Department of the Treasury
Internal Revenue Service

Benjamin J Hochster
34 Nachal Lachish St.
Beit Shemesh, 99093
Israel

We wanted to ensure that you and your spouse receive this notice, so we've sent a copy to each of you. Each copy contains the same information related to your joint account. Any amount you owe or balance due shown should be paid only once. We will issue any refund shown only once.

Internal Revenue Service
Large and Mid-Size Business

Department of the Treasury
City View Plaza II
48 Carr 165 Suite 2000
Guaynabo PR 00968-8000

Date: February 16, 2011

Taxpayer Identification Number:
063-98-7919

Form:
1040

Tax Period(s) Ended:
200612 200712 200812

Benjamin J Hochster
34 Nachal Lachish St.
Beit Shemesh, 99093
Israel

Person to Contact:
Juhenny A. Blanco Soto

Contact Telephone Number:
787-522-1906

Employee Identification Number:
03-13916

Refer Reply to:
SE:LM:IN:C:FR:T2:T7

Last Date to Respond to this Letter:
April 02, 2011

Dear Benjamin J Hochster:

We have enclosed two copies of our examination report showing the changes we made to your tax for the period(s) shown above. Please read the report and tell us whether you agree or disagree with the changes. (This report may not reflect the results of later examinations of partnerships, "S" Corporations, trusts, etc., in which you have an interest. Changes made to those tax returns could affect your tax.)

IF YOU AGREE with the changes in the report please sign, date, and return one copy to us by the response date shown above. If you filed a joint return, both taxpayers must sign the report. Enclose payment for tax, interest and any penalties due. Please make your check or money order payable to the **United States Treasury**. You can contact the person identified above to determine the total amount due as of the date you intend to make payment.

IF YOU CAN'T PAY the full amount you owe now, pay as much as you can. If you want us to consider an installment agreement, please complete and return the enclosed Form 9465, *Installment Agreement Request.* If we approve your request, we will charge a \$105.00 fee to help offset the cost of providing this service. We will continue to charge penalties and interest until you pay the full amount you owe. There are two exceptions to the \$105.00 fee; the fee is \$52.00 when you pay by direct debit from your bank account, and the fee is \$43.00 if you qualify as a low income taxpayer.

IF YOU DON'T AGREE with the changes shown in the examination report, you should do one of the following by the response date.

- Mail us any additional information that you would like us to consider
- Discuss the report with the examiner
- Discuss your position with the examiner's supervisor

Form **4549** (Rev. May 2008) | Department of the Treasury-Internal Revenue Service

Income Tax Examination Changes

Name and Address of Taxpayer	Taxpayer Identification Number	Return Form No.:
Benjamin J & Ronit Hochster 34 Nachal Lachish St. Beit Shemesh 99093	063-98-7919	1040
	Person with whom examination changes were discussed.	Name and Title:

1. Adjustments to Income	Period End 12/31/2006	Period End 12/31/2007	Period End 12/31/2008
a. Unearned Income - Primary	20,356.00	46,865.00	40,072.00
b. Earned Income - Primary	(20,356.00)	(46,865.00)	(40,072.00)
c. Exemptions	9,900.00	13,600.00	14,000.00
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
p.			
2. **Total Adjustments**	9,900.00	13,600.00	14,000.00
3. Taxable Income Per Return or as Previously Adjusted	(6,444.00)	15,765.00	8,172.00
4. **Corrected Taxable Income**	3,456.00	29,365.00	22,172.00
Tax Method	TAX TABLE	TAX TABLE	TAX TABLE
Filing Status	Joint	Joint	Joint
5. **Tax**	348.00	3,624.00	2,524.00
6. Additional Taxes / Alternative Minimum Tax			
7. Corrected Tax Liability	348.00	3,624.00	2,524.00
8. **Less Credits** a. Foreign Tax Credit		0.00	0.00
b.			
c.			
d.			
9. **Balance** *(Line 7 less Lines 8a through 8d)*	348.00	3,624.00	2,524.00
10. Plus Other Taxes a.			
b.			
c.			
d.			
11. Total Corrected Tax Liability *(Line 9 plus Lines 10a through 10d)*	348.00	3,624.00	2,524.00
12. Total Tax Shown on Return or as Previously Adjusted	0.00	0.00	0.00
13. Adjustments to: a.			
b.			
c. Addnl Child Tax Credit	(1,358.00)	(4,000.00)	(4,000.00)
14. Deficiency-Increase in Tax or *(Overassessment-Decrease in Tax)* *(Line 11 less Line 12 adjusted by Lines 13a through 13c)*	1,706.00	7,624.00	6,524.00
15. Adjustments to Prepayment Credits - Increase *(Decrease)*			
16. **Balance Due or *(Overpayment)*** - *(Line 14 adjusted by Line 15)* *(Excluding interest and penalties)*	1,706.00	7,624.00	6,524.00

