

By: _____
WILLIAM KIMMEL

Creighton R. Castle, Esq. (Registration No. 6215856)
Giffin, Winning, Cohen & Bodewes, P.C.
One W. Old State Capitol Plaza
Suite 600, Myers Building
P.O. Box 2117
Springfield, IL 62705
(217) 525-1571
crcastle@giffinwinning.com

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT A

Notice of Proposed Liability
for Sales, Use, and Excise Taxes and Fees

Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

May 7, 2013

Letter ID: L0798090336

WALKER WASHER SERVICE
11669 LILBURN PARK RD
SAINT LOUIS MO 63146-3535

Taxpayer ID:	47-0859259
Account ID:	3325-9038
Audit ID:	A1278631936
Return type:	ST-1
Audit periods:	07/2007 - 03/2012

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

Tax	**$23,918.91**
Penalty	**$5,778.21**
Interest	**$3,807.35**
Total	**$33,504.47**

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, contact the auditor at the phone number shown below for further instructions. Please note, if you sign the Audit Report, you waive the right to seek review by the Informal Conference Board.

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 a copy of the auditor's work papers and a copy of this notice, to:

INFORMAL CONFERENCE BOARD
100 W RANDOLPH SUITE 7-341
CHICAGO IL 60601

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.

Sincerely,

Janet Guirguis
Revenue Auditor

ILLINOIS DEPARTMENT OF REVENUE
15 EXECUTIVE DRIVE, SUITES 1 & 2
FAIRVIEW HEIGHTS, IL 62208

217 836-7228
217 836-7228 cell → call her
618 624-7076 fax

EDA-123 (R-01/13)
IL-492-4275

SCH-A
325-9038
/7/2013
I.G.

RJ Kool Co. Of Saint Louis LLC

ESTIMATED SALES CALCULATION PER AUDIT PERIOD BASED ON RETURNS FILED UNDER REG# 0154-9448:

RETURNS FILED UNDER 0154-9448

QUARTER	GROSS SALES	DEDUC	TAXABLE SALES	TAX COLL
ND QRTR 2012	6,864	2,260	4,604	288
RD QRTR 2012	47,760	23,374	24,386	1,524
TH QRTR 2012	68,546	37,110	31,436	1,965
OTALS	123,170	62,744	60,426	3,777

VERAGE MONTHLY GROSS SALES = 123,170 / 9 MONTHS = 13,685.56

VERAGE MONTHLY DEDUCTIONS = 62,744 / 9 MONTHS = 6,971.56

VERAGE MONTHLY TAXABLE SALES = 60,426/ 9 MONTHS = 6,714.00

ROJECTED TAXABLE SALES FOR THE AUDIT PERIOD OF 7/07 - 3/12 = $6,714 x 57 MONTHS = $382,698

Illinois Department of Revenue
Sales Tax Audit System

Schedule 1 - Summary Analysis

Date: 05/07/2013
Time: 10:42:05
Page: 1

IBT: 3325-9038
Taxpayer: RJ KOOL CO OF ST LOUIS LLC

Auditor: janet i. guirguis

Item Description	Tax Type/Str Codes	Exception Amount	Rate	Tax Amount	Tax Paid	Net Tax Due	Total
UT/SUT Receipts Adjustment	ROT / 11-100	$382,698.00	06.25%	$23,918.91	$0.00	$23,918.91	$23,918.91
					Total Additional Tax		$23,918.91

Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-A Interest Computation

Date: 05/07/2013
Time: 10:43:24
Page: 1

Taxpayer: RJ KOOL CO OF ST LOUIS LLC IBT: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis
Tax Type: ROT **Interest Thru Date: 05/07/2013** Detail Liability: $23,918.91 Average Liability: $0.00

Month	Detail Liability	Average Liability	Prepayment	Total Liability	Rate	Interest
07/2007	$419.63	$0.00	$0.00	$419.63	43.9564	$184.45 #
08/2007	$419.63	$0.00	$0.00	$419.63	42.5974	$178.75 #
09/2007	$419.63	$0.00	$0.00	$419.63	41.2823	$173.23 #
10/2007	$419.63	$0.00	$0.00	$419.63	39.9233	$167.53 #
11/2007	$419.63	$0.00	$0.00	$419.63	38.6082	$162.01 #
12/2007	$419.63	$0.00	$0.00	$419.63	37.3588	$156.77 #
01/2008	$419.63	$0.00	$0.00	$419.63	36.1697	$151.78 #
02/2008	$419.63	$0.00	$0.00	$419.63	35.0573	$147.11 #
03/2008	$419.63	$0.00	$0.00	$419.63	33.8682	$142.12 #
04/2008	$419.63	$0.00	$0.00	$419.63	32.7175	$137.29 #
05/2008	$419.63	$0.00	$0.00	$419.63	31.5284	$132.30 #
06/2008	$419.63	$0.00	$0.00	$419.63	30.5969	$128.39 #
07/2008	$419.63	$0.00	$0.00	$419.63	29.7476	$124.83 #
08/2008	$419.63	$0.00	$0.00	$419.63	28.8983	$121.27 #
09/2008	$419.63	$0.00	$0.00	$419.63	28.0764	$117.82 #
10/2008	$419.63	$0.00	$0.00	$419.63	27.2271	$114.25 #
11/2008	$419.63	$0.00	$0.00	$419.63	26.4053	$110.80 #
12/2008	$419.63	$0.00	$0.00	$419.63	25.5560	$107.24 #
01/2009	$419.63	$0.00	$0.00	$419.63	24.7067	$103.68 #
02/2009	$419.63	$0.00	$0.00	$419.63	23.9396	$100.46 #
03/2009	$419.63	$0.00	$0.00	$419.63	23.0904	$96.89 #
04/2009	$419.63	$0.00	$0.00	$419.63	22.2685	$93.45 #
05/2009	$419.63	$0.00	$0.00	$419.63	21.4192	$89.88 #
06/2009	$419.63	$0.00	$0.00	$419.63	20.7069	$86.89 #
07/2009	$419.63	$0.00	$0.00	$419.63	10.0137	$42.02
08/2009	$419.63	$0.00	$0.00	$419.63	9.6740	$40.59
09/2009	$419.63	$0.00	$0.00	$419.63	9.3452	$39.22
10/2009	$419.63	$0.00	$0.00	$419.63	9.0055	$37.79
11/2009	$419.63	$0.00	$0.00	$419.63	8.6767	$36.41
12/2009	$419.63	$0.00	$0.00	$419.63	8.3370	$34.98
01/2010	$419.63	$0.00	$0.00	$419.63	7.9973	$33.56
02/2010	$419.63	$0.00	$0.00	$419.63	7.6904	$32.27
03/2010	$419.63	$0.00	$0.00	$419.63	7.3507	$30.85
04/2010	$419.63	$0.00	$0.00	$419.63	7.0219	$29.47
05/2010	$419.63	$0.00	$0.00	$419.63	6.6822	$28.04
06/2010	$419.63	$0.00	$0.00	$419.63	6.3534	$26.66
07/2010	$419.63	$0.00	$0.00	$419.63	6.0137	$25.24
08/2010	$419.63	$0.00	$0.00	$419.63	5.6739	$23.81
09/2010	$419.63	$0.00	$0.00	$419.63	5.3452	$22.43

Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-A Interest Computation

Taxpayer: RJ KOOL CO OF ST LOUIS LLC IBT: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis
Tax Type: ROT **Interest Thru Date: 05/07/2013** Detail Liability: $23,918.91 Average Liability: $0.00

Month	Detail Liability	Average Liability	Prepayment	Total Liability	Rate	Interest
10/2010	$419.63	$0.00	$0.00	$419.63	5.0054	$21.00
11/2010	$419.63	$0.00	$0.00	$419.63	4.6767	$19.62
12/2010	$419.63	$0.00	$0.00	$419.63	4.3917	$18.43
01/2011	$419.63	$0.00	$0.00	$419.63	4.1370	$17.36
02/2011	$419.63	$0.00	$0.00	$419.63	3.9068	$16.39
03/2011	$419.63	$0.00	$0.00	$419.63	3.6520	$15.33
04/2011	$419.63	$0.00	$0.00	$419.63	3.4055	$14.29
05/2011	$419.63	$0.00	$0.00	$419.63	3.1507	$13.22
06/2011	$419.63	$0.00	$0.00	$419.63	2.8493	$11.96
07/2011	$419.63	$0.00	$0.00	$419.63	2.5096	$10.53
08/2011	$419.63	$0.00	$0.00	$419.63	2.1698	$9.11
09/2011	$419.63	$0.00	$0.00	$419.63	1.8411	$7.73
10/2011	$419.63	$0.00	$0.00	$419.63	1.5014	$6.30
11/2011	$419.63	$0.00	$0.00	$419.63	1.1726	$4.92
12/2011	$419.63	$0.00	$0.00	$419.63	0.8877	$3.72
01/2012	$419.63	$0.00	$0.00	$419.63	0.6329	$2.66
02/2012	$419.63	$0.00	$0.00	$419.63	0.3945	$1.66
03/2012	$419.63	$0.00	$0.00	$419.63	0.1397	$0.59
Total:	**$23,918.91**	**$0.00**	**$0.00**	**$23,918.91**		**$3,807.35**

Interest increased due to amnesty

Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-B Penalty Computation

Date: 05/07/2013
Time: 10:55:39
Page: 1

OF ST LOUIS LLC IBT: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis
:rest Thru Date: 05/07/2013

	Penalty		Interest			
Tax Amount	Rate	Amount	Rate	Amount	Total	
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	4.00%	$16.79	0.00%	$0.00	$16.79	#
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	
$419.63	2.00%	$8.39	0.00%	$0.00	$8.39	

Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-B Penalty Computation

Taxpayer: RJ KOOL CO OF ST LOUIS LLC IBT: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis
Tax Type: ROT Interest Thru Date: 05/07/2013

Late Filing (continued)

		Penalty		Interest		
Filing Period	Tax Amount	Rate	Amount	Rate	Amount	Total
08/2010	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
09/2010	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
10/2010	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
11/2010	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
12/2010	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
01/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
02/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
03/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
04/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
05/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
06/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
07/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
08/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
09/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
10/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
11/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
12/2011	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
01/2012	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
02/2012	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
03/2012	$419.63	2.00%	$8.39	0.00%	$0.00	$8.39
Total Late Filing	$23,918.91		$679.83		$0.00	$679.83

Late Payment

		Penalty		Interest			
Filing Period	Tax Amount	Rate	Amount	Rate	Amount	Total	
07/2007	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
08/2007	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
09/2007	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
10/2007	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
11/2007	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
12/2007	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
01/2008	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
02/2008	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
03/2008	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
04/2008	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
05/2008	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#
06/2008	$419.63	30.00%	$125.89	0.00%	$0.00	$125.89	#

Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-B Penalty Computation

Date: 05/07/2013
Time: 10:55:39
Page: 3

F ST LOUIS LLC IBT: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis
est Thru Date: 05/07/2013

ıued)

	Penalty		Interest		
Tax Amount	Rate	Amount	Rate	Amount	Total
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	30.00%	$125.89	0.00%	$0.00	$125.89 #
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
$419.63	15.00%	$62.94	0.00%	$0.00	$62.94

Illinois Department of Revenue

Sales Tax Audit System

Schedule 2-B Penalty Computation

Taxpayer: RJ KOOL CO OF ST LOUIS LLC IBT: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis
Tax Type: ROT Interest Thru Date: 05/07/2013

Late Payment (continued)

		Penalty		Interest		
Filing Period	Tax Amount	Rate	Amount	Rate	Amount	Total
08/2011	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
09/2011	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
10/2011	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
11/2011	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
12/2011	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
01/2012	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
02/2012	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
03/2012	$419.63	15.00%	$62.94	0.00%	$0.00	$62.94
Total Late Payment	$23,918.91		$5,098.38		$0.00	$5,098.38

Negligence

This penalty was not assessed for any periods.

Fraud

This penalty was not assessed for any periods.

	Penalty	Interest	Total
Grand Total	**$5,778.21**	**$0.00**	**$5,778.21**

Penalty/interest increased due to amnesty

Illinois Department of Revenue

Sales Tax Audit System

Global Taxable Exceptions Detailed Report / All Codes Sorted by Date

Date: 05/07/2013
Time: 10:40:02
Page: 1

O OF ST LOUIS LLC IBT #: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis

Doc #	Name	Description	Reason Questioned	Amount Taxable
ype: 100				
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
'arious	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00

Illinois Department of Revenue

Sales Tax Audit System

Global Taxable Exceptions Detailed Report / All Codes Sorted by Date

Taxpayer: RJ KOOL CO OF ST LOUIS LLC IBT #: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis

Date	Doc #	Name	Description	Reason Questioned	Amount Taxable
11/01/2009	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
12/01/2009	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
01/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
02/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
03/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
04/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
05/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
06/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
07/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
08/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
09/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
10/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
11/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
12/01/2010	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
01/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
02/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
03/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
04/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
05/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
06/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
07/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
08/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
09/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
10/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
11/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
12/01/2011	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
01/01/2012	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
02/01/2012	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
03/01/2012	Various	Various	Estimated avg Txbl Sales	no returns filed	$6,714.00
Total for Exam Type: 100					$382,698.00

Illinois Department of Revenue

Sales Tax Audit System

Global Taxable Exceptions Detailed Report / All Codes Sorted by Date

Taxpayer: RJ KOOL CO OF ST LOUIS LLC IBT #: 3325-9038 Audit Period: 07/01/2007 through 03/31/2012 Auditor: janet i. guirguis

Date	Doc #	Name	Description	Reason Questioned	Amount Taxable
Total for Tax Code: 11 - UT/SUT Receipts Adjustment					$382,698.00
Totals for Examination:					**$382,698.00**

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT B

Non-Compete Agreement

This Non-Compete Agreement is entered into on this 15th day of April, 2002, between RJ Kool Company of St. Louis, LLC (the "Company"), a Missouri Limited Liability Company, and Billey Walker ("Walker"), an individual.

Whereas, Walker is the sole owner of Walker Washer Service, a Missouri Sole Proprietorship;

Whereas, on the date hereof, Purchaser is purchasing from Seller, and Seller is selling to Purchaser, certain operating assets of Seller; and

Whereas, Walker is entering into this Non-Compete Agreement with Company as a condition precedent to the obligations of Company to purchase the assets of Seller;

Now, therefore, in consideration of mutual promises herein contained and other good and valuable consideration, the Company and Walker agree as follows:

1. **Non-Disclosure.** From and after the date hereof, Walker shall not:

   a. Except as required to perform Walker's duties as an employee or consultant of the Company, use for the benefit of Walker or others, or in any way divulge, disclose or communicate to any individual, entity or other group or organization, any information about the business of the Company, of any kind, nature or description, without regard to whether such information is deemed confidential or material (collectively referred to herein as "Company Information"), including but not limited to: (i) information of a technical nature such as, but not limited to, methods, know-how or procedures; (ii) information of a business nature such as, but not limited to, information about costs, purchasing, profits, markets, product demand, buying habits and preferences, sales, or lists of customers, suppliers, or clients; and (iii) new business development information, planned or in progress, third party affiliations, or business and marketing strategies.

   b. Induce or influence any person who is engaged by the Company as an employee, agent, or otherwise, to terminate his or her engagement or to engage or otherwise participate in a business activity directly or indirectly competitive with the Company.

2. **Non-Competition**. For a period of five (5) years from and after the date hereof, Walker shall not, directly or indirectly, either for Walker's own account, or as a partner, employee, officer, consultant, accountant, director, shareholder or otherwise, own, manage, control, operate, be employed by, participate in or otherwise be connected with the ownership, management, operation or control of any business which, within the Territory (as hereinafter defined), is engaged in the business of selling, leasing, marketing, distributing, developing any products or services provided by the Company during the term of this Agreement. The term "Territory" as used in this Section 2 means a 750 mile radius of the Greater St. Louis geographic area.

3. **Protection of Proprietary Information**. Walker shall protect and preserve and assist the Company in maintaining the confidentiality of all Company Information and report to the Company immediately any known or suspected violations or breaches of the confidentially of the Company Information, whether caused by Walker or others. Walker shall not remove Company Information from any secured area or secured status or from Company's premises without the express prior written consent of the President of the Company.

4. **Consideration for Covenant Not to Compete and Related Obligations**. In consideration of the obligations of Walker under Sections 1 through 3 hereof, the Company agrees to purchase assets per the Definitive Purchase Agreement.

5. **Enforcement**. If either party to this Agreement violates any provision hereof, the aggrieved party shall be entitled to any and all applicable remedies at law or equity to prevent further breaches of this Agreement, including injunctive relief from a court of competent jurisdiction.

6. **Reformation**. If a court of competent jurisdiction determines any covenant herein to be unenforceable, then such court shall be empowered to reform such covenant herein in such a manner so that it is enforceable to the fullest extent consistent with the law.

7. **Applicable Law**. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

In Witness Whereof, the parties hereto have duly executed this Agreement on the day and year first above written.

