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March 7, 2011

Internal Revenue Service
Small Business and Self-Employed
222 N. Sepulveda
Suite 800
El Segundo, CA 90245-4341

Attn:

Re: 2009 1040

Taxpayer I.D.

Dear Ms. ,

Enclosed are the following documents for the Estate of _____ :

- Copy of Original Trust Instrument including two legally binding Qualified Disclaimers of Beneficial Interests in the Trust (No other trust documents exist)
- List of Assets initially used to fund the trust
- List of Beneficiaries and Trustees
- Fiduciary's written declaration, signed under penalties of perjury, that the trust documents are true and correct

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Transactions meet the Arm's Length Standard if the results of the transaction are consistent with the results that would have been realized if uncontrolled taxpayers had engaged in the same transaction under the same circumstances (please see attached RIA research).

We concede that the 2009 1041 deduction for Executor fees of \$24,742 does not meet the standard of an arms length transaction and taxpayer agrees to report 2009 additional income of \$24,742. We do contend, however, that the taxpayer may deduct the Depreciation for the rental property of \$13,365, Excess Deductions of \$3,137 and the pass through Net Operating Loss of \$54,332 (amounts that result after the deduction for executor fees has been disallowed, revised K-1 attached).

was named as executor to estate in a manner that reflects a bona fide business arrangement. Neither party had control over the other. did not participate drafting the Trust document or in the selection of Trust executor, trustees or beneficiaries. The transfer of all property took place at full market value with no restrictions and in terms that are comparable to similar arrangements entered into by independent persons in arm's length transactions in the ordinary course of business.

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The two additional beneficiaries both supplied legally binding Disclaimers of Beneficial Interest in the Trust. These disclaimers meet Internal Revenue Service standards as documented below:

Under § 2518(a), if a person makes a qualified disclaimer with respect to any interest in property, then for estate, gift, and generation-skipping transfer tax purposes, the disclaimed interest will be treated as if the interest had never been transferred to the disclaimant. Instead, the interest will be considered as having passed directly from the decedent to the person entitled to receive the property as a result of the disclaimer.

Under § 2518(b), the term “qualified disclaimer” means an irrevocable and unqualified refusal by a person to accept an interest in property, but only if: (1) the refusal is in writing; (2) the writing is received by the transferor of the interest, his or her legal representative, or the holder of the legal title to the property to which the interest relates, not later than the date that is 9 months after the later of — (A) the date on which the transfer creating the interest in the person is made, or (B) the day on which the person attains the age of 21; (3) the person has not accepted the interest or any of its benefits; and (4) as a result of the refusal, the interest passes without any direction on the part of the person making the disclaimer and passes either—(A) to the spouse of the decedent, or (B) to a person other than the person making the disclaimer.

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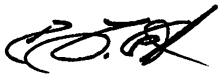
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The documentation presented above supports position of Sole Beneficiary of the Estate and 2009 1040 deductions in the final year of the Estate for Depreciation of rental property \$13,365, Excess Deductions from the Estate of \$3,137 and the pass through Net Operating Loss of \$54,332 (amounts that result after the deduction for executor fees has been disallowed).

Please contact my office if I may be of any further assistance.

Sincerely,



Bob Frumkin, CPA