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

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

02/16/2011
12.00.00

Name of Taxpayer: Benjamin J & Ronit Hochster
Identification Number: 063-98-7919

Total

2006 - Child Tax Credit and Form 8812 Additional Child Tax Credit

1. Amount of credit based on qualifying children	0.00
2. Modified AGI	20,356.00
3. Limitation based on filing status ($110,000 if joint; $75,000 if single, head of household or qualifying widow(er); $55,000 if married filing separate)	110,000.00
4. Subtract line 3 from line 2 (not less than 0) (If the result is not a multiple of $1,000 increase it to the next multiple of $1,000.)	0.00
5. Multiply line 4 by .05	0.00
6. Subtract line 5 from line 1 (If 0 or less, no credit is allowed)	0.00
7. Corrected tax before allowable credits	0.00
8. Credit limitation	0.00
9. Subtract line 8 from line 7	0.00
10. Child Tax Credit (smaller of line 6 or 9)	0.00

Form 8812 - Additional Child Tax Credit

1. Amount from line 1 above (or amount of credit after modified AGI reduction)	0.00
2. Child Tax Credit allowed (line 10 above)	0.00
3. Subtract line 2 from line 1 (If zero or less, no credit is allowed.)	0.00
4a. Total taxable earned income	
4b. Nontaxable combat pay included on line 4a	
5. If the amount on line 4a is more than $11,300 subtract $11,300 from line 4a (If line 4a is less than $11,300, then set to zero.)	
6. Multiply the amount on line 5 by 15%	
7. Enter the total of the withheld social security and Medicare taxes	
8. One-half of self-employment tax, plus FICA tax on tips and uncollected social security, Medicare or RRTA taxes	
9. Total of line 7 and line 8	
10. Earned income credit and excess social security & RRTA taxes withheld	
11. Subtract line 10 from line 9. (If zero or less, enter 0.)	
12. Larger of line 6 or line 11	
13. Additional Child Tax Credit	

Name of Taxpayer: Benjamin J & Ronit Hochster
Identification Number: 063-98-7919

02/16/2011

Total 12.00.00

2006 - PERSONAL EXEMPTION WORKSHEET

1. Multiply $3,300 by the total number of exemptions claimed on Form 1040, line 6d	6,600.00
2. Adjusted gross income	20,356.00
3. Limitation based on filing status	225,750.00
NOTE: If line 2 is not greater than line 3, enter amount from line 1 on line 10 below	
4. Subtract line 3 from line 2	0.00
5. If line 4 is more than $122,500 ($61,250 if married filing separately), multiply $ 1,100 by the total number of exemptions claimed on Form 1040, line 6d and enter this amount on line 10 below	0.00
6. Divide line 4 by $2,500 ($1,250 if married filing separately) (If result is not a whole number, increase to next whole number)	0.00
7. Multiply line 6 by 2% and enter the result as a decimal	0.00
8. Multiply line 1 by line 7	0.00
9. Divide line 8 by 1.5	0.00
10. Deduction for exemptions (subtract line 9 from line 1)	6,600.00

Accuracy-Related Penalties under IRC 6662

20 Percent Penalty – Internal Revenue Code Section 6662(a)

It has been determined that the underpayment of tax shown on line 7 below is attributable to one or more of the following:

(1) Negligence or disregard of rules or regulations;
(2) Substantial understatement of income tax;
(3) Substantial valuation misstatement (overstatement).

Therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

1. Total Underpayment	1,706.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to Section 6662A penalty issues	0.00
4. Less: Underpayment attributable to Section 6662(h) penalty issues	0.00
5. Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(a) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	1,706.00
8. Applicable penalty rate	20.00%
9. Section 6662(a) accuracy-related penalty (Line 7 times line 8)	341.20
10. Less: Previously assessed/previously agreed Section 6662(a) accuracy-related penalty	0.00
11. Total section 6662(a) accuracy-related penalty (Line 9 less line 10)	341.20

40 Percent Penalty – Internal Revenue Code Section 6662(h)

It has been determined that the underpayment of tax shown on line 7 below is attributable to a gross valuation misstatement (overstatement). Therefore, an addition to tax is imposed as provided by Section 6662(h) of the Internal Revenue Code.

1. Total Underpayment	1,706.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to Section 6662A penalty issues	0.00
4. Less: Underpayment attributable to Section 6662(a) penalty issues	1,706.00
5. Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(h) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	0.00
8. Applicable penalty rate	40.00%
9. Section 6662(h) accuracy-related penalty (Line 7 times line 8)	0.00
10. Less: Previously assessed/previously agreed Section 6662(h) accuracy-related penalty	0.00
11. Total section 6662(h) accuracy-related penalty (Line 9 less line 10)	0.00

Name of Taxpayer:	Benjamin J & Ronit Hochster		02/16/2011
Identification Number:	063-98-7919	Total	12.00.00

HOW TO PAY YOUR TAXES

If you agree with our examination, pay now by sending a check or money order payable to United States Treasury and your signed agreement. The enclosed report does not reflect any balance currently due on your account.

Why it is to your advantage to pay now:

- Decreases future interest charges
- Prevents assessment of failure to pay penalty
- Reduces payment of nondeductible interest
- Eliminates further contact with us

If you agree with our examination and cannot pay now:

1) Can you pay the full amount within 120 days? [ ] Yes [ ] No
   - If yes, send in the signed agreement now and submit the balance due when you receive a bill. Checks should be made payable to United States Treasury.
   - If no, you may be eligible for a payment plan.

