



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
OFFICE OF DIVISION COUNSEL
SMALL BUSINESS/SELF-EMPLOYED
8701 S. GESSNER, SUITE 710
HOUSTON, TEXAS 77074
(281) 721-7300
FAX: (281) 721-7356

CC:SB:6:HOU:1:TL-1541-06
WLStodghill

Robert Allen McNeil
4400 Memorial Drive #1200
Houston, Texas 77007-7344

AUG 03 2006

In re: McNeil v. Commissioner
Docket No. 1541-06
Houston Trial Session - November 27, 2006

Dear Mr. McNeil:

I am responding to your letter of July 25, 2006 addressed to Gary A. Benford, your letter of July 25, 2006 addressed to me, Lance Stodghill, and your letter of July 28, 2006 addressed to Gary A. Benford. First, I would like to clarify who you should correspond with regarding your case. Your correspondence should be addressed to me, Lance Stodghill. I am the attorney assigned to represent the Internal Revenue Service in your case. Associate Area Counsel Marilyn Ames is my immediate supervisor and Area Counsel Gary A. Benford is her immediate supervisor. Their role in this case is supervisory. While Mr. Benford's name appears in our signature block as our area counsel, he will not be personally involved in your case.

Regarding your requested stipulations, nearly all of the requested stipulations are your legal arguments in this case rather than facts. The only stipulation which appears factual relates to whether respondent is a competent individual. While I agree that respondent is competent, I fail to see the relevance to your case. Because your requested stipulations are not relevant or do not relate to statements or opinions of fact or the application of law to fact, I will not be able to agree to them.

Our duty is to determine the facts that are legitimately in dispute in this case. The judge will decide what the law is and how it applies to the facts in this case. We do not agree on the law, but we can agree on the facts.

The facts which are relevant to your case relate to whether you filed a return and whether you received taxable income in 2002. The following questions relate to facts to which I believe we can stipulate:

1. Did you file a Form 1040 U.S. Individual Income Tax Return for the 2002 tax year? Based on our information, you did not.

2. Did you receive \$12 of interest from Wells Fargo Bank, N.A. in 2002? Based on information reported to the government, you did.

3. Did you receive \$79,547 from AMS Consultants, LLC in 2002? Based on information reported to the government, you did.

I believe we should be able to reach an agreement on these facts. If so, we can then make our respective legal arguments to the court. My argument will be that this money is taxable income and that you should have filed an income tax return, while I anticipate your argument will be that the money is not taxable income to you and that you were not required to file a return.

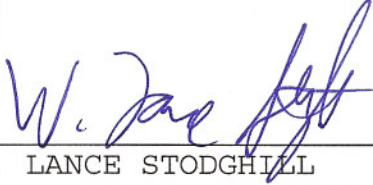
You stated you were unavailable to meet at the time I suggested and instead proposed a meeting at 1:00 p.m. on August 21, 2006. My schedule is open at that time. For sake of convenience, we can conduct the meeting via telephone. If you have any documents you would like to provide, please send them to my office prior to the conference. I will call you at 713-806-5199 at 1:00 p.m. on August 21, 2006, unless you provide an alternate number.

Feel free to contact me at 281-721-7374 if you have any questions.

Sincerely,

GARY A. BENFORD
Area Counsel
(Small Business/Self-Employed:Area
6)

By:



W. LANCE STODGHILL
General Attorney (Houston, Group 1)
(Small Business/Self-Employed)
T.C. Bar No. SW0912

Internal Revenue Service
Office of Chief Counsel
8701 South Gessner, Suite 710
Houston, TX 77074-2915

Official Business
Penalty for Private Use, \$300

HOUSTON TX 770

**FIRST
CLASS**

03 AUG 2006 PM 10 17



0433750038
\$0.39
08/03/2006
Mailed From 77074
US OFFICIAL MAIL
\$300 penalty
For Private Use
US POSTAGE

Robert Allen McNeil
4400 Memorial Drive #1200
Houston, TX 77007-7344

77007+7344