RJ Kool Company of St. Louis, LLC

By _____
William Kimmel, Member "Company"

By _____
Billey Walker "Walker"

By _____
Darren Harding, Member "Company"

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT C

May 29, 2013

Ms. Janet Guirguis
Illinois Department of Revenue
15 Executive Drive, Suites 1 & 2
Fairview Height, IL 62208

Dear Ms. Guirguis;

Please accept this letter as notification that the attached Notice of Proposed Liability is addressed to the wrong party.

In 2002, my company bought certain assets of Walker Washer Company, but did not buy the company, or the obligations of the company. Walker Washer Company continued to operate as a separate entity with no ownership by my company after our acquisition of the assets. In addition, the taxpayer id for this account does not belong to us. I would assume it belongs to Walker Washer Service, which I assume is still owned and operated by Billy Walker.

Please correct your records accordingly. Thank you.

Sincerely,

Darren Harding
RJ Kool Company

5/30/13

Kathy
Please file w/ RJ Kool
Illinois Sales Tax.

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT D

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX X174 7782 88X4#
WALKER WASHER SERVICE
234 W 12TH AVE
KANSAS CITY MO 64116-4158

October 30, 2013

Letter ID: CNXXX174778288X4

Account ID: 3325-9038

Duplicate

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

	Liability	Payments/Credit	Unpaid Balance
Tax	13,848.00	0.00	13,848.00
Late Payment Penalty Increase	2,770.00	0.00	2,770.00
Late Filing Penalty Increase	277.00	0.00	277.00
Interest	878.07	0.00	878.07
Assessment Total	$17,773.07	$0.00	**$17,773.07**

If you do not agree, you may file a protest and request an administrative hearing within 60 days of the date of this notice, which is **December 30, 2013**. 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 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.

If you have questions, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are listed below.

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

217 785-6579

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, or by taking the issue to 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 write or call us. Our address and telephone number are on the front of this notice.

Penalty, Fee, Interest, and Credit Information

Note: A general explanation of the penalties, fees, and interest that may have been assessed is below. For more detailed information, including specific rates in effect for different liability periods, see Publication 103, Penalties and Interest for Illinois Taxes, available on our web site at tax.illinois.gov or by calling 1 800 356-6302.

* You owe a **late-filing penalty** if you do not file a processable return by the due date.
* You owe a **late-payment penalty** if you
  - are required to make quarter-monthly tax payments and do not do so, or do not pay the required amount by the payment due date.
  - do not pay the amount you owe by the original due date of the return.
* You owe an **additional late-payment penalty** if you do not pay the full amount of tax required to be shown due on a return (and that is not shown) within 30 days of the date we send you a notice of arithmetic error or a final assessment.
* You owe an **underreporting penalty** if you do not report the correct amount of tax required to be shown due on your return before the due date of the return.
* You owe a **bad check penalty** if your remittance is not honored by your financial institution.
* You owe a **cost of collection fee** if you do not pay the amount you owe (including penalties and interest) within 30 days of the date printed on an assessment.

Interest is charged on tax not paid when due and is calculated on tax from the day after the original due date of your return through the date you pay the tax. For returns due January 1, 1994, through December 31, 2000, interest also accrues on penalties.

The discount rate is 1.75 percent (.0175). If you made an error when figuring the discount, it is included in the tax calculation. You may not take a discount on returns filed late or on tax paid late.

The credit applied by the Department of Revenue is from a current credit balance in your account.

Duplicate

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX XX67 4X41 X569#
WALKER WASHER SERVICE
234 W 12TH AVE
KANSAS CITY MO 64116-4158

October 30, 2013

Letter ID: CNXXXX674X41X569

Account ID: 3325-9038

Duplicate

We have audited your account for the reporting periods July 01, 2007, through June 30, 2009. As a result we have assessed the amounts shown below.

	Liability	Payments/Credit	Unpaid Balance
Tax	10,071.00	0.00	10,071.00
Late Payment Penalty Increase	4,028.00	0.00	4,028.00
Late Filing Penalty Increase	403.00	0.00	403.00
Interest	3,408.42	0.00	3,408.42
Assessment Total	$17,910.42	$0.00	**$17,910.42**

If you do not agree, you may file a protest and request an administrative hearing within 60 days of the date of this notice, which is **December 30, 2013**. 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 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.

If you have questions, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are listed below.

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

217 785-6579

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, or by taking the issue to 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 write or call us. Our address and telephone number are on the front of this notice.

Penalty, Fee, Interest, and Credit Information

Note: A general explanation of the penalties, fees, and interest that may have been assessed is below. For more detailed information, including specific rates in effect for different liability periods, see Publication 103, Penalties and Interest for Illinois Taxes, available on our web site at tax.illinois.gov or by calling 1 800 356-6302.

* You owe a **late-filing penalty** if you do not file a processable return by the due date.
* You owe a **late-payment penalty** if you
  - are required to make quarter-monthly tax payments and do not do so, or do not pay the required amount by the payment due date.
  - do not pay the amount you owe by the original due date of the return.
* You owe an **additional late-payment penalty** if you do not pay the full amount of tax required to be shown due on a return (and that is not shown) within 30 days of the date we send you a notice of arithmetic error or a final assessment.
* You owe an **underreporting penalty** if you do not report the correct amount of tax required to be shown due on your return before the due date of the return.
* You owe a **bad check penalty** if your remittance is not honored by your financial institution.
* You owe a **cost of collection fee** if you do not pay the amount you owe (including penalties and interest) within 30 days of the date printed on an assessment.

Interest is charged on tax not paid when due and is calculated on tax from the day after the original due date of your return through the date you pay the tax. For returns due January 1, 1994, through December 31, 2000, interest also accrues on penalties.

The discount rate is 1.75 percent (.0175). If you made an error when figuring the discount, it is included in the tax calculation. You may not take a discount on returns filed late or on tax paid late.

The credit applied by the Department of Revenue is from a current credit balance in your account.

Duplicate

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT E

Collection Action

Assessment and Notice of Intent

August 8, 2014

Letter ID: L1463946768

J DARREN HARDING
6809 CEDAR ST
PRAIRIE VLG KS 66208-1444

Taxpayer ID: XXX-XX-8658
NPL Penalty ID: 3030044

RJ KOOL CO OF ST LOUIS LLC
234 W 12TH AVE
KANSAS CITY MO 64116-4158

We have determined you are personally liable for a penalty of $36,671.29.

The penalty is equal to the amount of unpaid liability of RJ KOOL CO OF ST LOUIS LLC, due to your status as a responsible officer, partner, or individual of RJ KOOL CO OF ST LOUIS LLC.

Illinois law (35 ILCS 735/3-7) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty equal to the amount of tax due including penalty and interest.

Pay us $36,671.29. Your payment must be guaranteed (i.e., cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

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

- **If the amount of this liability 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 **October 7, 2014.** 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 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 the debt remains unpaid and this penalty becomes final, we intend to take collection enforcement action against you personally to collect this debt. Collection action can include the seizure and sale of your assets, and levy of your wages and bank accounts.

TRACI SKEETERS
100% PENALTY UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

217 782-9904 ext. 31614
217 785-2635 fax

For information about
› how to pay
› submitting proof
› collection actions

Collection Action

Assessment and Notice of Intent

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

August 8, 2014

Letter ID: L1463946768

J DARREN HARDING
6809 CEDAR ST
PRAIRIE VLG KS 66208-1444

Taxpayer ID: XXX-XX-8658
NPL Penalty ID: 3030044

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/Use Tax & E911 Surcharge **Account ID: 3325-9038**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2009	10,071.00	4,531.00	3,875.26	-	-	18,477.26
31-Mar-2012	13,848.00	3,147.00	1,199.03	-	-	18,194.03

IDOR-5P-NPL (N-03/07)

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

Collection Action (R-12/08) (136)

Letter ID: L1463946768
J DARREN HARDING

Total amount due: $36,671.29

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 19035
SPRINGFIELD IL 62794-9035

000 006 013451408169 731 123199 5 0000003667129

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT F

Collection Action

Assessment and Notice of Intent

August 8, 2014

Letter ID: L1928883936

WILLIAM J. KIMMEL
8940 LINDEN LN
PRAIRIE VLG KS 66207-2283

Taxpayer ID: XXX-XX-7779
NPL Penalty ID: 3020050

RJ KOOL CO OF ST LOUIS LLC
234 W 12TH AVE
KANSAS CITY MO 64116-4158

We have determined you are personally liable for a penalty of $36,671.29.

The penalty is equal to the amount of unpaid liability of RJ KOOL CO OF ST LOUIS LLC, due to your status as a responsible officer, partner, or individual of RJ KOOL CO OF ST LOUIS LLC.

Illinois law (35 ILCS 735/3-7) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty equal to the amount of tax due including penalty and interest.

Pay us $36,671.29. Your payment must be guaranteed (i.e., cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

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

- **If the amount of this liability 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 **October 7, 2014.** 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 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 the debt remains unpaid and this penalty becomes final, we intend to take collection enforcement action against you personally to collect this debt. Collection action can include the seizure and sale of your assets, and levy of your wages and bank accounts.

TRACI SKEETERS
100% PENALTY UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

217 782-9904 ext. 31614
217 785-2635 fax

For information about
- **how to pay**
- **submitting proof**
- **collection actions**

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT G

Illinois Department of Revenue

Control No. - Office Use Only
A1278631936

OCT 2011 RECEIVED AUDIT PLANNING

FIELD AUDIT REFERRAL

Complete this form and immediately submit it, with all attachments, to the Audit Planning Section (Mail Code 3-327) as soon as information and support is obtained or developed.

[X] Referral for audit [ ] Request for audit

Tax Type: [X] Sales Tax [ ] Income Tax [ ] WIT [ ] Other

Taxpayer name R J KOOL

APE's 3325-9038

d/b/a (if different)

IBT # NONE

DEC 2010 RECEIVED AUDIT PLANNING

Address 1832 FENPARK DRIVE

FEIN

City, State, ZIP FENTON, MO 63026

SSN

Contact Person TERRI EXT 100

Telephone 314-991-9121

Type of Entity: [ ] 1120 [ ] 1120-ST [ ] 1065 [ ] 1040 [ ] 1041

Business Activity: [ ] Agricultural [ ] Construction [ ] Retail [ ] Services [ ] Wholesale [ ] Manufacturing [ ] Reseller [ ] Solicitation

Describe business activities in IL SOLD, INSTALLED AND SERVICES COMMERCIAL WASHER&DRYERS

Did the taxpayer maintain inventory and/or a business location of any kind in IL? [ ] Yes [X] No

Circle if applicable: inventory , office , telephone answering service , repair or parts shop , public or company-owned warehouse , place of distribution or sample , displays or sales room , other

Perform services or installation, construction or repairs in IL? [X] Yes [ ] No

Lease tangible property or licensing rights for use in IL? [ ] Yes [X] No

Have a representative, agent or salesperson operating in IL to sell, deliver, or take orders for any tangible personal property? [X] Yes [ ] No

(All 'Yes' answers must be fully discussed below or in an attachment.)

Did the referral originate from another audit? (If yes, complete the info on the next line.) [X] Yes [ ] No

Taxpayer name H & H MOTEL LLC IBT/FEIN/SSN 3976-4834

Reason for referral SOLD & services commercial washers and dryers to hotel. staff said was told by dept of rev(?stat R. J. Kool e) not liable for IL tax as orders are finalized & accepted in MO. ? install washers & dryers for Hayden const co & other La Quinta Inns + other Hotels?

Auditor's/Originator's signature Elizabeth Barrett ID # 5426 Date 12/21/2010

Supervisor's signature [signature] ID # 5306 Date 10/11/11

[ ] Rejected. Comments.

Company was previously Registered 47-0859259 3325-9038 42-0983912 0154-9448

SC-137 (R-2/95) IL-492-2288

KOOL

11669 Lilburn Park Rd.
St. Louis, MO 63146
Phone 3141-991-9121 Fax 314-991-4034

Barry,

Can you please give me the address to the hotel?

Also don't forget to fax me a copy of the tax exempt letter.

FAX a copy please

Let me know if you have any questions.

Thanks,

Tom Aubuchon

Sales Agreement

By and Between:

R.J. Kool Company
11669 Lilburn Park Road
St. Louis, MO 63146

Telephone: 314-991-9121
Fax: 314-991-4034
Toll Free: 866-232-5665

Bill to: Barry Hayden
La Quinta Inn
Mascoutah, IL

Ship to: La Quinta Inn
Mascoutah, IL

Sales Number: 001172 **Date** 1/8/2009 **Expires on:** 4/30/2009 **Salesperson** Tom Aubuchon

Part #	Mfr	Description	Price	Qty	Extend
UC60BN2	Unimac	60lb. Washer/Extractor Programmable Microprocessor (8 Cycle) Stainless Steel Cabinet ELECTRICAL VOLTAGE: (O) 208-240/60/~~2~~ single phase Initial here to approve voltage	$5,999.00	2	$11,998.00
UT075NRQ	Unimac	75 LB Natural Gas Tumbler / Dryer Dual Digital Timer Reversing Cylinder Three Year Warranty 200-208/240/60/3	$3,834.75	2	$7,669.50
CAM2742TQ	Whirlpool	27" 2-Speed Washer Factory Installed Coin Slide & Box 3.2 Cu. Ft. Wash Basket 18 lbs. Push Button Controls High Efficiency, Low Water Factor 3 Cycles	$605.00	2	$1,210.00
CEM2940TQ	Whirlpool	29" Electric Dryer Factory Installed Coin Slide & Coin Box 7.0 Cu. Ft. Drum Capacity Push Button Controls 3 Cycles * Power Cord Sold Separately * 8 Quarter Coin Slide Capacity ($1 factory preset)	$525.00	2	$1,050.00
Install	R.J. Kool	Full Installation. All utilities within 3-5 feet. Customer is responsible for adequate door openings and ground level access to laundry room.	$1,200.00	1	$1,200.00

Part #	Mfr	Description	Price	Qty	Extend
		Additional runs of utilities if required not included in price.			
Freight	Common Carrier	Factory Freight	$1,000.00	1	$1,000.00

Fax to 615 233 5686

Payment

The total purchase price, including applicable taxes is $25,497.97

Customer agrees to pay the full amount immediately upon receipt.

Total 25,627.50

R.J. Kool, Co.

By: Tom Rich

Account Executive

APPROVED FOR R.J. KOOL, CO.

By: _____

Authorized Signature

Tom Rich

Print Name and Title

Date: 1/9/09

Customer

By: _____

Authorized Signature

Barry Hayden

Print Name and Title

Date: 1/9/08 P.O.# _____

Sub-Total	$24,127.50
	500.00
	23,275
Tax	$1,370.47
Total	$25,497.97

NO TAX

Entire Agreement

This Agreement, INCLUDING PROVISIONS ON THE ATTACHED PAGE, constitutes the entire agreement between the parties, and supersedes and replaces other prior understandings or agreements whether oral or written relating to the Equipment. This Agreement may not be changed, modified, or varied except by the specific written and signed approval by authorized representatives of each party. Any customer purchase order or similar document issued relating to the purchase of the Equipment shall be governed only by the terms and conditions of this Agreement, which shall supersede and prevail over terms and conditions of such customer purchase order. This Agreement shall not become binding on R.J. Kool unless approved by R.J. Kool management, as provided above. Restocking fee's will apply for cancelled agreements.

Additional Terms and Conditions

Sales Number 001172

1. **TITLE:** All risk of loss and title to the Equipment, subject to Section 2, shall pass Customer upon the date the Equipment is delivered to Customer.

2. **SECURITY INTEREST:** Customer hereby grants to R.J. Kool a security interest in the Equipment in order to secure Customer's obligations hereunder, and agrees upon request of R.J. Kool to execute any documents necessary to perfect such interest. If the purchase price is not paid in accordance with the payment terms, R.J. Kool shall have all the rights and remedies of a secured party as provided in Article 9 of the Uniform Commercial Code and R.J. Kool shall be entitled to reasonable attorney fees and legal expenses incurred with respect to this security interest and the enforcement of any R.J. Kool's other rights under this Agreement. Finance charges of 18% per annum, or the highest allowable rate of interest in Customer's state, whichever is lower, will be assessed on all delinquent amounts. If any of Customer's obligations to R.J. Kool are not promptly paid when due, Customer shall be in default hereunder and all unpaid amounts shall become immediately due and payable. If the default continues for ten (10) days after written or telegraphic notice thereof by R.J. Kool, R.J. Kool may, at its option, render the Equipment unusuable until R.J. Kool receives payment in full and/or enter upon the premises where the Equipment is installed and retake possession thereof without notice, free from any claims of Customer.

3. **DELIVERY:** The equipment delivery date shall be at a time to be mutually agreed upon by the parties with appropriate adjustment for conditions beyond the reasonable control of R.J. Kool.

4. **TAXES:** Customer shall pay, or reimburse R.J. Kool for, all applicable taxes imposed on Customer or R.J. Kool for the sale or use of the Equipment, or upon this Agreement, except that personal property taxes assessed on the Equipment before the date title passes shall be paid by R.J. Kool.

