DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
N14W24200 Tower Place, Suite 202
Waukesha, WI 53188

TAX EXEMPT AND GOVERNMENT ENTITIES DIVISION

REC'D FEB 06 2012

February 2, 2012

James B. Gottstein
406 G St., Suite 206
Anchorage, AK 99501

Tax Payer Identification Number:
[redacted]
Tax Years Ended:
December 31, 2009
December 31, 2010
Person To Contact/ID Number:
Susan Brown/0904966
Contact Numbers:
Telephone: 262-513-3501
Fax: 262-513-3512

Dear Mr. Gottstein:

We are writing to inform you that we are beginning an examination of your potential liability for the filing of Form 4720, Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code.

Internal Revenue Code Section 4958 establishes excise taxes as an intermediate sanction where organizations exempt from income tax under IRC 501(c)(3) or IRC 501(c)(4) engage in an "excess benefit transaction". Intermediate sanctions may be imposed on "disqualified persons" who benefit from an excess benefit transaction and on "organizational managers" who participate in a transaction knowing that it is an excess benefit transaction. IRC 4958 applies to excess benefit transactions occurring on or after September 14, 1995.

An excess benefit transaction is a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of any disqualified person, and the value of the economic benefit provided by the organization exceeds the value of the consideration (including the performance of services) received by the organization from the disqualified person for providing such benefit.

Attached you will find a document request asking you to verify and provide information for excess benefits that you have received from The Center for the Study of Psychiatry. Please provide a response to this request by February 17, 2012.

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Susan Brown

Susan Brown
EO Revenue Agent

Enclosures:
Information Document Request
Publication 1

INFORMATION DOCUMENT REQUEST NO. 1

TO: James Gottstein

Please provide the following information for review by the date indicated on the attached letter. Copies of original documents should be provided. If original documents are sent, please indicate whether or not return is required. Additional documentation relating to this matter may be requested at a later date.

All records requested are for tax years ending December 31, 2009 and 2010 unless otherwise indicated.

- Confirmation of the following payments made by the Center for the Study of Psychiatry to attorneys for your legal defense during the indicated years.

Date	Organization's Check #	Amount
2/04/2009	1319	$7,287.00
10/13/2009	1024	200.00
11/16/2009	1331	4,000.00
1/19/2010	1036	1,200.00
3/09/2010	1333	5,474.50
4/05/2010	1045	1,635.00

- Description and any available documentation of any other payments made to you or your legal representatives by the Center for the Study of Psychiatry.

Name and title of requester: | **Date:**

Susan Brown, Internal Revenue Agent | February 1, 2012