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Jim Munton
132 Shady Run Terrace
Henderson, Nevada 89011

Dear Jim:

We have now concluded the audit of your 2007 amended federal income tax return, with a favorable result.

We filed your original return and included, as wages, the payment that you received from Delta Airlines, consistent with the W-2 form that was provided to you by Delta.

After the return had posted, we filed an amended tax return, based on the premise that the payment did not constitute wages, and should not have been taxed as wages. Throughout the year 2007, you were retired, did not work for Delta at any time during the year, and did not receive wages from Delta for any services.

The Internal Revenue Service has agreed with our amended return. The amount originally reported as wages is no longer being taxed as wages.

We will now file another amended return, a Claim for Refund, seeking refund of the amounts withheld as Medicare and Social Security on the 2007 payment, as reported on the 2007 W-2 form. Given the fact that the audit of your income tax return is a resolved item, this Claim for Refund should be processed promptly and you should receive a refund of those withheld taxes in about 6 – 8 weeks.

We have discussed the possibility of providing this service for other Delta pilots, similarly situated.

First, let me give you my disclaimer. The fact that we have successfully concluded your 2007 audit does not provide any precedent that can be relied upon for any other retired Delta pilot. There is absolutely no guarantee that another auditor will come to the same conclusion as the auditor to whom your amended 2007 tax return was assigned.

Second, there are some time constraints in that the statute for a 2007 federal income tax return expires on April 15, 2011. So, there is an urgency. If someone wants to pursue this effort, we need to do so immediately. Time is not on our side at this moment.

I would suggest that, should another retired Delta pilot elect to move forward with this effort, we would handle the returns (federal and state, where a state return is needed), and the discussions with the Internal Revenue Service on their behalf. To do so, we would need a complete copy of their 2007 federal and state income tax returns as originally filed, a copy of any correspondence from either the Internal Revenue Service, or the appropriate state agency, subsequent to the original filing. After a review of their tax returns, we might need some additional information to clarify the manner in which the original return was prepared, and we can handle those requests by telephone. Our objective would be to limit our efforts to this single issue, and to include other issues only to the extent required to properly deal with the question of the Delta W-2 form.

I would propose a fee of \$ 1,250.00 for this service. Of this amount, we would set aside \$ 500.00 into a fund, and that amount would be refunded if this effort is not successful in securing the refunds for both the income tax return and the Claim for Refund not later than April 15, 2013. This allows 2 years for the IRS to deal with the issue.

On April 15, 2013, if the refunds have not been issued by the IRS, we will refund the \$ 500.00 to each person who had not received the refunds.

Let me know if you have any questions.

Sincerely,


William R. Whalen