5. **INDEMNIFICATION:** Customer shall indemnify and hold harmless R.J. Kool from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities including attorney fees, claimed by any person, organization, association, or otherwise arising out of or, relating to the Equipment, its use, possession, operation, and/or condition, except to the extent caused by the gross negligence or willful misconduct of R.J. Kool.

6. **LIMITATION OF LIABILITY:** R.J. Kool shall not be liable for any special, indirect, incidental or conssequential damages or for loss, damage or expense, directly or indirectly arising from Customer's use of or inability to use the equipment, either separately or in combination with other Equipment, or for personal injury or loss or destruction of property, or from any other causes.

7. **WARRANTIES:** R.J. Kool warrant to Customer good and clear title to the Equipment free and clear of liens and encumbrances, subject to any security interest retained by R.J. Kool. R.J. Kool hereby warrants the Equipment against defects in materials and workmanship as follows:

_____

_____

provided that no repairs, substitutions, modifications, or additions have been made except by R.J. Kool and provided that after delivery to Customer, the Equipment has not been subjected to accident, neglect, misuse, or used in violation of any instructions supplied by R.J. Kool. R.J. Kool's sole liability hereunder shall be to repair or replace the Equipment at its own expense during normal working hours, and the foregoing warranty shall constitute the exclusive remedy of Customer and the exlusive liability of R.J. Kool for any breach of any Warranty related to this Agreement. Customer will permit or arrange for access to the premises for any R.J. Kool's warranty service.

THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE, AND R.J. KOOL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, WORKMANSHIP, OR FITNESS FOR A PARTICULAR PURPOSE.

8. **LAW:** This Agreement shall be governed by the laws of Missouri. Should a dispute arise concerning the Equipment or this Agreement, the Court to determine this dispute shall be the Court of proper jurisdiction in Clay County, Missouri.

9. **ASSIGNMENT:** This Agreement may not be assigned by Customer without the prior written consent of R.J. Kool.

10. **MISCELLANEOUS:** Titles to the paragraphs of this Agreement are solely for the convience of the parties and do not explain, modify, or interpret the provisions herein. If more than one Customer is named in this Agreement, the liability of each shall be joint and several

R.J. Kool is not liable for any failure or delay in performance due to any cause beyond its control.

If any provisions of the Agreement are in conflict with any statute or rule of law of any state or territory wherein it may be sought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating the remaining provisions hereof.

If R.J. Kool incurs attorneys fees and costs if R.J. Kool is successful in such enforcement.

Initials: _____ R.J. Kool Co.

Initials: _____ Customer

RJ KOOL COMPANY, INC.
234 W. 12TH AVE
NORTH KANSAS CITY MO 64116
816-474-9274 PHONE
816-474-2141 FAX

Invoice	INV0000[illegible]
Date	2/3/2009
Page	1

Bill To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Ship To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Customer Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
BARRY HAYDEN	LAQUINTAMASCOU	AUBUCHON	UPS		2/3/2009	27,473

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext Price
2	2	0	UC60BNFX	UNIMAC 60 LBS, B MICRO CONTROL, 20C	$0.00	$5,999.00	$11,998.00
			0811012940	1			
			0901011725	1			
2	2	0	UTO75NRQF	UNIMAC 75LB GAS, DUAL DIGITAL TUMB	$0.00	$3,834.75	$7,669.50
			0901005423	1			
			0901005424	1			
2	2	0	CAM2742TQ	3.2 CU FT, 2 SPD, 3 CYC WASHER W/CC	$0.00	$605.00	$1,210.00
			CW3560074	1			
			CW3560106	1			
2	2	0	CEM2940TQ	ELECTRIC 29" DRYER, 3 CYC, W/COIN KI	$0.00	$525.00	$1,050.00
			MW5003379	1			
			MW5003446	1			
1.00	1.00	0.00	INSTALLATION ST LOUI	FULL INSTALLATION AND REMOVAL ST.	$0.00	$1,200.00	$1,200.00

Subtotal	$23,127.50
Misc	$0.00
Tax	$1,370.47
Total	$500.00
Total Discount	$0.00
Total	$24,997.97

YOU APPRECIATE PROMPT SERVICE. WE APPRECIATE PROMPT PAYMENT.
A FINANCE CHARGE OF 1 1/2% PER MONTH WILL BE CHARGED ON ITEMS OVER 30 DAYS.
RESTOCKING FEE APPLIES TO RETURNED ITEMS. NO ELECTRICAL RETURNS ACCEPTED.

11669 Lilburn Park Road
St. Louis, MO 63146
Phone: (314) 991-9121
Fax: (314) 991-4034

☑ Reply to St. Louis Office

234 W 12th Avenue
N. Kansas City, MO 64116
Phone: (816) 474-9274
Fax: (816) 474-2141

☐ Reply to Kansas City Office

FAX

To: Barry	From: Tai
Fax: (618) 233-[redacted]	Pages: 2 w/ cover
Phone: (618) 277-5050	Date: 2-3-09
Re: Install	cc:

Comments:

Barry,

Your equipment is ready to install. Please contact Tom Aubuchon for scheduling. (314) 603-4033.

Thank you.
Tai

Tag for By craft

RJ KOOL
234 W 12TH
NORTH KANSAS CITY, MO-64116
816-474-9274

Sale

ID: 00006001 Ref #: 0002
02-04-09 13:17:42
Batch #: 013 AVS: NO MATCH N

MASTERCARD
XXXXXXXXXXXXXXXX
CVV2 Code: MATCH N
Auth Code: 003722 Invoice#: 000002
Total: $ 23627.50

Customer Copy
THANK YOU!

Filed pd by credit

02/04/2009 09:32

RJ KOOL COMPANY, INC.
234 W. 12TH AVE
NORTH KANSAS CITY MO 64116
816-474-9274 PHONE
816-474-2141 FAX

KOOL COMPANY

Invoice #	INV00000000001011
Date	2/4/2009
Page	1

Bill To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Ship To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
BARRY HAYDEN	LAQUINTAMASCOU	AUBUCHON	UPS		2/4/2009	27,473

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext Price
2	2	0	UC60BNFX	UNIMAC 60 LBS, B MICRO CONTROL, 20(	$0.00	$5,999.00	$11,998.00
			0811012940	1			
			0901011725	1			
2	2	0	UTO75NRQF	UNIMAC 75LB GAS, DUAL DIGITAL TUMB	$0.00	$3,834.75	$7,669.50
			0901005423	1			
			0901005424	1			
2	2	0	CAM2742TQ	3.2 CU FT, 2 SPD, 3 CYC WASHER W/CC	$0.00	$605.00	$1,210.00
			CW3560074	1			
			CW3560106	1			
2	2	0	CEM2940TQ	ELECTRIC 29" DRYER, 3 CYC, W/COIN KI	$0.00	$525.00	$1,050.00
			MW5003379	1			
			MW5003446	1			
1.00	1.00	0.00	INSTALLATION ST LOUI	FULL INSTALLATION AND REMOVAL ST.	$0.00	$1,200.00	$1,200.00

Paid In Full with Credit Card

Subtotal	$23,127.50
Misc	$0.00
Tax	$0.00
Freight	$500.00
Trade Discount	$0.00
Total	$23,627.50

YOU APPRECIATE PROMPT SERVICE. WE APPRECIATE PROMPT PAYMENT.
A FINANCE CHARGE OF 1 1/2% PER MONTH WILL BE CHARGED ON ITEMS OVER 30 DAYS.
RESTOCKING FEE APPLIES TO RETURNED ITEMS. NO ELECTRICAL RETURNS ACCEPTED.

RJ KOOL COMPANY, INC.
234 W. 12TH AVE
NORTH KANSAS CITY MO 64116

816-474-9274 PHONE
816-474-2141 FAX

Invoice	02002112
Date	6/25/2009
Page	1

Referral

Bill To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Ship To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
TIM / 8311	LAQUINTAMASCOU	VAN 3	RJ KOOL CO	NET 30	6/25/2009	31,784

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1.00	1.00	0.00	LABOR-SERVICE DEPT-	VAN 2 - HOURLY LABOR-SERVICE DEPT-	$0.00	$69.95	$69.95
1	1	0	TRAVEL CHARGE-LOCA	VAN 2 - TRAVEL CHARGE-LOCAL TRIP S	$0.00	$87.55	$87.55

warranty work

This was done on the guest machines. Still warranty work

called 7/23 - left message to return call

spoke with Terri on 7/24/09 - They will remove this charge but future service calls will be charged

314-991-9121 X 1

Subtotal	$157.50
Misc	$0.00
Tax	$0.00
Freight	$0.00
Trade Discount	$0.00
Total	$157.50

YOU APPRECIATE PROMPT SERVICE. WE APPRECIATE PROMPT PAYMENT.
A FINANCE CHARGE OF 1 1/2% PER MONTH WILL BE CHARGED ON ITEMS OVER 30 DAYS.
RESTOCKING FEE APPLIES TO RETURNED ITEMS. NO ELECTRICAL RETURNS ACCEPTED.

RJ KOOL

REMIT TO:
234 West 12th Ave.
N Kansas City, MO 64116-4158
Phone: (816) 474-9274
FAX: (816) 474-2141

KANSAS CITY OFFICE
RJ Kool Company
234 W 12th Ave
N Kansas City, MO 64116-4158
Phone: (816) 474-9274
FAX: (816) 474-2141

ST. LOUIS OFFICE
RJ Kool Company
11669 Lilburn Park Road
St. Louis, MO 63146-3535
Phone: (314) 991-9121
FAX: (314) 991-4034

SERVICE REPORT 38- 7245

UniMac

"WE SERVICE ALL MAKES & MODELS!"

PHONE: ______ ORDER DATE: ______
ORDER TAKEN BY: ______
SERVICE CALL #: ______
CUSTOMER P.O. #: ______
JOB LOC: ______
TECH: ______ START DATE: ______

TO: [illegible]
STREET [illegible]
CITY [illegible] STATE [illegible] ZIP [illegible]

TIME IN ______ TIME OUT ______
ITEM: [illegible] BRAND: [illegible]
MODEL #: [illegible]
SERIAL #: [illegible]

"QUALITY SERVICE IS LONG REMEMBERED AFTER THE PRICE IS FORGOTTEN!"

QTY	MATERIAL	PART #	PRICE	AMOUNT	TROUBLE REPORTED
					[illegible]

TOTAL MATERIALS

SERVICE PERFORMED

[illegible]
found belt tensioner [illegible]
loose
[illegible] attached [illegible]
[illegible] to [illegible]

OTHER CHARGES	
TRIP	
MILES	
DRIVE TIME	
TOTAL OTHER	[illegible]

LABOR HOURS	RATE	AMOUNT
[illegible]		

TOTAL LABOR (ON SITE)	[illegible]
TOTAL LABOR (IN SHOP)	
TOTAL MATERIALS	
TOTAL OTHER	[illegible]
TOTAL SHIPPING	
TAX	
TOTAL	[illegible]

THANK YOU!

DATE COMPLETED: [illegible]
WORK ORDERED BY: ______ ADV ______
SIGNATURE: [illegible]

CIRCLE ONE ➤ CK #: CHARGE CASH

I hereby acknowledge the satisfactory completion of the described work and agree to pay for charges as noted
TERMS: Net 10 days, 2% Add-on for each 30 days.

YOU APPRECIATE PROMPT SERVICE AND WE APPRECIATE PROMPT PAYMENT...

WHITE – ORIGINAL YELLOW – BILLING PINK – CUSTOMER

P.O. Box
West 12th Ave.
Kansas City, MO 64116-4158
Phone: (816) 474-9274
FAX: (816) 474-2141

KANSAS CITY OFFICE
RJ Kool Company
234 W 12th Ave
N Kansas City, MO 64116-4158
Phone: (816) 474-9274
FAX: (816) 474-2141

ST. LOUIS OFFICE
RJ Kool Company
11669 Lilburn Park Road
St. Louis, MO 63146-3536
Phone: (314) 991-8121
FAX: (314) 991-4034

SERVICE REPORT

KOOL

LaMacc

"WE SERVICE ALL MAKES & MODELS!"

PHONE: 334 9457 ORDER DATE:
ORDER TAKEN BY:
SERVICE CALL #:
CUSTOMER P.O. #:
JOB LOC: Laundry Queen
TECH: START DATE:

TO: LaQuinta
STREET 9720 Taylor Dr
CITY Lenexa STATE KS ZIP 66215

TIME IN 3:00 TIME OUT 4:00
ITEM: Dryer BRAND: Whirlpool
MODEL #: CM2940RQ
SERIAL #: MW22239

"QUALITY SERVICE IS LONG REMEMBERED AFTER THE PRICE IS FORGOTTEN!"

QTY	MATERIAL	PART #	PRICE	AMOUNT	TROUBLE REPORTED
					Dryer Not Heating
TOTAL MATERIALS					

SERVICE PERFORMED	OTHER CHARGES		
Tech removed front panel Found belt tensioning arm loose	TRIP		
Tech reattached tension & returned to service.	MILES		
	DRIVE TIME		
	TOTAL OTHER		
	LABOR HOURS	RATE	AMOUNT
	1.0		
	TOTAL LABOR (ON SITE)		
	TOTAL LABOR (IN SHOP)		
	TOTAL MATERIALS		
	TOTAL OTHER		
	TOTAL SHIPPING		
	THANK YOU!	TAX	
		TOTAL	

DATE COMPLETED:
WORK ORDERED BY: ADV
SIGNATURE: CIRCLE ONE ➤ CK #: CHARGE CASH

I hereby acknowledge the satisfactory completion of the described work and agree to pay for charges as noted.
TERMS: Net 10 days, 2% Add-on for each 30 days.

YOU APPRECIATE PROMPT SERVICE AND WE APPRECIATE PROMPT PAYMENT...

WHITE – ORIGINAL YELLOW – BILLING PINK – CUSTOMER

RJ KOOL COMPANY, INC.
234 W. 12TH AVE
NORTH KANSAS CITY MO 64116

Return	CR02002112
Date	7/24/2009
Page	1

Bill To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Ship To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
CREDIT CALL	LAQUINTAMASCOU	VAN 3	RJ KOOL CO.		7/24/2009	32,352

Quantity	Item Number	Description	UOM	Discount	Unit Price	Ext. Price
1.00	LABOR-SERVICE DEPT-ST	HOURLY LABOR-SERVICE DEPT-ST. LOUIS	LABOR	$0.00	$69.95	$69.95
1	TRAVEL CHARGE-LOCAL	TRAVEL CHARGE-LOCAL TRIP ST LOUIS	EACH	$0.00	$87.55	$87.55

THIS IS A CREDIT

Subtotal	$157.50
Misc	$0.00
Tax	$0.00
Freight	$0.00
Trade Discount	$0.00
Total	$157.50

RJ KOOL COMPANY, INC.
234 W. 12TH AVE
NORTH KANSAS CITY MO 64116

816-474-9274 PHONE
816-474-2141 FAX

Invoice	02002610
Date	10/1/2009
Page	1

Bill To:

LAQUINTA INN-MASCOUTAH
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Ship To:

LAQUINTA INN-MASCOUTAH
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
TIM/9348	LAQUINTAMASCOU	VAN 3	RJ KOOL CO	NET 30	10/1/2009	34,162

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
1.75	1.75	0.00	LABOR-SERVICE DEPT-	VAN 4 - HOURLY LABOR-SERVICE DEPT-	$0.00	$69.95	$122.41
1	1	0	TRAVEL CHARGE-LOCA	VAN 4 - TRAVEL CHARGE-LOCAL TRIP S	$0.00	$87.55	$87.55

pd
10/8/09
#1202

Subtotal	$209.96
Misc	$0.00
Tax	$0.00
Freight	$0.00
Trade Discount	$0.00
Total	$209.96

YOU APPRECIATE PROMPT SERVICE. WE APPRECIATE PROMPT PAYMENT.
A FINANCE CHARGE OF 1 1/2% PER MONTH WILL BE CHARGED ON ITEMS OVER 30 DAYS.
RESTOCKING FEE APPLIES TO RETURNED ITEMS. NO ELECTRICAL RETURNS ACCEPTED.

RJ KOOL

REMIT TO:	KANSAS CITY OFFICE:	ST. LOUIS OFFICE:
234 West 12th Ave	RJ Kool Company	RJ Kool Company
N Kansas City, MO 64116-4158	234 W 12th Ave	11669 Lilburn Park Road
Phone: (816) 474-9274	N Kansas City, MO 64116-4158	St. Louis, MO 63146-3535
FAX: (816) 474-2141	Phone: (816) 474-9274	Phone: (314) 991-9121
	FAX: (816) 474-2141	FAX: (314) 991-4034

SERVICE REPORT 39- 11141

PHONE: [illegible] ORDER DATE:
ORDER TAKEN BY:
SERVICE CALL #: [illegible] 1002348
CUSTOMER P.O. #:
JOB LOC:
TECH: [illegible] START DATE: 10-1-09

"WE SERVICE ALL MAKES & MODELS!"

