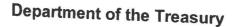
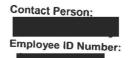
Internal Revenue Service Appeals Office Robert A Young Building 1222 Spruce St., Room 6.304 Saint Louis, MO 63103-2839



Date: JUN 2 1 2012



Contact Telephone Number:

Fax Number:

7:00- 2:30pm

Do.

Penalty Appeals

Amount of Assessed Penalty(s): \$21,235.68

I.R.C. Section(s): 6651, 6656

Tax Period(s) Ended:

03/2009 06/2009 09/2009 12/2009 03/2010 06/2010 09/2010 12/2010 03/2011

KNOXVILLE TN 37920

Work Biologicals Inc:

I completed my review of your request to adjust the penalty(s) assessed against you. Based on the information submitted, I am pleased to advise you my recommendation is to abate (remove) \$8,466.98 of the \$21,235.68 penalty stated above and your case is closed in Appeals. When this action has been completed, you will receive an adjustment notice from the IRS Service Center which originally assessed the penalty. The remaining penalty of \$12,768.70 is sustained as explained in the Appeals Officer Explanation (attached).

Payment Information

Interest and late filing penalties continue to accrue on the balance due until date of payment. If you have not paid the balance due in full, you may send your payment to the Internal Revenue Service Center address listed on your notice. Please make your check, money order or cashier's check payable to the U.S. Treasury.

What To Do If You Don't Agree

If you do not agree with this determination, your next level of appeal of the penalties would be to file a formal suit with either the United States District Court or the United States Court of Federal Claims. To continue the appeal you must:

- Pay the balance due on the assessed penalty(s)
- File a claim on Form 843, Claim For Refund and Request for Reimbursement, with the