2) If you would like us to consider an installment agreement, submit your written request or check the box below and return this flyer with your signed agreement.

   [ ] I would like to pay $ ____________ per month.

   (We encourage you to make your payments as large as possible to limit penalty and interest charges.)

   I would like my payment to be due on the ______ of the month.

   (Please indicate a date between the 1st and 28th of the month.)

   You will be charged a fee if your request is approved. DO NOT include the fee with this flyer. We will send you a bill for the fee when we approve your request.

   Please provide a telephone number where we can contact you regarding your request.

   Home: ( ) ____________________

   Work: ( ) ____________________

ALSO, if you agree with our examination, PLEASE SIGN PAGE 2 OF THE REPORT (Form 4549) and return pages 1 and 2 to us.

* Interest and applicable penalties will continue to accrue until your balance is paid in full.
* All checks or money orders for payment should be made payable to United States Treasury.

Name Of Taxpayer: Benjamin J & Ronit Hochster 02/16/2011
Identification Number: 063-98-7919 Total 12:00:00

2006 TAX YEAR INTEREST COMPUTATION

Interest computed to		04/02/2011
Total Tax Deficiency		$1,706.00
Plus Penalties*		
Failure to File - IRC 6651	$.00	
Accuracy Related Penalty - IRC 6662	$341.20	
Accuracy Related Penalty - IRC 6662A	$.00	
Civil Fraud - IRC 6663	$.00	
Manually Computed Penalty	$.00	
Total Penalties Subject to Interest		$341.20
Tax Deficiency and Penalties Subject to Interest		$2,047.20

Type	Effective Dates	Days	Rate	Interest
Compound	04/15/2007--12/31/2007	260	8%	$157.28
Compound	01/01/2008--03/31/2008	91	7%	$38.70
Compound	04/01/2008--06/30/2008	91	6%	$33.71
Compound	07/01/2008--09/30/2008	92	5%	$28.80
Compound	10/01/2008--12/31/2008	92	6%	$35.04
Compound	01/01/2009--03/31/2009	90	5%	$29.03
Compound	04/01/2009--12/31/2009	275	4%	$72.50
Compound	01/01/2010--12/31/2010	365	4%	$99.66
Compound	01/01/2011--04/02/2011	92	3%	$19.29

Total Interest $514.61

Interest on penalties is computed from the due date of the return (including extensions) until the date of payment. The interest shown on this report is estimated. Interest is computed from the due date of the return (including extensions) and will continue to accrue until the date paid in full. Interest on the failure to pay penalty is computed from the date of assessment and is therefore not considered in this report.

Name of Taxpayer: Benjamin J & Ronit Hochster 02/16/2011
Identification Number: 063-98-7919 Total 12.00.00

2007 - Child Tax Credit and Form 8812 Additional Child Tax Credit

1. Amount of credit based on qualifying children	0.00
2. Modified AGI	46,865.00
3. Limitation based on filing status ($110,000 if joint; $75,000 if single, head of household or qualifying widow(er), $55,000 if married filing separate)	110,000.00
4. Subtract line 3 from line 2 (not less than 0) (If the result is not a multiple of $1,000 increase it to the next multiple of $1,000.)	0.00
5. Multiply line 4 by .05	0.00
6. Subtract line 5 from line 1 (If 0 or less, no credit is allowed)	0.00
7. Corrected tax before allowable credits	0.00
8. Credit limitation	0.00
9. Subtract line 8 from line 7	0.00
10. Child Tax Credit (smaller of line 6 or 9)	0.00

Form 8812 - Additional Child Tax Credit

1. Amount from line 1 above (or amount of credit after modified AGI reduction)	0.00
2. Child Tax Credit allowed (line 10 above)	0.00
3. Subtract line 2 from line 1 (If zero or less, no credit is allowed.)	0.00
4a. Total taxable earned income	
4b. Nontaxable combat pay included on line 4a	
5. If the amount on line 4a is more than $11,750 subtract $11,750 from line 4a (If line 4a is less than $11,750, then set to zero.)	
6. Multiply the amount on line 5 by 15%	
7. Enter the total of the withheld social security and Medicare taxes	
8. One-half of self-employment tax, plus FICA tax on tips and uncollected social security, Medicare or RRTA taxes	
9. Total of line 7 and line 8	
10. Earned income credit and excess social security & RRTA taxes withheld	
11. Subtract line 10 from line 9. (If zero or less, enter 0.)	
12. Larger of line 6 or line 11	
13. Additional Child Tax Credit	

Name of Taxpayer: Benjamin J & Ronit Hochster 02/16/2011

Identification Number: 063-98-7919 Total 12.00.00

2007 - PERSONAL EXEMPTION WORKSHEET

1. Multiply $3,400 by the total number of exemptions claimed on Form 1040, line 6d	6,800.00
2. Adjusted gross income	46,865.00
3. Limitation based on filing status	234,600.00
NOTE: If line 2 is not greater than line 3, enter amount from line 1 on line 10 below	
4. Subtract line 3 from line 2	0.00
5. If line 4 is more than $122,500 ($61,250 if married filing separately), multiply $ 1,133 by the total number of exemptions claimed on Form 1040, line 6d and enter this amount on line 10 below	0.00
6. Divide line 4 by $2,500 ($1,250 if married filing separately) (If result is not a whole number, increase to next whole number)	0.00
7. Multiply line 6 by 2% and enter the result as a decimal	0.00
8. Multiply line 1 by line 7	0.00
9. Divide line 8 by 1.5	0.00
10. Deduction for exemptions (subtract line 9 from line 1)	6,800.00

Accuracy-Related Penalties under IRC 6662

20 Percent Penalty – Internal Revenue Code Section 6662(a)

It has been determined that the underpayment of tax shown on line 7 below is attributable to one or more of the following:

(1) Negligence or disregard of rules or regulations;
(2) Substantial understatement of income tax;
(3) Substantial valuation misstatement (overstatement).

Therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

1. Total Underpayment	7,624.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to Section 6662A penalty issues	0.00
4. Less: Underpayment attributable to Section 6662(h) penalty issues	0.00
5. Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(a) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	7,624.00
8. Applicable penalty rate	20.00%
9. Section 6662(a) accuracy-related penalty (Line 7 times line 8)	1,524.80
10. Less: Previously assessed/previously agreed Section 6662(a) accuracy-related penalty	0.00
11. Total section 6662(a) accuracy-related penalty (Line 9 less line 10)	1,524.80

40 Percent Penalty – Internal Revenue Code Section 6662(h)

It has been determined that the underpayment of tax shown on line 7 below is attributable to a gross valuation misstatement (overstatement). Therefore, an addition to tax is imposed as provided by Section 6662(h) of the Internal Revenue Code.

1. Total Underpayment	7,624.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to Section 6662A penalty issues	0.00
4. Less: Underpayment attributable to Section 6662(a) penalty issues	7,624.00
5. Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(h) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	0.00
8. Applicable penalty rate	40.00%
9. Section 6662(h) accuracy-related penalty (Line 7 times line 8)	0.00
10. Less: Previously assessed/previously agreed Section 6662(h) accuracy-related penalty	0.00
11. Total section 6662(h) accuracy-related penalty (Line 9 less line 10)	0.00

Name of Taxpayer: Benjamin J & Ronit Hochster
Identification Number: 063-98-7919

		02/16/2011
	Total	12.00.00

HOW TO PAY YOUR TAXES

If you agree with our examination, pay now by sending a check or money order payable to United States Treasury and your signed agreement. The enclosed report does not reflect any balance currently due on your account.

Why it is to your advantage to pay now:

- Decreases future interest charges
- Prevents assessment of failure to pay penalty
- Reduces payment of nondeductible interest
- Eliminates further contact with us

If you agree with our examination and cannot pay now:

1) Can you pay the full amount within 120 days? [ ] Yes [ ] No
   - If yes, send in the signed agreement now and submit the balance due when you receive a bill. Checks should be made payable to United States Treasury.
   - If no, you may be eligible for a payment plan.

2) If you would like us to consider an installment agreement, submit your written request or check the box below and return this flyer with your signed agreement.

   [ ] I would like to pay $ ____________ per month.

   (We encourage you to make your payments as large as possible to limit penalty and interest charges.)

   I would like my payment to be due on the ________ of the month.

   (Please indicate a date between the 1st and 28th of the month.)

   You will be charged a fee if your request is approved. DO NOT include the fee with this flyer. We will send you a bill for the fee when we approve your request.

   Please provide a telephone number where we can contact you regarding your request.

   Home: ( ) ____________________

   Work: ( ) ____________________

ALSO, if you agree with our examination, PLEASE SIGN PAGE 2 OF THE REPORT (Form 4549) and return pages 1 and 2 to us.

* Interest and applicable penalties will continue to accrue until your balance is paid in full.
* All checks or money orders for payment should be made payable to United States Treasury.

Name Of Taxpayer: Benjamin J & Ronit Hochster
Identification Number: 063-98-7919 Total

02/16/2011
12.00.00

2007 TAX YEAR INTEREST COMPUTATION

Interest computed to		04/02/2011
Total Tax Deficiency		$7,624.00
Plus Penalties*		
Failure to File - IRC 6651	$.00	
Accuracy Related Penalty - IRC 6662	$1,524.80	
Accuracy Related Penalty - IRC 6662A	$.00	
Civil Fraud - IRC 6663	$.00	
Manually Computed Penalty	$.00	
Total Penalties Subject to Interest		$1,524.80
Tax Deficiency and Penalties Subject to Interest		$9,148.80

Type	Effective Dates	Days	Rate	Interest
Compound	04/15/2008--06/30/2008	76	6%	$118.33
Compound	07/01/2008--09/30/2008	92	5%	$117.20
Compound	10/01/2008--12/31/2008	92	6%	$142.60
Compound	01/01/2009--03/31/2009	90	5%	$118.17
Compound	04/01/2009--06/30/2009	91	4%	$96.66
Compound	07/01/2009--09/30/2009	92	4%	$98.71
Compound	10/01/2009--12/31/2009	92	4%	$99.71
Compound	01/01/2010--03/31/2010	90	4%	$98.52
Compound	04/01/2010--06/30/2010	91	4%	$100.61
Compound	07/01/2010--09/30/2010	92	4%	$102.74
Compound	10/01/2010--12/31/2010	92	4%	$103.78
Compound	01/01/2011--03/31/2011	90	3%	$76.81
Compound	04/01/2011--04/02/2011	2	3%	$1.71

Total Interest $1,275.55

Interest on penalties is computed from the due date of the return (including extensions) until the date of payment. The interest shown on this report is estimated. Interest is computed from the due date of the return (including extensions) and will continue to accrue until the date paid in full. Interest on the failure to pay penalty is computed from the date of assessment and is therefore not considered in this report.