TO: [illegible]
STREET 9310 Hayden Dr.
CITY Mascoutah STATE Ill ZIP 62258

TIME IN [illegible] TIME OUT 1200
ITEM: [illegible] BRAND Air Mac
MODEL #: [illegible] 5 OR 8 Ford 1601
SERIAL #: 0101 0 5424

"QUALITY SERVICE IS LONG REMEMBERED AFTER THE PRICE IS FORGOTTEN!"

QTY	MATERIAL	PART	PRICE	AMOUNT	TROUBLE REPORTED
					Left hand door making noise when tech overhead site. Checked door, inspected. Drive motor mount bolts. Tightened base drum pulley bolts, idler shaft assembly bolts, blower mount bolts. Performed complete operation from one cycle loaded dryer run. No unusual noises, lights, regular process in cool down shuts off automatically. Machine problems seen except listed at this time.
TOTAL MATERIALS					

SERVICE PERFORMED	OTHER CHARGES		
	TRIP	82.	53
	MILES		
	DRIVE TIME		
	TOTAL OTHER		
	LABOR HOURS	RATE	AMOUNT
	1.5 hr	49.85	
	TOTAL LABOR (ON SITE)	122.	41
	TOTAL LABOR (IN SHOP)		
	TOTAL MATERIALS		
	TOTAL OTHER Tax	87.	55
	TOTAL SHIPPING		
	THANK YOU! TAX		
	TOTAL	209.	96
	CK #:	CHARGE	CASH

DATE COMPLETED: 10-1-09
WORK ORDERED BY:
ADV
SIGNATURE: [signature]
CIRCLE ONE ➔

I hereby acknowledge the satisfactory completion of the described work and agree to pay for charges as noted.
TERMS: Net 10 days, 2% Add-on for each 30 days

YOU APPRECIATE PROMPT SERVICE AND WE APPRECIATE PROMPT PAYMENT...

HISTORICAL

RJ KOOL COMPANY, INC.
234 W. 12TH AVE
NORTH KANSAS CITY MO 64116

Invoice	INV00000000001347
Date	6/5/2009
Page	1

Refer

Bill To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Ship To:

LAQUINTA INN
9730 HAYDEN DRIVE
MASCOUTAH IL 62258

Purchase Order No.	Customer ID	Salesperson ID	Shipping Method	Payment Terms	Req Ship Date	Master No.
BARRY	LAQUINTAMASCOU	AUBUCHON	UPS	COD	6/5/2009	28,068

Ordered	Shipped	B/O	Item Number	Description	Discount	Unit Price	Ext. Price
2	2	0	ACBF60X8X110001	UNIMAC BASE FRAME, 60LB, 8", SINGLE	$0.00	$230.00	$460.00

RJ KOOL
234 W 12TH
NORTH KANSAS CITY, MO-64116
816-474-9274

Sale

ID: 00000001
08/25/09
Batch #: 136
Ref #: 0004
14:02:18
AVS: NO MATCH N

MASTERCARD
XXXXXXXXXXXX8414M
CVV2 Code: MATCH M
Appr Code: 000730
Invoice#: 000004
Total: $ 728.75

Customer Copy
THANK YOU!

Subtotal	$460.00
Misc	$0.00
Tax	$28.75
Freight	$240.00
Trade Discount	$0.00
Total	$728.75

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT H

Montgomery, Michelle

From: Castle, Creighton
Sent: Friday, October 03, 2014 9:05 AM
To: Montgomery, Michelle
Subject: FW: R J Kool Companies

From: Regensberger, Curt [Curt.Regensberger@Illinois.gov]
Sent: Friday, September 12, 2014 2:28 PM
To: Castle, Creighton
Subject: RE: R J Kool Companies

So the RJ Kool of St. Louis was being handled by RJ Kool of Missouri. We should then see these transactions in our audit of RJ Kool of Missouri. RJ Kool of Missouri has nexus back to **1/1/09** our statuatory period so we will be auditing RJ Kool of Missouri for the period of 1/1/09 to 6/30/14. We will be able to work out all the company differences in this audit and come up to the correct answer.

Thank You

Curt Regensberger
Revenue Audit Supervisor
Illinois Department of Revenue
15 Executive Dr. Ste 2
Fairview Heights, Il. 62208
618-304-6901

Consider the environment. Only print if necessary

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From: Castle, Creighton [mailto:crcastle@gifflnwinning.com]
Sent: Thursday, September 11, 2014 8:39 AM
To: Regensberger, Curt
Cc: jason@encompassaccounting.com; Montgomery, Michelle
Subject: RE: R J Kool Companies

Curt,

As we discussed, the Illinois Department of Revenue plans to conduct an audit of R J Kool Company of St. Louis ("St. Louis") and R J Kool Company of Missouri ("Missouri"). For Missouri, I understand that the audit will cover 2012 and forward. After discussion with my client, I believe the liability for St. Louis may be eliminated as it had not transacted business after 2007. I understand that there was one invoice dated January 8, 2009, that the Department which had the name R J Kool Company and an address of St. Louis. This transaction should have been reported by Missouri or its parent, KH Holdings. The accountant can confirm with the auditor.

The accountant is Jason Goethe, 11515 Knox St., Overland Park, Kansas 66214. Phone 816-377-0588.

I will go ahead and file a petition with the Illinois Independent Tax Tribunal by October 7th relating to the Collection Action against J. Darren Harding.

Thank you, Creighton

1 W Old State Capitol Plz Ste 600
Springfield IL 62701-1383
(P) 217.525.1571
(F) 217.525.1710
www.giffinwinning.com

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From: Regensberger, Curt [Curt.Regensberger@Illinois.gov]
Sent: Tuesday, September 09, 2014 3:23 PM
To: Castle, Creighton
Subject: R J Kool Companies

I have the POA and I am ready to talk

Thank You

Curt Regensberger
Revenue Audit Supervisor
Illinois Department of Revenue
15 Executive Dr. Ste 2
Fairview Heights, Il. 62208
618-304-6901

Consider the environment. Only print if necessary

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Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT I

ILLINOIS INDEPENDENT
TAX TRIBUNAL

J. DARREN HARDING,	)
	)
Petitioner,	)
	)
v.	)
	)
ILLINOIS DEPARTMENT OF REVENUE,	)
	)
Respondent.	)

PETITION

The Petitioner, J. Darren Harding, hereby petitions the Illinois Independent Tax Tribunal to deny the Illinois Department of Revenue's ("Department") claim that he is subject to personal liability for taxes assessed under the Retailers Occupation Tax Act relating to R J Kool Company of St. Louis for the period July 1, 2007, through June 30, 2009, and for the period July 1, 2009 through March 31, 2012, for the reasons stated below:

JURISDICTIONAL STATEMENT

Jurisdiction is proper with the Illinois Independent Tax Tribunal as the liability exceeds $15,000.00.

INTRODUCTION

1. Taxpayer. The Taxpayer petitioning this matter is J. Darren Harding, 6809 Cedar Street, Prairie Village, Kansas 66208. His phone number is 816-474-9274.

2. Taxpayer's Counsel. The Taxpayer is represented by Creighton R. Castle, 1 W. Old State Capitol Plaza, Suite 600, Springfield, Illinois 62701. His phone number is (217) 899-3088 and e-mail address is crcastle@giffinwinning.com.

3. Statutory Enclosures. The Taxpayer encloses a Notice of Tax Liability for Form EDA-105-R, ROT Audit Report dated October 30, 2013 for the period July 1, 2009, through March 31, 2012 ("Notice A"), a Notice of Tax Liability for Form EDA-105-R, ROT Audit Report dated October 30, 2013 for the period July 1, 2007, through June 30, 2009 ("Notice B"), and a Collection Action, Assessment and Notice of Intent dated August 8, 2014 issued by the Department to J Darren Harding (the "Collection Action"), a copy of such notices are attached as Group Exhibit A.

SUMMARY

1. The Department seeks to impose personal liability for tax under the Retailers' Occupation Tax Act ("ROTA"), against the Taxpayer for tax assessed by the Department against R J Kool Company of St. Louis, LLC (the "Company"), a Missouri limited liability company.

2. The Taxpayer is one of the owners of K H Holdings, LLC, a Missouri limited liability company.

3. K H Holdings, LLC owns a 100 percent interest in the Company.

4. The Taxpayer and William Kimmel collectively own a 100 percent interest in R J Kool Company of Missouri, an Iowa corporation.

5. Notice A and Notice B, which constituted the basis for the Collection Action, were issued to Walker Washer Service ("WWS").

6. WWS sold certain assets to the Company back in April, 2002, and the owner of WWS, Billey Walker, entered in a 5-year non-compete agreement with the Company, a copy of which is enclosed as Exhibit B.

7. On information and belief, Billey Walker may have recommenced business after the non-compete period (*i.e.*, 2007).

8. Notice A and Notice B are addressed to WWS, but indicate a taxpayer identification number belonging to the Company.

9. The Taxpayer had no ownership interest or involvement as an officer or an employee with WWS.

10. The Taxpayer engaged counsel in August, 2014.

11. The Taxpayer's counsel contacted Curt Regensberger, Revenue Audit Supervisor, Illinois Department of Revenue, 15 Executive Dr. Ste. 2, Fairview Heights, Illinois 62208 (618-304-6901) to decipher the discrepancies in the assessments involving the company identified in Notice A and Notice B (*i.e.*, WWS) and the company identified in the Collection Action (*i.e.*, R J Kool Company of St. Louis).

12. From counsel's contact with Mr. Regensberger, it appears that the Department issued Notice A and Notice B based on a Sales Agreement issued to LaQuinta Inn on January 8, 2009 (the "Sales Agreement"), a copy of which is attached hereto as Exhibit C, and estimated a tax liability therefrom.

13. The Sales Agreement was executed by Tom Aubuchon, not the Taxpayer.

14. The order was executed by Mr. Aubuchon, even though the sale was outside of the sales territory prescribed by suppliers.

15. The sales tax, if any, from the transaction encompassed by the Sales Agreement should have been reflected by R J Kool Company of Missouri.

16. The Taxpayer was unaware that, if sales tax was due for the transaction involving the Sales Agreement, such tax was not reported and paid to the Department.

17. The Company filed its last sales tax return with the Department for the period ending June 30, 2007, as it ceased to transact business.

18. The Company's final items of income, gain, loss, deduction, and credits appeared on K H Holdings, LLC's income tax return filed in 2008.

19. It was the intent of the owners of K H Holdings, LLC, that business operations of the Company would be taken over by R J Kool Company of Missouri.

20. It was only during the Department's investigation when the Taxpayer learned that the Sales Agreement was improperly completed by one of the sales associates and sales tax was not paid.

21. All invoices should have been processed through R J Kool Company of Missouri after the Company ceased business in 2007.

22. In 2012, R J Kool Company of Missouri filed an Illinois Business Registration Application with the Department.

23. The Taxpayer is unaware of any further invoices being issued under the Company's name, rather than the name of R J Kool Company of Missouri, for sales occurring in Illinois after June 30, 2007.

24. At all times relevant, R J Kool Company of Missouri's controller, Lisa Robinson, was responsible for filing and the sales tax returns with the Department, and paying for the tax due with the company's funds.

25. Based on counsel's correspond with Mr. Regensberger, it was agreed that the Department will perform an audit of R J Kool Company of Missouri for the period January 1, 2009, through June 30, 2014 (the "Audit Period") to derive an appropriate tax due the Department under ROTA. A copy of correspondence between taxpayer's counsel and Mr. Regensberger is enclosed.

26. The Audit Period will cover the date that the Sales Agreement was issued and executed.

27. The Taxpayer has been informed that the Department will commence an audit of R J Kool Company of Missouri in November, 2014.

APPLICABLE STATUTE

> The Uniform Penalties and Interest Act states, in pertinent part, "Any officer or employee of any taxpayer subject to the provisions of a tax Act administered by the Department who has the control, supervision or responsibility of filing returns and making payment of the amount of any trust tax imposed in accordance with that Act and who willfully fails to file the return or make the payment to the Department or willfully attempts in any other manner to evade or defeat the tax shall be personally liable for a penalty equal to the total amount of tax unpaid by the taxpayer including interest and penalties thereon. The Department shall determine a penalty due under this Section according to its best judgment and information, and that determination shall be prima facie correct and shall be prima facie evidence of a penalty due under this Section." 35 ILCS 735/3-7.

ANALYSIS

Pursuant to the statute, in order to be subjected to this penalty, a person must (1) be an employee or officer of the corporation, (2) have control, supervision or responsibility for filing returns and paying the taxes, and (3) willfully fail to file the returns, pay the tax or otherwise evade or defeat the tax.

The Taxpayer should not be held liable for the penalty equal to the amount of the unpaid liability of the Company as he did not willfully fail to file sales tax returns post-dating June 30, 2007, he did not willfully fail to make payment of sales tax due the Department for sales tax returns post-dating June 30, 2007, and he did not willfully attempt to evade or defeat the tax under ROTA.

In *Department of Revenue v. Heartland Investments, Inc.*, 106 Ill.2d (1985) the court held that willful failure to pay requirement was met by evidence that the Retailers' Occupation taxes

collected by a company were knowingly used by pay corporate creditors other than the Department of Revenue. Further, in *Ruth v. United States*, 823 F.2d 1091 (7th Cir. 1987), willfulness may be established by a showing of "gross negligence involving a known risk of violation," as where a responsible party clearly ought to have known of a "grave risk of non payment" and who is in a position to easily find out, but does nothing.

Here, the members of K H Holdings LLC decided to consolidate the business activities of the Company into R J Kool Company of Missouri. The Company's sales activities were wound down by June 30, 2007, and all final items of income, gain, loss, deduction and credit were reflected on K H Holdings, LLC's income tax return for 2008. All invoices should have been processed through R J Kool Company of Missouri after the Company ceased business in 2007. The Taxpayer was unaware that the Sales Agreement was completed in the name of the Company. If sales tax was due the Department on the transaction encompassed by the Sales Agreement, the Taxpayer was also unaware that it was not reported and paid by R J Kool Company of Missouri. It was only during the Department's investigation when the Taxpayer learned the Sales Agreement was improperly completed by a sales associated, as the sale was completed outside of prescribed territory assigned by the suppliers. R J Kool Company of Missouri has agreed to the Department's request for an audit of its books and records, and such audit is scheduled to occur in November, 2014 for the period January 1, 2009 through June 30, 2014. The audit shall address, among other matters, whether sales tax is due the state of Illinois for the sale covered by the Sales Agreement.

CONCLUSION AND RELIEF REQUESTED

As J. Darren Harding did not willfully fail to file the relevant returns, pay the tax or otherwise evade or defeat the tax under ROTA, he respectfully requests that the Illinois Independent Tax Tribunal deny the Illinois Department of Revenue's claim that he is subject to

personal liability for taxes under ROTA relating to R J Kool Company of St. Louis for the period July 1, 2007, through June 30, 2009, and for the period July 1, 2009 through March 31, 2012.

Respectfully submitted,

J. DARREN HARDING, Petitioner

Creighton R. Castle (Registration No. 6215856)
Giffin, Winning, Cohen & Bodewes, P.C.
One W. Old State Capitol Plaza
Suite 600, Myers Building
P.O. Box 2117
Springfield, IL 62705
(217) 525-1571
crcastle@giffinwinning.com

EXHIBIT A

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX X174 7782 88X4#
WALKER WASHER SERVICE
234 W 12TH AVE
KANSAS CITY MO 64116-4158

October 30, 2013

Letter ID: CNXXX174778288X4

Account ID: 3325-9038

Duplicate

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

	Liability	Payments/Credit	Unpaid Balance
Tax	13,848.00	0.00	13,848.00
Late Payment Penalty Increase	2,770.00	0.00	2,770.00
Late Filing Penalty Increase	277.00	0.00	277.00
Interest	878.07	0.00	878.07
Assessment Total	$17,773.07	$0.00	**$17,773.07**

If you do not agree, you may file a protest and request an administrative hearing within 60 days of the date of this notice, which is **December 30, 2013**. 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 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.

If you have questions, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are listed below.

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

217 785-6579

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX-XX67 4X41 X569#
WALKER WASHER SERVICE
234 W 12TH AVE
KANSAS CITY MO 64116-4158

October 30, 2013

Letter ID: CNXXXX674X41X569

Account ID: 3325-9038

We have audited your account for the reporting periods July 01, 2007, through June 30, 2009. As a result we have assessed the amounts shown below.

	Liability	Payments/Credit	Unpaid Balance
Tax	10,071.00	0.00	10,071.00
Late Payment Penalty Increase	4,028.00	0.00	4,028.00
Late Filing Penalty Increase	403.00	0.00	403.00
Interest	3,408.42	0.00	3,408.42
Assessment Total	$17,910.42	$0.00	**$17,910.42**

If you do not agree, you may file a protest and request an administrative hearing within 60 days of the date of this notice, which is **December 30, 2013**. 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 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.

If you have questions, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are listed below.

