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January 28, 2007

Internal Revenue Service  
Fresno IRS Center  
5045 E. Butler Ave.  
Fresno, CA 93888-0021

Dear Sir or Madam:

I am writing about the recent CP2000 notice we received about my 2005 form 1040EZ. My social security number is 213-27-2736. I do not agree with the changes that the IRS is proposing to my return.

My disagreement stems from the fact that the list of securities sold only reports the gains on my transactions. I did not realize (I suppose I should have) that the losses I incurred on my securities transactions are not reported to the IRS. As suggested on page 9 of the CP2000, I have completed a Schedule D, Capital Gains and Losses. This completed schedule D shows that I actually had a total loss on my securities transactions of \$1288.41 (listed on Line 7 of Part I of Schedule D). I had calculated this and realized that I did not have a net gain to report, and that is the reason I did not file a Schedule D on my original return.

I enclose a copy of the completed Schedule D, as well as a copy of my transactions from Ameritrade. Therefore I respectfully submit that I owe no tax on the gains that I made as the losses outnumber the gains. I believe my total tax is still zero.

Sincerely,

Samuel A. Claussen