Name of Taxpayer: Benjamin J & Ronit Hochster 02/16/2011
Identification Number: 063-98-7919 Total 12:00:00

2008 - Child Tax Credit and Form 8812 Additional Child Tax Credit

1. Amount of credit based on qualifying children	0.00
2. Modified AGI	40,072.00
3. Limitation based on filing status ($110,000 if married filing jointly; $75,000 if single, head of household, or qualifying widow(er); $55,000 if married filing separate)	110,000.00
4. Subtract line 3 from line 2 (if zero or less, enter -0-)	0.00
5. Multiply line 4 by .05	0.00
6. Subtract line 5 from line 1 (if zero or less, no credit is allowed)	0.00
7. Corrected tax before allowable credits	0.00
8. Credit limitation	0.00
9. Subtract line 8 from line 7	0.00
10. Child tax credit (smaller of lines 6 or 9)	0.00

Form 8812 - Additional Child Tax Credit

1. Amount from line 1 above (or amount of credit after modified AGI reduction)	0.00
2. Child tax credit allowed (line 10 above)	0.00
3. Subtract line 2 from line 1 (if zero or less, no credit is allowed)	0.00
4a. Earned income (greater of current year or prior year, if applicable)	
4b. Nontaxable combat pay included on line 4a	
5. If the amount on line 4a is more than $8,500, subtract $8,500 from line 4a (if line 4a is less than $8,500, then line 5 equals zero)	
6. Multiply the amount on line 5 by 15%	
7. Enter the total of the withheld social security and Medicare taxes	
8. One-half of self-employment tax, plus FICA tax on tips and uncollected social security, Medicare, or RRTA taxes	
9. Total of line 7 and lines 8	
10. Earned income credit and excess social security and RRTA taxes withheld	
11. Subtract line 10 from line 9 (if zero or less, enter -0-)	
12. Larger of line 6 or line 11	
13. Additional child tax credit (smaller of lines 3 or 12)	

Name Of Taxpayer: Benjamin J & Ronit Hochster
Identification Number: 063-98-7919 Total

2008 - PERSONAL EXEMPTION WORKSHEET

1. Multiply $500 by the total number of displaced individuals listed in Part I of Form 8914 (Maximum amount is $2,000; $1,000 if married filing separately)	0.00
2. Multiply $3,500.00 by the total number of exemptions claimed	7,000.00
3. Add lines 1 and 2	7,000.00
4. Adjusted gross income	40,072.00
5. Limitation based on filing status NOTE: If line 4 is not greater than line 5, STOP; enter amount from line 3 on line 13 below	239,950.00
6. Subtract line 5 from line 4	0.00
7. If line 6 is more than $122,500 ($61,250 if married filing separately) multiply $ 2,333.00 by the total number of exemptions claimed; otherwise, skip line 8 and go to line 9	0.00
8. Add lines 1 and 7 and enter the amount on line 13 below; do not complete the rest of the worksheet	0.00
9. Divide line 6 by $2,500 ($1,250 if married filing separately) (If result is not a whole number, increase to next whole number)	0.00
10. Multiply line 9 by 2% and enter the result as a decimal rounded to at least three places	0.00
11. Multiply line 2 by line 10	0.00
12. Divide line 11 by 3.0	0.00
13. Deduction for exemptions (subtract line 12 from line 3; or the amount from line 5 or line 8 above)	7,000.00

Accuracy-Related Penalties under IRC 6662

20 Percent Penalty – Internal Revenue Code Section 6662(a)

It has been determined that the underpayment of tax shown on line 7 below is attributable to one or more of the following:

(1) Negligence or disregard of rules or regulations;
(2) Substantial understatement of income tax;
(3) Substantial valuation misstatement (overstatement).

Therefore, an addition to tax is imposed as provided by Section 6662(a) of the Internal Revenue Code.

1. Total Underpayment	6,524.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to Section 6662A penalty issues	0.00
4. Less: Underpayment attributable to Section 6662(h) penalty issues	0.00
5. Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(a) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	6,524.00
8. Applicable penalty rate	20.00%
9. Section 6662(a) accuracy-related penalty (Line 7 times line 8)	1,304.80
10. Less: Previously assessed/previously agreed Section 6662(a) accuracy-related penalty	0.00
11. Total section 6662(a) accuracy-related penalty (Line 9 less line 10)	1,304.80

40 Percent Penalty – Internal Revenue Code Section 6662(h)

It has been determined that the underpayment of tax shown on line 7 below is attributable to a gross valuation misstatement (overstatement). Therefore, an addition to tax is imposed as provided by Section 6662(h) of the Internal Revenue Code.