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

217 785-6579

Duplicate

Collection Action

Assessment and Notice of Intent

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

August 8, 2014

Letter ID: L1463946768

J DARREN HARDING
6809 CEDAR ST
PRAIRIE VLG KS 66208-1444

Taxpayer ID: XXX-XX-8658
NPL Penalty ID: 3030044

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/Use Tax & E911 Surcharge **Account ID: 3325-9038**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2009	10,071.00	4,531.00	3,875.26	-	-	18,477.26
31-Mar-2012	13,848.00	3,147.00	1,199.03	-	-	18,194.03

IDOR-5P-NPL (N-03/07)

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

Collection Action (R-12/08) (136)

Letter ID: L1463946768
J DARREN HARDING

Total amount due: $36,671.29

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 19035
SPRINGFIELD IL 62794-9035

000 006 013451408169 731 123199 5 0000003667129

Collection Action

Assessment and Notice of Intent

August 8, 2014

Letter ID: L1463946768

J DARREN HARDING
6809 CEDAR ST
PRAIRIE VLG KS 66208-1444

Taxpayer ID: XXX-XX-8658
NPL Penalty ID: 3030044

RJ KOOL CO OF ST LOUIS LLC
234 W 12TH AVE
KANSAS CITY MO 64116-4158

We have determined you are personally liable for a penalty of $36,671.29.

The penalty is equal to the amount of unpaid liability of RJ KOOL CO OF ST LOUIS LLC, due to your status as a responsible officer, partner, or individual of RJ KOOL CO OF ST LOUIS LLC.

Illinois law (35 ILCS 735/3-7) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty equal to the amount of tax due including penalty and interest.

Pay us $36,671.29. Your payment must be guaranteed (i.e., cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

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

- **If the amount of this liability 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 **October 7, 2014.** 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 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 the debt remains unpaid and this penalty becomes final, we intend to take collection enforcement action against you personally to collect this debt. Collection action can include the seizure and sale of your assets, and levy of your wages and bank accounts.

TRACI SKEETERS
100% PENALTY UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

217 782-9904 ext. 31614
217 785-2635 fax

For information about
- **how to pay**
- **submitting proof**
- **collection actions**

To avoid this collection action

Pay

Your payment must be guaranteed (*i.e.* cashier's check, money order) and made payable to the Illinois Department of Revenue.

If you believe you are not personally responsible, send us proof

Send us written proof, documents, or testimony for review. You may provide one or all of the following:

- copies of notarized resignation papers.
- corporate minutes where your resignation was accepted.
- copy of signed agreement to transfer stocks and bonds to another party.
- a notarized affidavit from someone whom we recognize as knowledgeable of the business' operation stating that you were not responsible for filing returns and paying taxes.
- the name of the person who was responsible for filing returns and paying taxes.

Federal Bankruptcy Court

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 relieve your obligations to file tax returns.

Correct our records

If our records are not correct, send us proof of your prior payment, a copy of the return you filed, or other documentations so that we can correct our records.

Collection action information

Applicable Illinois law

Illinois law (35 ILCS 735/3-7 of the Retailers' Occupation Tax Act) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty. The penalty is equal to the amount of tax due including penalty and interest.

More information is on our website at **tax.illinois.gov**.

What other collection actions may we take?

Additional collection action includes, but is not limited to:

- levy of wages and bank accounts.
- withholding of your state payments, tax refunds, lottery winnings, contractual service vouchers, *etc.*
- seizure and sale of your assets.
- referral to a collection agency.
- civil judgments.
- referral for non-renewal or revocation of your
  - Professional license,
  - Certificate of Registration,
  - Liquor license,
  - Corporate Charter with the Secretary of State, or
  - Lottery license.
- prosecution for bad checks and deceptive practice.
- filing a tax lien against your property (the filing of a lien may damage your credit rating for up to seven years, even after the lien is released). If we file a lien against your property, you are responsible for paying the lien filing and release fees and charges.

Illinois Department of Revenue

Authority to Levy Statutory References and Taxpayers' Bill of Rights

Authority to Levy

From 35 ILCS 5/1109 of the Income Tax Act and 35 ILCS 120/5f of the Retailers' Occupation Tax Act.

In addition to any other provisions of this Section, any officer or employee of the Department designated in writing by the Director, may levy upon the following property and rights to property belonging to a taxpayer: contractual payments, accounts and notes receivable and other evidences of debt, and interest on bonds, by serving a notice of levy on the person making such payment. Levy shall not be made until the Department has caused a demand to be made on the taxpayer in the manner provided above. In addition to any other provisions of this Section, any officer or employee of the Department designated in writing by the Director, may levy upon the salary, wages, commissions and bonuses of any employee, including officers, employees, or elected officials of the United States as authorized by Section 5520a of the Government Organization and Employees Act (5 U.S.C. 5520a), but not upon the salary or wages of officers, employees, or elected officials of any state other than this State by serving a notice of levy on the employer, as defined in Section 701(d). Levy shall not be made until the Department has caused a demand to be made on the employee in the manner provided above. The provisions of Section 12-803 of the Code of Civil Procedure relating to maximum compensation subject to collection under wage deduction orders shall apply to all levies made upon compensation under this Section. To the extent of the amount due on the levy, the employer or other person making payments to the taxpayer shall hold any non-exempt wages or other payments due or which subsequently come due. The levy or balance due thereon is a lien on wages or other payments due at the time of the service of the notice of levy, and such lien shall continue as to subsequent earnings and other payments until the total amount due upon the levy is paid, except that such lien on subsequent earnings or other payments shall terminate sooner if the employment relationship is terminated or if the notice of levy is rescinded or modified. The employer or other person making payments to the taxpayer shall file, on or before the return dates stated in the notice of levy (which shall not be more often than bimonthly) a written answer under oath to interrogatories, setting forth the amount due as wages or other payments to the taxpayer for the payment periods ending immediately prior to the appropriate return date. A lien obtained hereunder shall have priority over any subsequent lien obtained pursuant to Section 12-808 of the Code of Civil Procedure, except that liens for the support of a spouse or dependent children shall have priority over all liens obtained hereunder.

Illinois law (735 ILCS 5/12-803 of the Code of Civil Procedure) and Federal law (15 U.S.C. 1673) define "maximum wages subject to collection."

Federal law places a ceiling of 25% of the amount of an employee's disposable earnings subject to garnishment, so long as state law does not prohibit garnishment or provide for more limited garnishment than is allowed by federal law.

"The maximum wages, salary commissions, and bonuses subject to collection under a deduction order, for any work week shall not exceed the lesser of (1) 15% of such gross amount paid for that week, or (2) the amount by which *disposable earnings* (emphasis added) for a week exceed 45 times the Federal Minimum Hourly Wage prescribed by Section 206(a)(1) of Title 29 of the United States Code, as amended, in effect at the time the amounts are payable.... The term *"disposable earnings"* (emphasis added) means that part of the earnings of any individual remaining after the deduction from those earnings of any amounts required by law to be withheld." (735 ILCS 5/12-803)

Taxpayers' Bill of Rights

- You have the right to call the Illinois 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 our notices by asking questions, paying the amount due, or providing proof to refute our findings.
- You have the right to appeal our decisions in many instances within specified time periods by asking for our review or by taking the
- If you have overpaid your taxes, you have the right to a credit (or, in some cases, a refund) of that overpayment, within certain time periods.

The full text of the Taxpayers' Bill of Rights is contained in the Illinois Compiled Statutes, 20 ILCS 2520/1 *et seq.*

For more information about these rights and other departmental procedures, visit our Web site at www.revenue.state.il.us or contact us at the address or telephone numbers below.

call: 1 800 732-8866
1 217 782-3336
1 800 544-5304 (TDD-telecommunications device for the deaf)

write: ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044

EXHIBIT B

Non-Compete Agreement

This Non-Compete Agreement is entered into on this 15th day of April, 2002, between RJ Kool Company of St. Louis, LLC (the "Company"), a Missouri Limited Liability Company, and Billey Walker ("Walker"), an individual.

Whereas, Walker is the sole owner of Walker Washer Service, a Missouri Sole Proprietorship;

Whereas, on the date hereof, Purchaser is purchasing from Seller, and Seller is selling to Purchaser, certain operating assets of Seller; and

Whereas, Walker is entering into this Non-Compete Agreement with Company as a condition precedent to the obligations of Company to purchase the assets of Seller;

Now, therefore, in consideration of mutual promises herein contained and other good and valuable consideration, the Company and Walker agree as follows:

1. **Non-Disclosure.** From and after the date hereof, Walker shall not:

   a. Except as required to perform Walker's duties as an employee or consultant of the Company, use for the benefit of Walker or others, or in any way divulge, disclose or communicate to any individual, entity or other group or organization, any information about the business of the Company, of any kind, nature or description, without regard to whether such information is deemed confidential or material (collectively referred to herein as "Company Information"), including but not limited to: (i) information of a technical nature such as, but not limited to, methods, know-how or procedures; (ii) information of a business nature such as, but not limited to, information about costs, purchasing, profits, markets, product demand, buying habits and preferences, sales, or lists of customers, suppliers, or clients; and (iii) new business development information, planned or in progress, third party affiliations, or business and marketing strategies.

   b. Induce or influence any person who is engaged by the Company as an employee, agent, or otherwise, to terminate his or her engagement or to engage or otherwise participate in a business activity directly or indirectly competitive with the Company.

2. **Non-Competition.** For a period of five (5) years from and after the date hereof, Walker shall not, directly or indirectly, either for Walker's own account, or as a partner, employee, officer, consultant, accountant, director, shareholder or otherwise, own, manage, control, operate, be employed by, participate in or otherwise be connected with the ownership, management, operation or control of any business which, within the Territory (as hereinafter defined), is engaged in the business of selling, leasing, marketing, distributing, developing any products or services provided by the Company during the term of this Agreement. The term "Territory" as used in this Section 2 means a 750 mile radius of the Greater St. Louis geographic area.

3. **Protection of Proprietary Information.** Walker shall protect and preserve and assist the Company in maintaining the confidentiality of all Company Information and report to the Company immediately any known or suspected violations or breaches of the confidentially of the Company Information, whether caused by Walker or others. Walker shall not remove Company Information from any secured area or secured status or from Company's premises without the express prior written consent of the President of the Company.

4. **Consideration for Covenant Not to Compete and Related Obligations.** In consideration of the obligations of Walker under Sections 1 through 3 hereof, the Company agrees to purchase assets per the Definitive Purchase Agreement.

5. **Enforcement.** If either party to this Agreement violates any provision hereof, the aggrieved party shall be entitled to any and all applicable remedies at law or equity to prevent further breaches of this Agreement, including injunctive relief from a court of competent jurisdiction.

6. **Reformation.** If a court of competent jurisdiction determines any covenant herein to be unenforceable, then such court shall be empowered to reform such covenant herein in such a manner so that it is enforceable to the fullest extent consistent with the law.

7. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

In Witness Whereof, the parties hereto have duly executed this Agreement on the day and year first above written.

RJ Kool Company of St. Louis, LLC

By_____
William Kimmel, Member "Company"

By_____
Billey Walker "Walker"

By_____
Darren Harding, Member "Company"

EXHIBIT C

Sales Agreement

By and Between:

R.J. Kool Company
11669 Lilburn Park Road
St. Louis, MO 63146

Telephone: 314-991-9121
Fax: 314-991-4034
Toll Free: 866-232-5665

Bill to: Barry Haydon
La Quinta Inn
Mascoutah, IL

Ship to: La Quinta Inn
Mascoutah, IL

Sales Number: 001172 **Date** 1/8/2009 **Expires on:** 4/30/2009 **Salesperson** Tom Aubuchon

Part #	Mfr	Description	Price	Qty	Extend
UC60BN2	Unimac	60lb. Washer/Extractor Programmable Microprocessor (8 Cycle) Stainless Steel Cabinet ELECTRICAL VOLTAGE: (O) 208-240/60/~~3~~ single phase Initial here to approve voltage	$5,999.00	2	$11,998.00
UT075NRQ	Unimac	75 LB Natural Gas Tumbler / Dryer Dual Digital Timer Reversing Cylinder Three Year Warranty 200-208/240/60/3	$3,834.75	2	$7,669.50
CAM2742TQ	Whirlpool	27" 2-Speed Washer Factory Installed Coin Slide & Box 3.2 Cu. Ft. Wash Basket 18 lbs. Push Button Controls High Efficiency, Low Water Factor 3 Cycles	$605.00	2	$1,210.00
CEM2940TQ	Whirlpool	29" Electric Dryer Factory Installed Coin Slide & Coin Box 7.0 Cu. Ft. Drum Capacity Push Button Controls 3 Cycles * Power Cord Sold Separately * 8 Quarter Coin Slide Capacity ($1 factory preset)	$525.00	2	$1,050.00
Install	R.J. Kool	Full Installation. All utilities within 3-5 feet. Customer is responsible for adequate door openings and ground level access to laundry room.	$1,200.00	1	$1,200.00

Part #	Mfr	Description	Price	Qty	Extend
		Additional runs of utilities if required not included in price.			
Freight	Common Carrier	Factory Freight	$1,000.00	1	$1,000.00

Fax to 615 233 5666

Payment

The total purchase price, including applicable taxes is $25,497.97

Customer agrees to pay the full amount immediately upon receipt.

R.J. Kool, Co.

By: Tom Rh

Account Executive

Customer

Total 25,627.50

APPROVED FOR R.J. KOOL, CO.

By: _____

Authorized Signature

Tom Rh

Print Name and Title

Date: 1/9/09

By: _____

Authorized Signature

Barry Haydon

Print Name and Title

Date: 1/8/09 P.O.# _____

Sub-Total	$24,127.50
	500.00
	1,127.50
Tax	$1,370.47
Total	$25,497.97

no tax

Entire Agreement

This Agreement, INCLUDING PROVISIONS ON THE ATTACHED PAGE, constitutes the entire agreement between the parties, and supersedes and replaces other prior understandings or agreements whether oral or written relating to the Equipment. This Agreement may not be changed, modified, or varied except by the specific written and signed approval by authorized representatives of each party. Any customer purchase order or similar document issued relating to the purchase of the Equipment shall be governed only by the terms and conditions of this Agreement, which shall supersede and prevail over terms and conditions of such customer purchase order. This Agreement shall not become binding on R.J. Kool unless approved by R.J. Kool management, as provided above. Restocking fee's will apply for cancelled agreements.

Additional Terms and Conditions

Sales Number 001172

1. TITLE: All risk of loss and title to the Equipment, subject to Section 2, shall pass Customer upon the date the Equipment is delivered to Customer.

2. SECURITY INTEREST: Customer hereby grants to R.J. Kool a security interest in the Equipment in order to secure Customer's obligations hereunder, and agrees upon request of R.J. Kool to execute any documents necessary to perfect such interest. If the purchase price is not paid in accordance with the payment terms, R.J. Kool shall have all the rights and remedies of a secured party as provided in Article 9 of the Uniform Commercial Code and R.J. Kool shall be entitled to reasonable attorney fees and legal expenses incurred with respect to this security interest and the enforcement of any R.J. Kool's other rights under this Agreement. Finance charges of 18% per annum, or the highest allowable rate of interest in Customer's state, whichever is lower, will be assessed on all delinquent amounts. If any of Customer's obligations to R.J. Kool are not promptly paid when due, Customer shall be in default hereunder and all unpaid amounts shall become immediately due and payable. If the default continues for ten (10) days after written or telegraphic notice thereof by R.J. Kool, R.J. Kool may, at its option, render the Equipment unusuable until R.J. Kool receives payment in full and/or enter upon the premises where the Equipment is installed and retake possession thereof without notice, free from any claims of Customer.

3. DELIVERY: The equipment delivery date shall be at a time to be mutually agreed upon by the parties with appropriate adjustment for conditions beyond the reasonable control of R.J. Kool.

4. TAXES: Customer shall pay, or reimburse R.J. Kool for, all applicable taxes imposed on Customer or R.J. Kool for the sale or use of the Equipment, or upon this Agreement, except that personal property taxes assessed on the Equipment before the date title passes shall be paid by R.J. Kool.

5. INDEMNIFICATION: Customer shall indemnify and hold harmless R.J. Kool from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities including attorney fees, claimed by any person, organization, association, or otherwise arising out of or, relating to the Equipment, its use, possession, operation, and/or condition, except to the extent caused by the gross negligence or willful misconduct of R.J. Kool.

6. LIMITATION OF LIABILITY: R.J. Kool shall not be liable for any special, indirect, incidental or conssequential damages or for loss, damage or expense, directly or indirectly arising from Customer's use of or inability to use the equipment, either separately or in combination with other Equipment, or for personal injury or loss or destruction of property, or from any other causes.

7. WARRANTIES: R.J. Kool warrant to Customer good and clear title to the Equipment free and clear of liens and encumbrances, subject to any security interest retained by R.J. Kool. R.J. Kool hereby warrants the Equipment against defects in materials and workmanship as follows:

_____

_____

provided that no repairs, substitutions, modifications, or additions have been made except by R.J. Kool and provided that after delivery to Customer, the Equipment has not been subjected to accident, neglect, misuse, or used in violation of any instructions supplied by R.J. Kool. R.J. Kool's sole liability hereunder shall be to repair or replace the Equipment at its own expense during normal working hours, and the foregoing warranty shall constitute the exclusive remedy of Customer and the exlusive liability of R.J. Kool for any breach of any Warranty related to this Agreement. Customer will permit or arrange for access to the premises for any R.J. Kool's warranty service.

THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE, AND R.J. KOOL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, WORKMANSHIP, OR FITNESS FOR A PARTICULAR PURPOSE.

8. LAW: This Agreement shall be governed by the laws of Missouri. Should a dispute arise concerning the Equipment or this Agreement, the Court to determine this dispute shall be the Court of proper jurisdiction in Clay County, Missouri.

9. ASSIGNMENT: This Agreement may not be assigned by Customer without the prior written consent of R.J. Kool.

10. MISCELLANEOUS: Titles to the paragraphs of this Agreement are solely for the convience of the parties and do not explain, modify, or interpret the provisions herein. If more than one Customer is named in this Agreement, the liability of each shall be joint and several

R.J. Kool is not liable for any failure or delay in performance due to any cause beyond its control.

If any provisions of the Agreement are in conflict with any statute or rule of law of any state or territory wherein it may be sought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating the remaining provisions hereof.

If R.J. Kool incurs attorneys fees and costs if R.J. Kool is successful in such enforcement.

Initials: _____ R.J. Kool Co.

Initials: _____ Customer

Correspondence between Counsel and Curt Regensberg

Montgomery, Michelle

From: Castle, Creighton
Sent: Friday, October 03, 2014 9:05 AM
To: Montgomery, Michelle
Subject: FW: R J Kool Companies

From: Regensberger, Curt [Curt.Regensberger@Illinois.gov]
Sent: Friday, September 12, 2014 2:28 PM
To: Castle, Creighton
Subject: RE: R J Kool Companies

So the RJ Kool of St. Louis was being handled by RJ Kool of Missouri. We should then see these transactions in our audit of RJ Kool of Missouri. RJ Kool of Missouri has nexus back to **1/1/09** our statuatory period so we will be auditing RJ Kool of Missouri for the period of 1/1/09 to 6/30/14. We will be able to work out all the company differences in this audit and come up to the correct answer.

Thank You

Curt Regensberger
Revenue Audit Supervisor
Illinois Department of Revenue
15 Executive Dr. Ste 2
Fairview Heights, Il. 62208
618-304-6901

Consider the environment. Only print if necessary

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From: Castle, Creighton [mailto:crcastle@giffinwinning.com]
Sent: Thursday, September 11, 2014 8:39 AM
To: Regensberger, Curt
Cc: jason@encompassaccounting.com; Montgomery, Michelle
Subject: RE: R J Kool Companies

Curt,

As we discussed, the Illinois Department of Revenue plans to conduct an audit of R J Kool Company of St. Louis ("St. Louis") and R J Kool Company of Missouri ("Missouri"). For Missouri, I understand that the audit will cover 2012 and forward. After discussion with my client, I believe the liability for St. Louis may be eliminated as it had not transacted business after 2007. I understand that there was one invoice dated January 8, 2009, that the Department which had the name R J Kool Company and an address of St. Louis. This transaction should have been reported by Missouri or its parent, KH Holdings. The accountant can confirm with the auditor.

The accountant is Jason Goethe, 11515 Knox St., Overland Park, Kansas 66214. Phone 816-377-0588.

I will go ahead and file a petition with the Illinois Independent Tax Tribunal by October 7th relating to the Collection Action against J. Darren Harding.

Thank you, Creighton

1 W Old State Capitol Plz Ste 600
Springfield IL 62701-1383
(P) 217.525.1571
(F) 217.525.1710
www.giffinwinning.com

Giffin, Winning, Cohen & Bodewes, P.C. *Is a professional corporation under the laws of the State of Illinois and is registered under Rules of the Illinois Supreme Court to engage in the practice of law in the State of Illinois. The firm is a member of SCG Legal, a worldwide network of leading law firms. Member firms practice independently and not in a relationship for the joint practice of law.*

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IRS Circular 230 Notice: *Pursuant to Treasury Regulations, we are required to state that : (a) any U.S. federal tax advice contained in this communication (or in any attachment hereto), unless otherwise stated, is not intended or written to be used, and cannot be used for the purpose of avoiding tax-related penalties, and (b) no one, without our prior written consent, may use any advice contained in this transmission (or in any attachment hereto) in promoting, marketing, or recommending to another entity, investment plan, taxpayer, or individual any advice, transaction or matter addressed in this communication (or in any attachment hereto).*

From: Regensberger, Curt [Curt.Regensberger@Illinois.gov]
Sent: Tuesday, September 09, 2014 3:23 PM
To: Castle, Creighton
Subject: R J Kool Companies

I have the POA and I am ready to talk

Thank You

Curt Regensberger
Revenue Audit Supervisor
Illinois Department of Revenue
15 Executive Dr. Ste 2
Fairview Heights, Il. 62208
618-304-6901

Consider the environment. Only print if necessary

CONFIDENTIALITY NOTICE: The information contained in this email message is intended only for use of the intended recipient. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately delete it from your system and notify the sender by replying to this email. Thank you.

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT J

ILLINOIS INDEPENDENT
TAX TRIBUNAL

WILLIAM J .KIMMEL,	)
	)
Petitioner,	)
	)
v.	)
	)
ILLINOIS DEPARTMENT OF REVENUE,	)
	)
Respondent.	)

PETITION

The Petitioner, William J. Kimmel, hereby petitions the Illinois Independent Tax Tribunal to deny the Illinois Department of Revenue's ("Department") claim that he is subject to personal liability for taxes assessed under the Retailers Occupation Tax Act relating to R J Kool Company of St. Louis for the period July 1, 2007, through June 30, 2009, and for the period July 1, 2009 through March 31, 2012, for the reasons stated below:

JURISDICTIONAL STATEMENT

Jurisdiction is proper with the Illinois Independent Tax Tribunal as the liability exceeds $15,000.00.

INTRODUCTION

1. Taxpayer. The Taxpayer petitioning this matter is William J. Kimmel, 8940 Linden Ln., Prairie Village, Kansas 66207. His phone number is 800-345-4551.

2. Taxpayer's Counsel. The Taxpayer is represented by Creighton R. Castle, 1 W. Old State Capitol Plaza, Suite 600, Springfield, Illinois 62701. His phone number is (217) 899-3088 and e-mail address is crcastle@giffinwinning.com.

3. Statutory Enclosures. The Taxpayer encloses a Notice of Tax Liability for Form EDA-105-R, ROT Audit Report dated October 30, 2013 for the period July 1, 2009, through March 31, 2012 ("Notice A"), a Notice of Tax Liability for Form EDA-105-R, ROT Audit Report dated October 30, 2013 for the period July 1, 2007, through June 30, 2009 ("Notice B"), and a Collection Action, Assessment and Notice of Intent dated August 8, 2014 issued by the Department to William J. Kimmel (the "Collection Action"), a copy of such notices are attached as Group Exhibit A.

SUMMARY

1. The Department seeks to impose personal liability for tax under the Retailers' Occupation Tax Act ("ROTA"), against the Taxpayer for tax assessed by the Department against R J Kool Company of St. Louis, LLC (the "Company"), a Missouri limited liability company.

2. The Taxpayer is one of the owners of K H Holdings, LLC, a Missouri limited liability company.

3. K H Holdings, LLC owns a 100 percent interest in the Company.

4. The Taxpayer and J. Darren Harding collectively own a 100 percent interest in R J Kool Company of Missouri, an Iowa corporation.

5. Notice A and Notice B, which constituted the basis for the Collection Action, were issued to Walker Washer Service ("WWS").

6. WWS sold certain assets to the Company back in April, 2002, and the owner of WWS, Billey Walker, entered in a 5-year non-compete agreement with the Company, a copy of which is enclosed as Exhibit B.

7. On information and belief, Billey Walker may have recommenced business after the non-compete period (*i.e.*, 2007).

8. Notice A and Notice B are addressed to WWS, but indicate a taxpayer identification number belonging to the Company.

9. The Taxpayer had no ownership interest or involvement as an officer or an employee with WWS.

10. The Taxpayer engaged counsel in August, 2014.

11. The Taxpayer's counsel contacted Curt Regensberger, Revenue Audit Supervisor, Illinois Department of Revenue, 15 Executive Dr. Ste. 2, Fairview Heights, Illinois 62208 (618-304-6901) to decipher the discrepancies in the assessments involving the company identified in Notice A and Notice B (*i.e.*, WWS) and the company identified in the Collection Action (*i.e.*, R J Kool Company of St. Louis).

12. From counsel's contact with Mr. Regensberger, it appears that the Department issued Notice A and Notice B based on a Sales Agreement issued to LaQuinta Inn on January 8, 2009 (the "Sales Agreement"), a copy of which is attached hereto as Exhibit C, and estimated a tax liability therefrom.

13. The Sales Agreement was executed by Tom Aubuchon, not the Taxpayer.

14. The order was executed by Mr. Aubuchon, even though the sale was outside of the sales territory prescribed by suppliers.

15. The sales tax, if any, from the transaction encompassed by the Sales Agreement should have been reflected by R J Kool Company of Missouri.

16. The Taxpayer was unaware that, if sales tax was due for the transaction involving the Sales Agreement, such tax was not reported and paid to the Department.

17. The Company filed its last sales tax return with the Department for the period ending June 30, 2007, as it ceased to transact business.

18. The Company's final items of income, gain, loss, deduction, and credits appeared on K H Holdings, LLC's income tax return filed in 2008.

19. It was the intent of the owners of K H Holdings, LLC, that business operations of the Company would be taken over by R J Kool Company of Missouri.

20. It was only during the Department's investigation when the Taxpayer learned that the Sales Agreement was improperly completed by one of the sales associates and sales tax was not paid.

21. All invoices should have been processed through R J Kool Company of Missouri after the Company ceased business in 2007.

22. In 2012, R J Kool Company of Missouri filed an Illinois Business Registration Application with the Department.

23. The Taxpayer is unaware of any further invoices being issued under the Company's name, rather than the name of R J Kool Company of Missouri, for sales occurring in Illinois after June 30, 2007.

24. At all times relevant, R J Kool Company of Missouri's controller, Lisa Robinson, was responsible for filing and the sales tax returns with the Department, and paying for the tax due with the company's funds.

25. Upon information from Mr. Regensberger, the Taxpayer did not execute the Illinois Business Registration Application for the Company as being responsible for filing returns and paying taxes due.

26. The Taxpayer did not review and execute Illinois Sales Tax Returns for the Company and was not responsible for paying such taxes.

27. Based on counsel's correspond with Mr. Regensberger, it was agreed that the Department will perform an audit of R J Kool Company of Missouri for the period January 1,

2009, through June 30, 2014 (the "Audit Period") to derive an appropriate tax due the Department under ROTA. A copy of correspondence between taxpayer's counsel and Mr. Regensberger is enclosed.

28. The Audit Period will cover the date that the Sales Agreement was issued and executed.

29. The Taxpayer has been informed that the Department will commence an audit of R J Kool Company of Missouri in November, 2014.

APPLICABLE STATUTE

> The Uniform Penalties and Interest Act states, in pertinent part, "Any officer or employee of any taxpayer subject to the provisions of a tax Act administered by the Department who has the control, supervision or responsibility of filing returns and making payment of the amount of any trust tax imposed in accordance with that Act and who willfully fails to file the return or make the payment to the Department or willfully attempts in any other manner to evade or defeat the tax shall be personally liable for a penalty equal to the total amount of tax unpaid by the taxpayer including interest and penalties thereon. The Department shall determine a penalty due under this Section according to its best judgment and information, and that determination shall be prima facie correct and shall be prima facie evidence of a penalty due under this Section." 35 ILCS 735/3-7.

ANALYSIS

Pursuant to the statute, in order to be subjected to this penalty, a person must (1) be an employee or officer of the corporation, (2) have control, supervision or responsibility for filing returns and paying the taxes, and (3) willfully fail to file the returns, pay the tax or otherwise evade or defeat the tax.

The Taxpayer should not be held liable for the penalty equal to the amount of the unpaid liability of the Company as he did not have control, supervision or responsibility for filing returns and paying taxes. This is also evidenced as he did not execute the Illinois Business Registration Application as being responsible for filing returns and paying taxes due.

The Taxpayer should also not be held liable for the penalty equal to the amount of the unpaid liability of the Company as he did not willfully fail to file sales tax returns post-dating June 30, 2007, he did not willfully fail to make payment of sales tax due the Department for sales tax returns post-dating June 30, 2007, and he did not willfully attempt to evade or defeat the tax under ROTA.

In *Department of Revenue v. Heartland Investments, Inc.*, 106 Ill.2d (1985) the court held that willful failure to pay requirement was met by evidence that the Retailers' Occupation taxes collected by a company were knowingly used by pay corporate creditors other than the Department of Revenue. Further, in *Ruth v. United States*, 823 F.2d 1091 (7th Cir. 1987), willfulness may be established by a showing of "gross negligence involving a known risk of violation," as where a responsible party clearly ought to have known of a "grave risk of non payment" and who is in a position to easily find out, but does nothing.

Here, the members of K H Holdings LLC decided to consolidate the business activities of the Company into R J Kool Company of Missouri. The Company's sales activities were wound down by June 30, 2007, and all final items of income, gain, loss, deduction and credit were reflected on K H Holdings, LLC's income tax return for 2008. All invoices should have been processed through R J Kool Company of Missouri after the Company ceased business in 2007. The Taxpayer was unaware that the Sales Agreement was completed in the name of the Company. If sales tax was due the Department on the transaction encompassed by the Sales Agreement, the Taxpayer was also unaware that it was not reported and paid by R J Kool Company of Missouri. It was only during the Department's investigation when the Taxpayer learned the Sales Agreement was improperly completed by a sales associated, as the sale was completed outside of prescribed territory assigned by the suppliers. R J Kool Company of Missouri has agreed to the Department's request for an audit of its books and records, and such

audit is scheduled to occur in November, 2014 for the period January 1, 2009 through June 30, 2014. The audit shall address, among other matters, whether sales tax is due the state of Illinois for the sale covered by the Sales Agreement.

CONCLUSION AND RELIEF REQUESTED

As William J. Kimmel did not have control, supervision, or responsibility for filing returns and paying the taxes and did not willfully fail to file the relevant returns, pay the tax or otherwise evade or defeat the tax under ROTA, he respectfully requests that the Illinois Independent Tax Tribunal deny the Illinois Department of Revenue's claim that he is subject to personal liability for taxes under ROTA relating to R J Kool Company of St. Louis for the period July 1, 2007, through June 30, 2009, and for the period July 1, 2009 through March 31, 2012.

Respectfully submitted,

WILLIAM J. KIMMEL, Petitioner

Creighton R. Castle (Registration No. 6215856)
Giffin, Winning, Cohen & Bodewes, P.C.
One W. Old State Capitol Plaza
Suite 600, Myers Building
P.O. Box 2117
Springfield, IL 62705
(217) 525-1571
crcastle@giffinwinning.com

EXHIBIT A

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX X174 7782 88X4#
WALKER WASHER SERVICE
234 W 12TH AVE
KANSAS CITY MO 64116-4158

October 30, 2013

Letter ID: CNXXX174778288X4

Account ID: 3325-9038

Duplicate

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

	Liability	Payments/Credit	Unpaid Balance
Tax	13,848.00	0.00	13,848.00
Late Payment Penalty Increase	2,770.00	0.00	2,770.00
Late Filing Penalty Increase	277.00	0.00	277.00
Interest	878.07	0.00	878.07
Assessment Total	$17,773.07	$0.00	**$17,773.07**

If you do not agree, you may file a protest and request an administrative hearing within 60 days of the date of this notice, which is **December 30, 2013**. 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 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.

If you have questions, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are listed below.

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

217 785-6579

Notice of Tax Liability

for Form EDA-105-R, ROT Audit Report

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

#BWNKMGV
#CNXX-XX67 4X41 X569#
WALKER WASHER SERVICE
234 W 12TH AVE
KANSAS CITY MO 64116-4158

October 30, 2013

Letter ID: CNXXXX674X41X569

Account ID: 3325-9038

Duplicate

We have audited your account for the reporting periods July 01, 2007, through June 30, 2009. As a result we have assessed the amounts shown below.

	Liability	Payments/Credit	Unpaid Balance
Tax	10,071.00	0.00	10,071.00
Late Payment Penalty Increase	4,028.00	0.00	4,028.00
Late Filing Penalty Increase	403.00	0.00	403.00
Interest	3,408.42	0.00	3,408.42
Assessment Total	$17,910.42	$0.00	**$17,910.42**

If you do not agree, you may file a protest and request an administrative hearing within 60 days of the date of this notice, which is **December 30, 2013**. 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 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.

If you have questions, please write us or call our Springfield office weekdays between 8:00 a.m. and 4:00 p.m. Our address and telephone number are listed below.

