

Wednesday, June 20, 2018, 2:23 pm

REQUESTOR: 9710-1263
ICS HISTORY TRANSCRIPT
HISTORY INFORMATION

Name: CHARLIE SHEEN TIN: [REDACTED]

TP not allowed life insurance expense / no verification

The net difference between average monthly income and allowable expenses is \$181,462. This is merely a draft analysis. It is expected that the analysis will change to allow for expenses where no verification was provided AND to allow for tax expenses.

ASSETS:
The TP lists two businesses under investments, but he does not provide any FMV. He lists the value of each as unknown. Businesses are 9th Step Productions and S.T.R.A.C. INC.
Life insurance with Brighthouse Life Insurance has a current cash value of \$453,283 and a loan balance of \$830,193. No equity.
TP also lists a property in Rosarito, Mexico that he paid \$581,591 for. He claims the current value is unknown.

Two properties listed on 433-A>
14003 Aubrey RD BH CA 90210 FMV \$9,999,999 QSV \$7,999,999 Encumbrances \$4,795,346
Net Realizable Equity \$3,204,653
5042 Pathfinder Avenue Oak Park CA 91377 FMV \$1,815,380 QSV \$1,452,304 Encumbrances \$ 994,974
Net Realizable Equity \$ 507,330
2016 Cadillac CT6 FMV \$ 55,000 QSV \$ 33,000 Encumbrances
\$ -0- Net Realizable Equity \$ 33,000
2014 Mercedes S550 FMV \$ 66,275 QSV \$ 39,765 Encumbrances
\$ -0- Net Realizable Equity \$ 39,765
2015 Mini Cooper FMV \$ 15,000 QSV \$ 9,000 Encumbrances
\$ -0- Net Realizable Equity \$ 9,000
Arts/Jewelery FMV \$1,030,798 QSV \$1,030,798 Encumbrances
\$ -0- Net Realizable Equity \$1,030,798

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Net Realizable Equity
\$4,824,546

The net realizable equity amount represents the equity if collection were to enforce. The TP actually has equity in assets of \$7,192,132. This amount exceeds the total balance due and does not include valuation for the assets for which the TP did not provide valuation. Based on this draft analysis, it is likely that the TP would be asked to liquidate assets to full pay the account. I will not make a final decision until the final analysis is completed.

next action:
F/U 4/13 if ES payments provided and expense verification provided, complete final analysis
If No ES or verification, recommend the IA rejection

ACTION DATE: 04/12/2018 SYSTEM DATE: 04/12/2018 CONTACT: PHONE CREATE ID: 27092211

TP/POA CONTACT
GENERAL HISTORY

TP/POA CONTACT

While out in the field today, I received a message from POA Gorina. She asked that I

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return her call to 310-282-5114. Before I could get a chance to return the call, Ms. Gorina called again.

She stated that the TP wanted to speak with me directly. She asked if I would be available within the next few minutes. She would try and get the TP on a conference call and call me back. I confirmed that I would be available.

Shortly after this, the POA called again with the TP on the line.

The POA noted that she would like to work with us to set up some sort of IA. She did state that the TP home continues to stay on the market. She stated that the TP would provide verification that his 30 201812 ES for the first quarter is zero as he had no income and is meeting his living expenses with savings. She also stated that the TP only has a minimal amount of funds at this time and is unable to bring his 30 201712 ES payments current. The TP will make a partial ES payment in the amount of \$100,000. She expects the return will be filed for 30 201712 in about three weeks or so. She stated that she planned to provide me with the missing expense information so I can complete my analysis. After her statement, the TP provided additional information.

The TP stated that he is moments away from entering escrow. He noted that he was forced to accept a reduction in price on the home. He put the property up for sale at \$9.9 million. He stated that expected sale amount is \$9.2 million. He noted that there is approximately \$5 million due on the home and that would leave just over \$4 million in excess funds. The TP asked if it would be possible to allow him to direct \$2 million towards paying down the tax and allow him to keep the remaining amount so he could continue to meet his obligations.

He stated that he is still required to make child support payments for the children he has by two ex spouses. He stated that his ability to generate income came to a stand still when he spoke out about his HIV diagnosis. In his eyes, he has been black balled in the industry.

The TP did concede that he may likely have an income stream in the near future with a retail company that will be up and running in the next 6 weeks or so. He cannot guarantee that the venture will be successful, but it may be.

He did state that there is a confirmed income stream that will be available at the end of the year. Possibly December or so. He stated that the income will generate from his contract from his show Anger Management. He described it as getting his income 'on the back end' In his explanation, he noted that the income would be approximately \$7 million and he would be able to cover his liabilities at that time.

I explained to the POA/TP two things>

1. Based on the fact that the TP will not bring the 30 201712 ES current or have the return filed on time, I would forward the IA rejection recommendation. In the event the TP filed the return or paid the ES payments for 30 201712, I would not pursue the rejection.

2. I would do some research on the lien question. There may be some criteria that I am not aware of that would allow the TP to keep a portion