1. Total Underpayment	6,524.00
2. Less: Underpayment attributable to non-penalty issues	0.00
3. Less: Underpayment attributable to Section 6662A penalty issues	0.00
4. Less: Underpayment attributable to Section 6662(a) penalty issues	6,524.00
5. Less: Underpayment attributable to civil fraud penalty issues	0.00
6. Less: Allocable prepayment credits	0.00
7. Underpayment to which Section 6662(h) applies (Line 1 less the sum of lines 2, 3, 4, 5, and 6)	0.00
8. Applicable penalty rate	40.00%
9. Section 6662(h) accuracy-related penalty (Line 7 times line 8)	0.00
10. Less: Previously assessed/previously agreed Section 6662(h) accuracy-related penalty	0.00
11. Total section 6662(h) accuracy-related penalty (Line 9 less line 10)	0.00

Name of Taxpayer: Benjamin J & Ronit Hochster
Identification Number: 063-98-7919

02/16/2011

Total 12.00.00

HOW TO PAY YOUR TAXES

If you agree with our examination, pay now by sending a check or money order payable to United States Treasury and your signed agreement. The enclosed report does not reflect any balance currently due on your account.

Why it is to your advantage to pay now:

- Decreases future interest charges
- Prevents assessment of failure to pay penalty
- Reduces payment of nondeductible interest
- Eliminates further contact with us

If you agree with our examination and cannot pay now:

1) Can you pay the full amount within 120 days? [ ] Yes [ ] No
   - If yes, send in the signed agreement now and submit the balance due when you receive a bill. Checks should be made payable to United States Treasury.
   - If no, you may be eligible for a payment plan.

2) If you would like us to consider an installment agreement, submit your written request or check the box below and return this flyer with your signed agreement.

   [ ] I would like to pay $____________ per month.

   (We encourage you to make your payments as large as possible to limit penalty and interest charges.)

   I would like my payment to be due on the ______ of the month.

   (Please indicate a date between the 1st and 28th of the month.)

   You will be charged a fee if your request is approved. DO NOT include the fee with this flyer. We will send you a bill for the fee when we approve your request.

   Please provide a telephone number where we can contact you regarding your request.

   Home: ( ) ____________________

   Work: ( ) ____________________

ALSO, if you agree with our examination, PLEASE SIGN PAGE 2 OF THE REPORT (Form 4549) and return pages 1 and 2 to us.

* Interest and applicable penalties will continue to accrue until your balance is paid in full.
* All checks or money orders for payment should be made payable to United States Treasury.

Name Of Taxpayer: Benjamin J & Ronit Hochster 02/16/2011
Identification Number: 063-98-7919 Total 12.00.00

2008 TAX YEAR INTEREST COMPUTATION

Interest computed to		04/02/2011
Total Tax Deficiency		$6,524.00
Plus Penalties*		
Failure to File - IRC 6651	$.00	
Accuracy Related Penalty - IRC 6662	$1,304.80	
Accuracy Related Penalty - IRC 6662A	$.00	
Civil Fraud - IRC 6663	$.00	
Manually Computed Penalty	$.00	
Total Penalties Subject to Interest		$1,304.80
Tax Deficiency and Penalties Subject to Interest		$7,828.80

Type	Effective Dates	Days	Rate	Interest
Compound	04/15/2009--06/30/2009	76	4%	$67.53
Compound	07/01/2009--09/30/2009	92	4%	$80.01
Compound	10/01/2009--12/31/2009	92	4%	$80.82
Compound	01/01/2010--03/31/2010	90	4%	$79.86
Compound	04/01/2010--06/30/2010	91	4%	$81.55
Compound	07/01/2010--09/30/2010	92	4%	$83.28
Compound	10/01/2010--12/31/2010	92	4%	$84.12
Compound	01/01/2011--03/31/2011	90	3%	$62.26
Compound	04/01/2011--04/02/2011	2	3%	$1.39

Total Interest $620.82

Interest on penalties is computed from the due date of the return (including extensions) until the date of payment. The interest shown on this report is estimated. Interest is computed from the due date of the return (including extensions) and will continue to accrue until the date paid in full. Interest on the failure to pay penalty is computed from the date of assessment and is therefore not considered in this report.

Form **886-A** (Rev. January 1994)886-A	**EXPLANATION OF ITEMS**	Schedule number or exhibit
Name of Taxpayer	Taxpayer Identification Number	Year/Period Ended
Benjamin J & Ronit Hochster	063-98-7919	2006 2007 2008

Filing Status

Tax Period	Per Return	Per Exam	Adjustment
2006	2	2	0
2007	2	2	0
2008	2	2	0

You chose the MFJ as your filing status in the 2006, 2007 & 2008 income tax returns.

Dependent (Age 1 day to 12 years)

Tax Period	Per Return	Per Exam	Adjustment
2006	3	0	3
2007	4	0	4
2008	4	0	4

Since you did not establish that you are entitled to the exemption(s) for the person(s) listed, the exemption(s) is/are being disallowed.