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

217 785-6579

Collection Action

Assessment and Notice of Intent

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

August 8, 2014

Letter ID: L1928883936

WILLIAM J. KIMMEL
8940 LINDEN LN
PRAIRIE VLG KS 66207-2283

Taxpayer ID: XXX-XX-7779
NPL Penalty ID: 3020050

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/Use Tax & E911 Surcharge **Account ID: 3325-9038**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2009	10,071.00	4,531.00	3,875.26	-	-	18,477.26
31-Mar-2012	13,848.00	3,147.00	1,199.03	-	-	18,194.03

IDOR-5P-NPL (N-03/07)

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

Collection Action (R-12/08) (136)

Letter ID: L1928883936
WILLIAM J. KIMMEL

Total amount due: $36,671.29

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 19035
SPRINGFIELD IL 62794-9035

000 006 017448450729 731 123199 7 0000003667129

Collection Action

Assessment and Notice of Intent

August 8, 2014

Letter ID: L1928883936

Taxpayer ID: XXX-XX-7779
NPL Penalty ID: 3020050

WILLIAM J. KIMMEL
8940 LINDEN LN
PRAIRIE VLG KS 66207-2283

RJ KOOL CO OF ST LOUIS LLC
234 W 12TH AVE
KANSAS CITY MO 64116-4158

We have determined you are personally liable for a penalty of $36,671.29.

The penalty is equal to the amount of unpaid liability of RJ KOOL CO OF ST LOUIS LLC, due to your status as a responsible officer, partner, or individual of RJ KOOL CO OF ST LOUIS LLC.

Illinois law (35 ILCS 735/3-7) provides that any person who has control, supervision, or responsibility of filing returns or making payments for a taxpayer, and who willfully fails to do so, shall be personally liable for a penalty equal to the amount of tax due including penalty and interest.

Pay us $36,671.29. Your payment must be guaranteed (i.e., cashier's check, money order) and made payable to the Illinois Department of Revenue. Send or bring it to us at the address below.

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

- **If the amount of this liability 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 **October 7, 2014.** 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 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 the debt remains unpaid and this penalty becomes final, we intend to take collection enforcement action against you personally to collect this debt. Collection action can include the seizure and sale of your assets, and levy of your wages and bank accounts.

TRACI SKEETERS
100% PENALTY UNIT
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19035
SPRINGFIELD IL 62794-9035

217 782-9904 ext. 31614
217 785-2635 fax

For information about
- **how to pay**
- **submitting proof**
- **collection actions**

Turn page

EXHIBIT B

Non-Compete Agreement

This Non-Compete Agreement is entered into on this 15th day of April, 2002, between RJ Kool Company of St. Louis, LLC (the "Company"), a Missouri Limited Liability Company, and Billey Walker ("Walker"), an individual.

Whereas, Walker is the sole owner of Walker Washer Service, a Missouri Sole Proprietorship;

Whereas, on the date hereof, Purchaser is purchasing from Seller, and Seller is selling to Purchaser, certain operating assets of Seller; and

Whereas, Walker is entering into this Non-Compete Agreement with Company as a condition precedent to the obligations of Company to purchase the assets of Seller;

Now, therefore, in consideration of mutual promises herein contained and other good and valuable consideration, the Company and Walker agree as follows:

1. **Non-Disclosure.** From and after the date hereof, Walker shall not:

   a. Except as required to perform Walker's duties as an employee or consultant of the Company, use for the benefit of Walker or others, or in any way divulge, disclose or communicate to any individual, entity or other group or organization, any information about the business of the Company, of any kind, nature or description, without regard to whether such information is deemed confidential or material (collectively referred to herein as "Company Information"), including but not limited to: (i) information of a technical nature such as, but not limited to, methods, know-how or procedures; (ii) information of a business nature such as, but not limited to, information about costs, purchasing, profits, markets, product demand, buying habits and preferences, sales, or lists of customers, suppliers, or clients; and (iii) new business development information, planned or in progress, third party affiliations, or business and marketing strategies.

   b. Induce or influence any person who is engaged by the Company as an employee, agent, or otherwise, to terminate his or her engagement or to engage or otherwise participate in a business activity directly or indirectly competitive with the Company.

2. **Non-Competition.** For a period of five (5) years from and after the date hereof, Walker shall not, directly or indirectly, either for Walker's own account, or as a partner, employee, officer, consultant, accountant, director, shareholder or otherwise, own, manage, control, operate, be employed by, participate in or otherwise be connected with the ownership, management, operation or control of any business which, within the Territory (as hereinafter defined), is engaged in the business of selling, leasing, marketing, distributing, developing any products or services provided by the Company during the term of this Agreement. The term "Territory" as used in this Section 2 means a 750 mile radius of the Greater St. Louis geographic area.

3. **Protection of Proprietary Information.** Walker shall protect and preserve and assist the Company in maintaining the confidentiality of all Company Information and report to the Company immediately any known or suspected violations or breaches of the confidentially of the Company Information, whether caused by Walker or others. Walker shall not remove Company Information from any secured area or secured status or from Company's premises without the express prior written consent of the President of the Company.

4. **Consideration for Covenant Not to Compete and Related Obligations.** In consideration of the obligations of Walker under Sections 1 through 3 hereof, the Company agrees to purchase assets per the Definitive Purchase Agreement.

5. **Enforcement.** If either party to this Agreement violates any provision hereof, the aggrieved party shall be entitled to any and all applicable remedies at law or equity to prevent further breaches of this Agreement, including injunctive relief from a court of competent jurisdiction.

6. **Reformation.** If a court of competent jurisdiction determines any covenant herein to be unenforceable, then such court shall be empowered to reform such covenant herein in such a manner so that it is enforceable to the fullest extent consistent with the law.

7. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

In Witness Whereof, the parties hereto have duly executed this Agreement on the day and year first above written.

RJ Kool Company of St. Louis, LLC

By _____
William Kimmel, Member "Company"

By _____
Billey Walker "Walker"

By _____
Darren Harding, Member "Company"

EXHIBIT C

Sales Agreement

By and Between:

R.J. Kool Company
11669 Lilburn Park Road
St. Louis, MO 63146

Telephone: 314-991-9121
Fax: 314-991-4034
Toll Free: 866-232-5665

Bill to: Barry Hayden
La Quinta Inn
Mascoutah, IL

Ship to: La Quinta Inn
Mascoutah, IL

Sales Number: 001172 **Date** 1/8/2009 **Expires on:** 4/30/2009 **Salesperson** Tom Aubuchon

Part #	Mfr	Description	Price	Qty	Extend
UC60BN2	Unimac	60lb. Washer/Extractor Programmable Microprocessor (8 Cycle) Stainless Steel Cabinet ELECTRICAL VOLTAGE: (O) 208-240/60/~~3~~ single phase _____ Initial here to approve voltage	$5,999.00	2	$11,998.00
UT075NRQ	Unimac	75 LB Natural Gas Tumbler / Dryer Dual Digital Timer Reversing Cylinder Three Year Warranty 200-208/240/60/3	$3,834.75	2	$7,669.50
CAM2742TQ	Whirlpool	27" 2-Speed Washer Factory Installed Coin Slide & Box 3.2 Cu. Ft. Wash Basket 18 lbs. Push Button Controls High Efficiency, Low Water Factor 3 Cycles	$605.00	2	$1,210.00
CEM2940TQ	Whirlpool	29" Electric Dryer Factory Installed Coin Slide & Coin Box 7.0 Cu. Ft. Drum Capacity Push Button Controls 3 Cycles * Power Cord Sold Separately * 8 Quarter Coin Slide Capacity ($1 factory preset)	$525.00	2	$1,050.00
Install	R.J. Kool	Full Installation. All utilities within 3-5 feet. Customer is responsible for adequate door openings and ground level access to laundry room.	$1,200.00	1	$1,200.00

Part #	Mfr	Description	Price	Qty	Extend
		Additional runs of utilities if required not included in price.			
Freight	Common Carrier	Factory Freight	$1,000.00	1	$1,000.00

Fax to 615 232 5686

Payment

The total purchase price, including applicable taxes is $25,497.97

Customer agrees to pay the full amount immediately upon receipt.

R.J. Kool, Co.

By: Tom Rohl

Account Executive

Customer

Total 25,627.50

APPROVED FOR R.J. KOOL, CO.

By: _____

Authorized Signature

Tom Rohl

Print Name and Title

Date: 1/9/09

By: _____

Authorized Signature

Barry Hayden

Print Name and Title

Date: 1/9/09 P.O.# _____

Sub-Total	$24,127.50
	500.00
	23,627.50
Tax	$1,370.47
Total	$25,497.97

no tax

Entire Agreement

This Agreement, INCLUDING PROVISIONS ON THE ATTACHED PAGE, constitutes the entire agreement between the parties, and supersedes and replaces other prior understandings or agreements whether oral or written relating to the Equipment. This Agreement may not be changed, modified, or varied except by the specific written and signed approval by authorized representatives of each party. Any customer purchase order or similar document issued relating to the purchase of the Equipment shall be governed only by the terms and conditions of this Agreement, which shall supersede and prevail over terms and conditions of such customer purchase order. This Agreement shall not become binding on R.J. Kool unless approved by R.J. Kool management, as provided above. Restocking fee's will apply for cancelled agreements.

Additional Terms and Conditions

Sales Number 001172

1. **TITLE:** All risk of loss and title to the Equipment, subject to Section 2, shall pass Customer upon the date the Equipment is delivered to Customer.

2. **SECURITY INTEREST:** Customer hereby grants to R.J. Kool a security interest in the Equipment in order to secure Customer's obligations hereunder, and agrees upon request of R.J. Kool to execute any documents necessary to perfect such interest. If the purchase price is not paid in accordance with the payment terms, R.J. Kool shall have all the rights and remedies of a secured party as provided in Article 9 of the Uniform Commercial Code and R.J. Kool shall be entitled to reasonable attorney fees and legal expenses incurred with respect to this security interest and the enforcement of any R.J. Kool's other rights under this Agreement. Finance charges of 18% per annum, or the highest allowable rate of interest in Customer's state, whichever is lower, will be assessed on all delinquent amounts. If any of Customer's obligations to R.J. Kool are not promptly paid when due, Customer shall be in default hereunder and all unpaid amounts shall become immediately due and payable. If the default continues for ten (10) days after written or telegraphic notice thereof by R.J. Kool, R.J. Kool may, at its option, render the Equipment unusuable until R.J. Kool receives payment in full and/or enter upon the premises where the Equipment is installed and retake possession thereof without notice, free from any claims of Customer.

3. **DELIVERY:** The equipment delivery date shall be at a time to be mutually agreed upon by the parties with appropriate adjustment for conditions beyond the reasonable control of R.J. Kool.

4. **TAXES:** Customer shall pay, or reimburse R.J. Kool for, all applicable taxes imposed on Customer or R.J. Kool for the sale or use of the Equipment, or upon this Agreement, except that personal property taxes assessed on the Equipment before the date title passes shall be paid by R.J. Kool.

5. **INDEMNIFICATION:** Customer shall indemnify and hold harmless R.J. Kool from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities including attorney fees, claimed by any person, organization, association, or otherwise arising out of or, relating to the Equipment, its use, possession, operation, and/or condition, except to the extent caused by the gross negligence or willful misconduct of R.J. Kool.

6. **LIMITATION OF LIABILITY:** R.J. Kool shall not be liable for any special, indirect, incidental or conssequential damages or for loss, damage or expense, directly or indirectly arising from Customer's use of or inability to use the equipment, either separately or in combination with other Equipment, or for personal injury or loss or destruction of property, or from any other causes.

7. **WARRANTIES:** R.J. Kool warrant to Customer good and clear title to the Equipment free and clear of liens and encumbrances, subject to any security interest retained by R.J. Kool. R.J. Kool hereby warrants the Equipment against defects in materials and workmanship as follows:

_____

_____

provided that no repairs, substitutions, modifications, or additions have been made except by R.J. Kool and provided that after delivery to Customer, the Equipment has not been subjected to accident, neglect, misuse, or used in violation of any instructions supplied by R.J. Kool. R.J. Kool's sole liability hereunder shall be to repair or replace the Equipment at its own expense during normal working hours, and the foregoing warranty shall constitute the exclusive remedy of Customer and the exlusive liability of R.J. Kool for any breach of any Warranty related to this Agreement. Customer will permit or arrange for access to the premises for any R.J. Kool's warranty service.

THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE, AND R.J. KOOL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, WORKMANSHIP, OR FITNESS FOR A PARTICULAR PURPOSE.

8. **LAW:** This Agreement shall be governed by the laws of Missouri. Should a dispute arise concerning the Equipment or this Agreement, the Court to determine this dispute shall be the Court of proper jurisdiction in Clay County, Missouri.

9. **ASSIGNMENT:** This Agreement may not be assigned by Customer without the prior written consent of R.J. Kool.

10. **MISCELLANEOUS:** Titles to the paragraphs of this Agreement are solely for the convience of the parties and do not explain, modify, or interpret the provisions herein. If more than one Customer is named in this Agreement, the liability of each shall be joint and several

R.J. Kool is not liable for any failure or delay in performance due to any cause beyond its control.

If any provisions of the Agreement are in conflict with any statute or rule of law of any state or territory wherein it may be sought to be enforced, then such provisions shall be deemed null and void to the extent that they may conflict therewith, but without invalidating the remaining provisions hereof.

If R.J. Kool incurs attorneys fees and costs if R.J. Kool is successful in such enforcement.

Initials: _____ R.J. Kool Co.

Initials: _____ Customer

Correspondence between Counsel and Curt Regensberg

Montgomery, Michelle

From: Castle, Creighton
Sent: Friday, October 03, 2014 9:05 AM
To: Montgomery, Michelle
Subject: FW: R J Kool Companies

From: Regensberger, Curt [Curt.Regensberger@Illinois.gov]
Sent: Friday, September 12, 2014 2:28 PM
To: Castle, Creighton
Subject: RE: R J Kool Companies

So the RJ Kool of St. Louis was being handled by RJ Kool of Missouri. We should then see these transactions in our audit of RJ Kool of Missouri. RJ Kool of Missouri has nexus back to **1/1/09** our statuatory period so we will be auditing RJ Kool of Missouri for the period of 1/1/09 to 6/30/14. We will be able to work out all the company differences in this audit and come up to the correct answer.

Thank You

Curt Regensberger
Revenue Audit Supervisor
Illinois Department of Revenue
15 Executive Dr. Ste 2
Fairview Heights, Il. 62208
618-304-6901

Consider the environment. Only print if necessary

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From: Castle, Creighton [mailto:crcastle@giffinwinning.com]
Sent: Thursday, September 11, 2014 8:39 AM
To: Regensberger, Curt
Cc: jason@encompassaccounting.com; Montgomery, Michelle
Subject: RE: R J Kool Companies

Curt,

As we discussed, the Illinois Department of Revenue plans to conduct an audit of R J Kool Company of St. Louis ("St. Louis") and R J Kool Company of Missouri ("Missouri"). For Missouri, I understand that the audit will cover 2012 and forward. After discussion with my client, I believe the liability for St. Louis may be eliminated as it had not transacted business after 2007. I understand that there was one invoice dated January 8, 2009, that the Department which had the name R J Kool Company and an address of St. Louis. This transaction should have been reported by Missouri or its parent, KH Holdings. The accountant can confirm with the auditor.

The accountant is Jason Goethe, 11515 Knox St., Overland Park, Kansas 66214. Phone 816-377-0588.

I will go ahead and file a petition with the Illinois Independent Tax Tribunal by October 7th relating to the Collection Action against J. Darren Harding.

Thank you, Creighton

1 W Old State Capitol Plz Ste 600
Springfield IL 62701-1383
(P) 217.525.1571
(F) 217.525.1710
www.giffinwinning.com

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From: Regensberger, Curt [Curt.Regensberger@Illinois.gov]
Sent: Tuesday, September 09, 2014 3:23 PM
To: Castle, Creighton
Subject: R J Kool Companies

I have the POA and I am ready to talk

Thank You

Curt Regensberger
Revenue Audit Supervisor
Illinois Department of Revenue
15 Executive Dr. Ste 2
Fairview Heights, Il. 62208
618-304-6901

Consider the environment. Only print if necessary

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Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT K

Notice of Audit Results
for Sales, Use, and Excise Taxes and Fees

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

September 11, 2015

Letter ID: CNXXXXX74X769447

#BWNKMGV
#CNXX XXX7 4X76 9447#
R J KOOL COMPANY OF MISSOURI
ATTN: TAX DEPT
234 W 12TH AVE
NORTH KANSAS CITY MO 64116-4158

Taxpayer ID:	42-0983912
Account ID:	0154-9448
Audit ID:	A1798131712
Return type:	ST-1
Audit periods:	01/2009 - 06/2014

Enclosed, please find Form EDA-105-R, ROT Audit Report, showing the additional amount of tax, penalty, and interest that is due as the result of your audit. Interest has been calculated through the "interest through date", September 11, 2015, and will continue to accrue until the additional tax shown due is paid in full.

Please note, if you sign the audit report you waive the right to seek review by the Informal Conference Board.

If you want to pay the audit liability or sign Form EDA-105-R, or do both, contact us using the information below for updated interest and penalty calculations.

