



3. I filed my tax return for 1983 showing an unpaid tax liability of approximately \$400,000. This 1983 tax liability was assessed against me on May 28, 1984.

4. Over the following years, I paid more than \$300,000 against the 1983 assessment and I worked closely with the Internal Revenue Service ("IRS") to satisfy the remainder. In 1985, the revenue officer assigned to my case suggested that I make an offer in compromise to settle the assessment. The revenue officer, who was familiar with my finances, recommended an amount for the offer in compromise that he thought would be acceptable to the IRS.

5. On May 6, 1985, I submitted the offer. The form given to me by the revenue officer contained a provision waiving the running of the statute of limitations for the period that the offer in compromise was being considered by the IRS plus one year. Because I followed the directions of the revenue officer, I thought that the offer would be accepted quickly and that I was extending the statute of limitations for only a reasonable period of time. I never thought that I was subjecting myself to collection activity for the next ten years! I would not have signed the offer if I had known that this could happen.

6. Much to my surprise, the IRS sat on the offer for more than a year before they rejected it on September 4, 1986. The offer was under consideration from May 6, 1985 to September 4, 1986, or a period of one year, three months and twenty-nine days. Thus, the offer in compromise effectively

extended the statute of limitations during this period plus one year.

7. On May 28, 1990, the normal six year statute of limitations for collection of the 1983 taxes expired. However, the offer in compromise effectively extended the statute by two years, three months and twenty-nine days, so that it expired on September 27, 1992.

8. Although the statute of limitations for collection of the 1983 taxes has expired, the Internal Revenue Service has continued to send me letters demanding payment of these taxes. I have always responded to each of these letters and I have advised the IRS that the statute of limitations has expired.

9. The IRS never responded to any of my communications until I received a letter dated January 10, 1994 from Revenue Officer Phillip Granite (Exhibit A attached hereto). The letter was encaptioned "FINAL NOTICE (NOTICE OF INTENTION TO LEVY)." The Notice Of Intention To Levy demanded payment of \$707,122 for 1983 taxes and \$20,026 for 1984 taxes. The notice indicated that, if I didn't pay the taxes for 1983 and 1984 within ten days, the IRS would levy on my assets. My lawyers advise me that the letter was written on an out-dated IRS form and that the law has since changed to require a thirty-day notice before a levy can be issued.

10. On or about January 12, 1994, I spoke to Revenue Officer Granite by telephone and he told me that he

was going to do whatever was necessary to collect the taxes from me. Mr. Granite later told my attorney that he intended to levy my salary if I did not provide him with a financial statement and a waiver of the statute of limitations immediately.

11. On or about January 14, 1994, I learned that my checking account at Chemical Bank, which contained over \$20,000, was frozen because the IRS had issued a levy to the bank. A few days latter, I received a copy of the levy (Exhibit B attached hereto) and I noticed that it was dated January 11, 1994, only one day after the ten-day notice of intention to levy was dated. The bank has informed me that it intends to transfer all of the money in my checking account to the IRS on February 10, 1994.

12. On January 25, 1993, I was notified by Dean Witter that approximately \$100,000 of cash and securities had been levied by the Internal Revenue Service. Nearly all of the money levied on was contained in my Individual Retirement Account. I immediately obtained a copy of the levy (Exhibit C attached hereto) and I noticed that it was dated January 18, 1994, only eight days after the ten-day notice of intention to levy was dated. Dean Witter is prepared to transfer all of the money in my Individual Retirement Account and my stock account to the Internal Revenue Service on February 8, 1994.

13. I will suffer irreparable harm if the Internal Revenue Service is permitted to continue with its

illegal collection activity because I cannot afford to pay the Internal Revenue Service all of the money they say I owe. It appears that the Internal Revenue Service has no regard for the statute of limitations or for proper administrative procedures and that they are prepared to take everything that I own, including my retirement savings, and put me on the street. There is no way that I can continue to generate business as a stock broker if I am destitute. Indeed, because of the sensitive financial and fiduciary nature of my position at Dean Witter, I would probably be forced to leave the firm if Mr. Granite carries through on his threat to levy my salary. If I were forced to leave Dean Witter, I would lose almost all of my customers and my reputation within the industry would be tarnished beyond repair. My ability to earn a living and support my family (including my handicapped son) would be severely damaged.

14. In addition, my lawyers advise me that the levy against my Individual Retirement Account constitutes a withdraw from my account that will trigger income taxes and early withdraw penalties. Thus, if the Internal Revenue Service is permitted to take the balance of the account to pay 1983 and 1984 taxes without allocating any portion of the account to current taxes and penalties, the levy will simply create a new debt to the Internal Revenue Service.

15. I respectfully request that the Court stop the Internal Revenue Service from using its enormous powers to enforce the unlawful collection of the 1983 and 1984 taxes and from ruining my life.



AHMED HUSSEIN

Sworn to before me on  
this 1st day of February, 1994.

  
NOTARY PUBLIC

REBECCA CARAVAGLIO  
Notary Public, State of New York  
No. 43-4993626  
Qualified in Richmond County  
Commission Expires March 23, 1994