Unearned Income - Primary

Tax Period	Per Return	Per Exam	Adjustment
2006	$0.00	$20,356.00	$20,356.00
2007	$0.00	$46,865.00	$46,865.00
2008	$0.00	$40,072.00	$40,072.00

We have adjusted your Other Income to include income that has been reclassified as Unearned

Earned Income - Primary

Tax Period	Per Return	Per Exam	Adjustment
2006	$20,356.00	$0.00	($20,356.00)
2007	$46,865.00	$0.00	($46,865.00)
2008	$40,072.00	$0.00	($40,072.00)

We have reclassified the amounts listed as Wages (or other Earned income) on your returns as Other Income (Unearned), because you have not substantiated that the income was actually earned. Because of this, all credits that are statutorily dependent upon earned income are being recaptured.

Form 886-A (Rev. January 1994)	EXPLANATION OF ITEMS	Schedule number or exhibit
Name of Taxpayer: Benjamin J & Ronit Hochster	Taxpayer Identification Number: 063-98-7919	Year/Period Ended: 2006 2007 2008

Foreign Tax Credit

Tax Period	Per Return	Per Exam	Adjustment
2007	$1,584.00	$0.00	$1,584.00
2008	$818.00	$0.00	$818.00

Your foreign tax credit is denied because you have not adequately established that you are entitled to the credit.

Form **4549** (Rev. May 2008)	Department of the Treasury-Internal Revenue Service **Income Tax Examination Changes**	Page 1 of 2

Name and Address of Taxpayer	Taxpayer Identification Number	Return Form No.:
Benjamin J & Ronit Hochster 34 Nachal Lachish St. Beit Shemesh 99093	063-98-7919	1040
	Person with whom examination changes were discussed.	**Name and Title:**

1. Adjustments to Income	**Period End** 12/31/2006	**Period End** 12/31/2007	**Period End** 12/31/2008
a. Unearned Income - Primary	20,356.00	46,865.00	40,072.00
b. Earned Income - Primary	(20,356.00)	(46,865.00)	(40,072.00)
c. Exemptions	9,900.00	13,600.00	14,000.00
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
o.			
p.			
2. **Total Adjustments**	9,900.00	13,600.00	14,000.00
3. Taxable Income Per Return or as Previously Adjusted	(6,444.00)	15,765.00	8,172.00
4. **Corrected Taxable Income**	3,456.00	29,365.00	22,172.00
Tax Method	TAX TABLE	TAX TABLE	TAX TABLE
Filing Status	Joint	Joint	Joint
5. **Tax**	348.00	3,624.00	2,524.00
6. Additional Taxes / Alternative Minimum Tax			
7. Corrected Tax Liability	348.00	3,624.00	2,524.00
8. **Less Credits** a. Foreign Tax Credit		0.00	0.00
b.			
c.			
d.			
9. **Balance** *(Line 7 less Lines 8a through 8d)*	348.00	3,624.00	2,524.00
10. Plus Other Taxes a.			
b.			
c.			
d.			
11. Total Corrected Tax Liability *(Line 9 plus Lines 10a through 10d)*	348.00	3,624.00	2,524.00
12. Total Tax Shown on Return or as Previously Adjusted	0.00	0.00	0.00
13. Adjustments to: a.			
b.			
c. Addnl Child Tax Credit	(1,358.00)	(4,000.00)	(4,000.00)
14. Deficiency-Increase in Tax or (Overassessment-Decrease in Tax) *(Line 11 less Line 12 adjusted by Lines 13a through 13c)*	1,706.00	7,624.00	6,524.00
15. Adjustments to Prepayment Credits - Increase (Decrease)			
16. **Balance Due or (Overpayment)** - *(Line 14 adjusted by Line 15) (Excluding interest and penalties)*	1,706.00	7,624.00	6,524.00

The Internal Revenue Service has agreements with state tax agencies under which information about federal tax, including increases or decreases, is exchanged with the states. If this change affects the amount of your state income tax, you should amend your state return by filing the necessary forms.

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

Form **4549**
(Rev. May 2008)

Department of the Treasury-Internal Revenue Service

Income Tax Examination Changes

Name of Taxpayer	Taxpayer Identification Number	Return Form No.:
Benjamin J & Ronit Hochster	063-98-7919	1040

17. Penalties/ Code Sections	Period End 12/31/2006	Period End 12/31/2007	Period End 12/31/2008
a. Accuracy-IRC 6662	341.20	1,524.80	1,304.80
b.			
c.			
d.			
e.			
f.			
g.			
h.			
i.			
j.			
k.			
l.			
m.			
n.			
18. **Total Penalties**	341.20	1,524.80	1,304.80
Underpayment attributable to negligence: *(1981-1987)* *A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.*			
Underpayment attributable to fraud: *(1981-1987)* *A tax addition of 50 percent of the interest due on the underpayment will accrue until it is paid or assessed.*			
Underpayment attributable to Tax Motivated Transactions *(TMT)*. The interest will accrue and be assessed at 120% of the underpayment rate in accordance with IRC §6621(c)	0.00	0.00	0.00
19. **Summary of Taxes, Penalties and Interest:**			
a. Balance due or *(Overpayment)* Taxes - *(Line 16, Page 1)*	1,706.00	7,624.00	6,524.00
b. Penalties *(Line 18)* - computed to 02/16/2011	341.20	1,524.80	1,304.80
c. Interest *(IRC § 6601)* - computed to 04/02/2011	514.01	1,275.55	620.82
d. TMT Interest - computed to 04/02/2011 *(on TMT underpayment)*	0.00	0.00	0.00
e. Amount due or *(refund)* - *(sum of Lines a, b, c and d)*	2,561.21	10,424.35	8,449.62