The late payment penalty amount shown on this audit report has been computed through the "interest through date." If you do not sign Form EDA-105-R, and pay the additional tax shown due within 30 days of the "interest through date", your late payment penalty will increase to $4807.00. Failure to sign Form EDA-105-R, will result in the issuance of a Notice of Tax Liability explaining your rights to protest the liabiltiy and request an administrative hearing.

If you sign Form EDA-105-R, but do not pay the additional tax shown due, the late payment penalty will increase to $4807.00 and a Notice of Tax Assessment will be issued.

Mail your payment and the signed Form EDA-105-R, to:

AUDIT BUREAU SPI-A
ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19475
SPRINGFIELD IL 62794-9475

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.

Sincerely,

Douglas Allen
Revenue Auditor

ILLINOIS DEPARTMENT OF REVENUE
15 EXECUTIVE DR., SUITES 1 & 2
FAIRVIEW HEIGHTS IL 62208

217 299-7867
217 299-7867 cell
618 624-7076 fax

douglas.allen@illinois.gov

Illinois Department of Revenue

EDA-105-R ROT Audit Report

Rev 01
Form 854

Account ID	0154-9448	Processing period	01/01/2009 - 06/30/2009
Business name	R J KOOL COMPANY OF MISSOURI	Interest through (issue) date	09/11/2015
Business address	234 W 12TH AVE	Earliest statute date	12/31/2015
	NORTH KANSAS CITY, MO 64116-4158	Audit period	01/01/2009 - 06/30/2014

Step 1: Taxes due per audit

The line numbers in Step 1 of this report mirror those on Form ST-1.

Sales made from locations inside Illinois

Retailers'/service occupation tax

4b	General merchandise	4b	0
5b	Food and drug	5b	0

Sales made from locations outside Illinois

Retailers'/service occupation tax

6b	General merchandise	6b	714
7b	Food and drug	7b	0

Sales at other rates

Retailers'/service occupation tax

8b	General merchandise	8b	0

Total tax due on receipts

11	Total tax due on receipts (Add Lines 4b through 8b.)	11	714

Tax on purchases

Use tax on purchases

12b	General merchandise	12b	0
13b	Food and drug	13b	0
15	Total tax due on purchases (Add Lines 12b through 13b.)	15	0
16	Total tax or credit due on receipts and purchases (Add Lines 11 and 15.)	16	714
22	Excess tax collected	22	0
23	Total tax due (Add Lines 16 and 22.)	23	714

Step 2: Penalty and interest due

26	Penalty		
a	Penalty (prior to 12/93)	26a	0
b	Late-filing penalty	26b	29
c	Negligence penalty	26c	0
d	Fraud penalty	26d	0
e	Late-payment penalty (12/03 and after)	26e	214
27	Interest		
a	Interest on tax	27a	263
b	Interest on late-filing penalty	27b	0
c	Interest on negligence/ fraud penalty	27c	0

Step 3: Amount due or overpaid

28	Total due or overpaid (Add Lines 23 and 27c.)	28	1220

Step 4: Read and sign below

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. By signing this report, I waive the right to seek review by the Informal Conference Board.

Taxpayer's signature | Title | Date

Auditor's signature | Title | Date

Official use only. Do not write below this line.

Late-payment penalty (prior to 12/03)	0	Total audit payments	
Late-payment penalty interest	0	MPC amount	
Tier 2 late-filing penalty		Track number	A1798131712
Tier 2 late-filing penalty interest		Date received	
		AL EL NF MA AD ___	
		Remittance amount	

Illinois Department of Revenue

EDA-105-R ROT Audit Report

Rev 01
Form 854

Account ID	0154-9448	Processing period	07/01/2009 - 06/30/2014
Business name	R J KOOL COMPANY OF MISSOURI	Interest through (issue) date	09/11/2015
Business address	234 W 12TH AVE	Earliest statute date	12/31/2015
	NORTH KANSAS CITY, MO 64116-4158	Audit period	01/01/2009 - 06/30/2014

Step 1: Taxes due per audit

The line numbers in Step 1 of this report mirror those on Form ST-1.

Sales made from locations inside Illinois

Retailers'/service occupation tax

4b	General merchandise	4b	0
5b	Food and drug	5b	0

Sales made from locations outside Illinois

Retailers'/service occupation tax

6b	General merchandise	6b	22607
7b	Food and drug	7b	0

Sales at other rates

Retailers'/service occupation tax

8b	General merchandise	8b	0

Total tax due on receipts

11	Total tax due on receipts (Add Lines 4b through 8b.)	11	22607

Tax on purchases

Use tax on purchases

12b	General merchandise	12b	0
13b	Food and drug	13b	0
15	Total tax due on purchases (Add Lines 12b through 13b.)	15	0
16	Total tax or credit due on receipts and purchases (Add Lines 11 and 15.)	16	22607
22	Excess tax collected	22	0
23	Total tax due (Add Lines 16 and 22.)	23	22607

Step 2: Penalty and interest due

26	Penalty		
a	Penalty (prior to 12/93)	26a	0
b	Late-filing penalty	26b	428
c	Negligence penalty	26c	0
d	Fraud penalty	26d	0
e	Late-payment penalty (12/03 and after)	26e	3391
27	Interest		
a	Interest on tax	27a	1616
b	Interest on late-filing penalty	27b	0
c	Interest on negligence/ fraud penalty	27c	0

Step 3: Amount due or overpaid

28	Total due or overpaid (Add Lines 23 and 27c.)	28	28042

Step 4: Read and sign below

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. By signing this report, I waive the right to seek review by the Informal Conference Board.

Taxpayer's signature | Title | Date

Auditor's signature | Title | Date

Official use only. Do not write below this line.

Late-payment penalty (prior to 12/03)	0	Total audit payments	
Late-payment penalty interest	0	MPC amount	
Tier 2 late-filing penalty		Track number	A1798131712
Tier 2 late-filing penalty interest		Date received	
		AL EL NF MA AD ___	
		Remittance amount	

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT L

Castle, Creighton

From: Darren Harding <dharding@rjkool.com>
Sent: Wednesday, May 11, 2016 2:13 PM
To: Castle, Creighton
Subject: FW: RJ Kool Company

Creighton,

Here is an email from Doug Allen the Illinois Auditor. From your message earlier this week, I think this is in process but I thought I would forward for your records anyway.

Darren

From: Allen, Douglas [mailto:Douglas.Allen@Illinois.gov]
Sent: Thursday, May 05, 2016 9:42 AM
To: Darren Harding <dharding@rjkool.com>
Cc: Witges, Lisa <Lisa.Witges@Illinois.gov>
Subject: RE: RJ Kool Company

Darren,

Many people with different sections of the Dept. of Revenue have been looking into your situation. Those who have access to my audit narrative understand the situation perfectly. The problem is the limitation on the actions that each section is allowed to take on a finalized audit. At issue is the fact that you did not take action on the RJ Kool of St. Louis audit within the specified time limits. An EDA-123 Notice of Proposed Liability was issued by the auditor on 05/07/13 that gave you 60 days to file for a hearing before the Informal Conference Board. She waited beyond the 60 days before issuing the EDA-143-S Notice of Audit Results on 09/03/13 which gave you 30 days in which you could have filed for a hearing before the Informal Conference Board. Two RA-5107 Notices of Tax Liability were sent to you on 10/30/13 that explained that you had 60 days until 12/30/13 to file a protest and request an administrative hearing. The NTLs stated that if you did not file a protest within the time allowed you would waive your right to a hearing and the liability would become final. Since you did not file for a hearing during the eight months given to you the proposed audit results became final and due. Those looking into your situation have learned that neither the Audit section nor the Collection section can change the results of a finalized audit. The consensus is, as I indicated to Mr. Castle, to file for a late discretionary Administrative Hearing to protest the NTLs issued against RJ Kool Company of St Louis.

DOUGLAS ALLEN
IL Department of Revenue

From: Darren Harding [mailto:dharding@rjkool.com]
Sent: Wednesday, May 04, 2016 4:54 PM
To: Allen, Douglas
Subject: FW: RJ Kool Company

Doug,

I don't understand all the jargon below, but here is what I know. During your audit of our company (RJ Kool of Missouri) I explained and provided documentation indicating that RJ Kool of St. Louis did not exist during the Illinois requested audit period. (In fact, I seem to recall that was part of your scope of determination for the audit.) However we were in

agreement that RJ Kool of Missouri should be subject to audit in place of RJ Kool of St. Louis. It was very apparent to me that you were satisfied that RJ Kool of St. Louis was dissolved, although not properly recorded with Illinois, and that the audit findings for RJ Kool of Missouri would be satisfactory in concluding all matters (RJ Kool of Missouri and RJ Kool of St. Louis) with the State of Illinois.

My question is why did your final audit report not thoroughly reflect your findings to the State and why am I still having to deal with this? It is really quite frustrating.

Darren Harding | Vice President
RJ KOOL COMPANY
dharding@rjkool.com
Desk: (800) 345-4551 ext. 103
Cell: (816) 506-2924
234 W. 12th Ave, N. Kansas City, MO 64116

From: Castle, Creighton [mailto:crcastle@giffinwinning.com]
Sent: Wednesday, May 04, 2016 3:53 PM
To: Darren Harding <dharding@rjkool.com>; Bill Kimmel <bkimmel@rjkool.com>
Subject: FW: RJ Kool Company

Please see IDOR's response below. I am available this week to discuss. I do not see a Notice of Tax Liability for RJ Kool Company of St. Louis in my file. If you have a copy, please e-mail it to me. Thanks, Creighton

From: Allen, Douglas [mailto:Douglas.Allen@Illinois.gov]
Sent: Wednesday, May 04, 2016 3:13 PM
To: Castle, Creighton
Subject: RE: RJ Kool Company

Mr. Castle,

We can only assume that 14 TT 186 applies to a determination of an action against the owner/officers listed for RJ Kool Company of St Louis since we do not have access to 14 TT 186. This determination would apply to owner/officer liability which would have been the issue of the NPL notice that you took to the hearing. The NTL was issued against the company and is a separate issue from the NPL. The current collection action is against the company for the tax liability and has not been addressed in a hearing. Your best course of action is to file for a late discretionary hearing to protest the NTL issued against RJ Kool Company of St Louis. All of this confusion would have been avoided if the registration for RJ Kool Company of St Louis had been requested to be closed in 2007 when it became a branch location for RJ Kool Company of Mo.

DOUGLAS ALLEN
IL Department of Revenue

From: Castle, Creighton [mailto:crcastle@giffinwinning.com]
Sent: Friday, April 22, 2016 1:45 PM
To: Day, John

Cc: Foster, George; Allen, Douglas; dharding@rjkool.com
Subject: FW: RJ Kool Company

All,

I represented William Kimmel and Darren Harding in an Illinois Department of Revenue administrative hearing matter 14 TT 186, which was dismissed by Order of Judge Brian Barov on November 19, 2015, This matter related to R J Kool Company of St. Louis, which became defunct in 2007. It was succeeded by R J Kool Company of Missouri. The Department of Revenue concluded its **audit of both companies** last year and entered into a closing agreement with the taxpayer, and the taxpayer is not in default of its obligations under the closing letter. It is unknown why the Department seeks to lien the taxpayer's property (attached). Please explain why this action is occurring following audit completion and a closing letter or advise of the manner in which the taxpayer may protest this Notice of Intent of Collection Action. This is quite frustrating.

Thank you, Creighton

Creighton R. Castle, Esq.
crcastle@giffinwinning.com

GIFFIN WINNING
COHEN & BODEWES, PC

1 W Old State Capitol Plz Ste 600
Springfield IL 62701-1383
(P) 217.525.1571
(F) 217.525.1710
www.giffinwinning.com

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Darren Harding | Vice President
RJ Kool Company
dharding@rjkool.com
Desk: (800) 345-4551 ext. 103
Cell: (816) 506-2924
234 W. 12th Ave, N. Kansas City, MO 64116

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT M

ILLINOIS INDEPENDENT

TAX TRIBUNAL

J. DARREN HARDING, Petitioner,	)	
v.	)	14 TT 187
	)	Judge Brian F. Barov
ILLINOIS DEPARTMENT OF REVENUE, Respondent.	)	

ORDER

In an email dated November 19, 2015 and copied to Petitioner's counsel, the Department has notified the Tribunal that the Department has agreed to cancel the Notice of Penalty Liability issued to the Petitioner. Accordingly, as this matter has been resolved, it is hereby ORDERED that this case is dismissed with prejudice.

s/ Brian Barov
BRIAN F. BAROV
Administrative Law Judge

Date: November 19, 2015

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT N

ILLINOIS INDEPENDENT

TAX TRIBUNAL

WILLIAM J. KIMMEL, Petitioner,	)	
v.	)	14 TT 186
	)	Judge Brian F. Barov
ILLINOIS DEPARTMENT OF REVENUE, Respondent.	)	

ORDER

In an email dated November 19, 2015 and copied to Petitioner's counsel, the Department has notified the Tribunal that the Department has agreed to cancel the Notice of Penalty Liability issued to the Petitioner. Accordingly, as this matter has been resolved, it is hereby ORDERED that this case is dismissed with prejudice.

s/ Brian Barov
BRIAN F. BAROV
Administrative Law Judge

Date: November 19, 2015

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT O

Taxpayer Statement

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

April 16, 2016

Letter ID: L0744914960

RJ KOOL CO OF ST LOUIS LLC
234 W 12TH AVE
KANSAS CITY MO 64116-4158

Taxpayer ID: 47-0859259
Total amount due: $38,394.97

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.

Sales/Use Tax & E911 Surcharge **Account ID: 3325-9038**

Period	Tax	Penalty	Interest	Other	Payments/Credits	Balance
30-Jun-2009	10,071.00	4,531.00	4,896.68	-	-	19,498.68
31-Mar-2012	13,848.00	3,147.00	1,901.29	-	-	18,896.29

SOC

P-000852

Retain this portion for your records.
Fold and detach on perforation. Return bottom portion with your payment.

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

Letter ID: L0744914960
RJ KOOL CO OF ST LOUIS LLC

Total amount due: $38,394.97
Write the amount you are paying below.

$_____._____
Write your Taxpayer ID on your check.

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

000 006 001871988007 731 123199 9 0000003839497

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT P

Collection Action
Notice of Intent

STATE OF Illinois
DEPARTMENT OF REVENUE
tax.illinois.gov

April 16, 2016

#BWNKMGV
#CNXX X169 4519 X565#
RJ KOOL CO OF ST LOUIS LLC
234 W 12TH AVE
KANSAS CITY MO 64116-4158

Letter ID: CNXXX1694519X565

Taxpayer ID: 47-0859259

We intend to file a lien against your property unless you pay us.

We have not received your required payments. You must pay the amount due as shown on the following pages **immediately** or we intend to file a lien against your property. This lien will be filed without further notice to you.

If your account is with an outside collection agency, additional fees may be due and owing. Please contact the number below for complete payoff information.

If you are currently on a pay plan, we may still file a lien. To avoid a lien being filed, the balance must be paid in full.

The following pages detail the items that need your immediate attention.

A lien is public record of your debt to us and can negatively affect your credit rating. Generally, a lien is filed with the county clerk in the county where you reside or from which your business operates. You will not be able to sell or transfer property until the lien is paid, including the lien filing and release fees and charges.

If you have any questions about this notice, please contact us immediately at the address and phone number listed below.

DISTRICT 1
ILLINOIS DEPARTMENT OF REVENUE
2309 W MAIN STREET SUITE 114
MARION IL 62959-1196

618-993-7659
618-993-7655 fax

For information about
› how to pay
› how to file
› collection actions

Next page

Petitioner: R. J. Kool Company of St. Louis, LLC
Address: 234 W. 12th Ave., Kansas City, Missouri, 64116
Phone number: 800-345-4551, ext. 103
FEIN: 47-0859259

EXHIBIT Q

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

July 28, 2016

Creighton R. Castle
Giffin Winning Cohen & Bodewes PC
1 W. Old State Capitol Plaza, Suite 600
Springfield, IL 62701

Re: **Late Discretionary Hearing Granted – Tribunal Jurisdiction**
R.J. Kool Company of St. Louis LLC
(2) Notices of Tax Liability dated October 30, 2013
Account ID: 3325-9038 Walker Washer Service
Letter ID: CNXXX174778288X4
CNXXXX674X41X569

Dear Mr. Castle:

The office of Administrative Hearings of the Illinois Department of Revenue received your request for a late discretionary hearing for R.J. Kool Company of St. Louis LLC regarding the above Notices of Tax Liability. Based on the information provided in your request, I believe that **it is appropriate to grant your request** for a late discretionary hearing for the above Notices of Tax Liability.

The amount of liability at issue for this protest exceeds the statutory amount for which the Department has jurisdiction. For late discretionary hearings that are granted 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 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.

I recommend that you review the information provided on the Tax Tribunal's website (www.illinois.gov/taxtribunal) and contact them if you have any questions.

Sincerely,

Terry D. Charlton
Chief Administrative Law Judge

TDC:vs