Other Information:

Examiner's Signature:	Employee ID:	Office:	Date:
Juhenny A. Blanco Soto JABS.	313916	Guaynabo	02/16/2011

Consent to Assessment and Collection- I do not wish to exercise my appeal rights with the Internal Revenue Service or to contest in the United States Tax Court the findings in this report. Therefore, I give my consent to the immediate assessment and collection of any increase in tax and penalties, and accept any decrease in tax and penalties shown above, plus additional interest as provided by law. It is understood that this report is subject to acceptance by the Area Director, Area Manager, Specialty Tax Program Chief, or Director of Field Operations.

PLEASE NOTE: *If a joint return was filed,* ***BOTH*** *taxpayers must sign*

Signature of Taxpayer	Date:	Signature of Taxpayer	Date:
By:		Title:	Date:

Form 4564 (Rev. September 2006)	Department of the Treasury – Internal Revenue Service **Information Document Request**	Request Number 01-0001

To: (Name of Taxpayer and Company Division or Branch)	Subject
Benjamin J Hochster & Ronit Hochster	F-1040: Tax returns, Citizenship, foreign income, F/S & Dependent
	SAIN number / Submitted to: Benjamin J Hochster & Ronit Hochster
Please return Part 2 with listed documents to requester identified below	Dates of Previous Requests (mmddyyyy)

Description of documents requested

Tax Period(s): 200612; 200712; 200812

- ☐ Provide birth certificates for all dependents claimed on your tax return. If the dependent was born outside of the United States, provide a copy of the Certificate of Birth for citizens born abroad (from the United States Department of State).
- ☐ Provide a copy of each dependent's Social Security card.
- ☐ Provide any document that will substantiate each dependent's place of residence. This document must substantiate the dependent resided with you. Therefore, it should contain the dependent's name, the address where the dependent resided, as well as demonstrate the tax year in question. Generally, this will include any of the following examples:
  - School Records
  - Medical Records
  - Government Records
- ☐ If you have claimed any child care expenses on your tax return, provide relevant substantiation of the expense. This will include all of the following:
  - Name of the care provider
  - Substantiation of payment (i.e. cancelled checks and/or receipts)
  - Contracts for care (if applicable)
  - Any other relevant information to support the expense

Translations

- ☐ Provide Certified Translations for any and all documents herein requested that are not already in the English language. Failure to provide meaningful translations will result in the item being disallowed.

Information due by 04/02/2011 At next appointment ☐ Mail in ☒

From:	Name and Title of Requester	Employee ID number	Date (mmddyyyy)
	Juhenny A. Blanco Soto, Tax Compliance Officer	313916	02/16/2011
	Office Location: City View Plaza II 48 Carr 165, Suite 2000 Guaynabo, PR 00968-8000		Phone: 787-522-1906 Fax: 787-522-1742

Form **4564** (Rev. September 2006)	Department of the Treasury – Internal Revenue Service **Information Document Request**	Request Number 01-0001
To: (Name of Taxpayer and Company Division or Branch) Benjamin J Hochster & Ronit Hochster Please return Part 2 with listed documents to requester identified below	Subject F-1040: Tax returns, Citizenship, foreign Income, F/S & Dependent SAIN number / Submitted to: Benjamin J Hochster & Ronit Hochster Dates of Previous Requests (mmddyyyy)	

Description of documents requested

Tax Period(s): 200612; 200712; 200812

Please provide the following documentation to support your income tax filing for the tax year(s) shown above.

Please provide the information within the prescribed method and due date as shown below.

You only need to provide information related to the tax year(s) shown above (unless otherwise stated).

Tax Returns

- ☐ Provide copies of all foreign income tax returns.
- ☐ Provide copies of your United States federal income tax returns for **one** tax year immediately preceding the tax year shown above, and for **all** tax years subsequent to the tax year shown above.

Citizenship

- ☐ Please provide evidence of your citizenship for all countries in which you claim citizenship. This may include items such as:
  - Birth Certificates
  - Naturalization Documents
  - United States Passport

Foreign Income

- ☐ Provide all foreign employer wage statements (Israeli Forms 106) for the tax years shown above.
- ☐ Provide pay stubs, statements from employers and or bank statements showing wages deposited for the entire year for each Taxpayer.
- ☐ Provide an explanation of the foreign exchange rate method and the calculation you used to prepare your United States tax return.

Filing Status

- ☐ If you are married, please provide a copy of your Marriage Certificate.

Dependents

Information due by 04/02/2011 At next appointment ☐ Mail in ☒

From:	Name and Title of Requester JABS Juhenny A. Blanco Soto, Tax Compliance Officer	Employee ID number 313916	Date (mmddyyyy) 02/16/2011
	Office Location: City View Plaza II 48 Carr 165, Suite 2000 Guaynabo, PR 00968-8000		Phone: 787-522-1906 Fax: 787-522-1742