

Notice of Seizure



Name and Address

Micro Diagnostics, Corp.
57 S. Commerce Way 170
Bethlehem, PA 18017

Under the authority in section 6331 of the Internal Revenue Code, and by virtue of a levy from the District Director of Internal Revenue of the district shown below, I have seized the property below for nonpayment of past due internal revenue taxes.

Due from	Amount	Internal Revenue District <i>(City and State)</i>
Micro Diagnostics, Corp.	\$138,028.52	Pennsylvania Philadelphia, PA 19106

Description of property

PATENT NUMBER 5,279,150 AUTOMATED MINIATURE CENTRIFUGE

Signature of Revenue Officer making seizure <i>Cynthia Jones</i>	Address One Bethlehem Plaza Suite 700, Bethlehem, PA 18018	Date <i>07-08-99</i>
Signature of accompanying employee <i>Cynthia Jones</i>	Address One Bethlehem Plaza Suite 700, Bethlehem, PA 18018	Date <i>7/8/99</i>

Part 2 -- Third Party Copy

Form 2433 (Rev. 9-96)

PATENT
REEL: 010078 FRAME: 0628

Notice of Seizure



Name and Address

Micro Diagnostics, Corp.
57 S. Commerce Way 170
Bethlehem, PA 18017

Under the authority in section 6331 of the Internal Revenue Code, and by virtue of a levy from the District Director of Internal Revenue of the district shown below, I have seized the property below for nonpayment of past due internal revenue taxes.

Due from	Amount	Internal Revenue District <i>(City and State)</i>
Micro Diagnostics, Corp.	\$138,028.52	Pennsylvania Philadelphia, PA 19106

Description of property

PATENT # 5,215,718 LABORATORY DRYER WITH HYDROPHILIC EXHAUST FILTER

Signature of Revenue Officer making seizure Cynthia Jones <i>Cynthia Jones</i>	Address One Bethlehem Plaza Suite 700, Bethlehem, PA 18018	Date 07-08-99
Signature of accompanying employee <i>Cynthia Jones</i>	Address One Bethlehem Plaza Suite 700, Bethlehem, PA 18018	Date 7/8/99

Part 2 -- Third Party Copy

Form 2433 (Rev. 9-96)

PATENT
REEL: 010078 FRAME: 0629

Form **668-B**

Levy

Taxpayer Name/Address Micro Diagnostics, Inc. 57 S. Commerce Way 170 Bethlehem, PA 18017	Originating Internal Revenue District (City and State) <p style="text-align:center">Pennsylvania Philadelphia, PA 19106</p>
----------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------

Kind of Tax	Tax Period Ended	Date of Assessment	Taxpayer Identification Number	Unpaid Balance of Assessment	Statutory Additions	Total
941	06-30-1998	09-08-1997	23-2568768	\$ 50986.26	\$15628.98	\$ 66615.24
941	09-30-1997	12-15-1997	23-2568768	20097.95	5796.75	25894.70
941	12-31-1997	03-16-1998	23-2568768	31217.39	7372.16	38589.55
941	03-31-1998	10-19-1998	23-2568768	5432.55	601.98	6034.53
940	12-31-1997	03-28-1998	23-2568768	711.30	183.20	894.50
				Total amount due	\$138028.52	

The Internal Revenue Service (IRS) is using this levy to seize assets owned by the taxpayer named above.

Although IRS has given the required notice and demand for payment, the taxpayer named still owes the federal tax amounts shown. The Internal Revenue Code (IRC) provides a lien for the unpaid tax and statutory additions. IRC section 6331 authorizes IRS to

collect taxes by levy on all taxpayer property or rights to property, except property exempt under IRC section 6334.

Therefore, IRS levies (seizes) under IRC section 6331, as much property or rights to property, real or personal needed to pay the total amount due, with additions provided by law, including fees, costs, and expenses of this levy.

Dated at One Bethlehem Plaza Bethlehem, PA 18018 July 06, 19 99
 (Place) (Date)

Signature of Revenue Officer Cynthia Jones <i>Cynthia Jones</i>	Telephone Number Ext (610) 865-6338 135	Date 07-06-99
Signature of Group Manager E. Clarke <i>E. Clarke</i>	Date 7/7/99	
Signature of District Director or Asst. District Director if taxpayer's principal residence is to be seized, unless Collection is in jeopardy		Date

N/A was asked to be present during inventory. _____ (Revenue Officer Signature)
 (Taxpayer's Name)

_____ was present at inventory. Yes No
 (Taxpayer or Taxpayer's Representative's Name)

Applicable Sections of Internal Revenue Code

- Sec. 6321. Lien for taxes**
- Sec. 6322. Period of lien**
- Sec. 6323. Validity and Priority Against Certain Persons**
- Sec. 6324. Special Liens for Estate and Gift Taxes**
- Sec. 6325. Release of lien or discharge of property**
- Sec. 6331. Levy and distraint**
- Sec. 6332. Surrender of property subject to levy**
- Sec. 6334. Property exempt from levy**
- Sec. 6335. Sale of Seized Property**
- Sec. 6339. Legal Effect of Certificate of Sale of Personal Property and Deed of Real Property**
- Sec. 6343. Authority to Release Levy and Return Property**
- Sec. 7429. Review of Jeopardy Levy or Assessment Property**
- Sec. 6331. Levy and Distraint**

(a) **Authority of Secretary.**—If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401 (d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

(b) **Seizure and Sale of Property.**—The term "levy" as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

(c) **Successive Seizures.**—Whenever any property or right to property upon which levy has been made by virtue of subsection (a) is not sufficient to satisfy the claim of the United States for which levy is made, the Secretary may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against whom such claim exists, until the amount due from him, together with all expenses, is fully paid.

(e) **Continuing Levy on Salary and Wages.**—[Omitted]

(f) **Uneconomical Levy.**—No levy may be made on any property if the amount of the expenses which the Secretary estimates (at the time of levy) would be incurred by the Secretary with respect to the levy and sale of such property exceeds the fair market value of such property at the time of levy.

(g) **Levy on Appearance Date of Summons.**—

(1) **In general.**—No levy may be made on the property of any person on any day on which such person (or officer or employee, of such person) is required to appear in response to a summons issued by the Secretary for the purpose of collecting any underpayment of tax.

(2) **No application in case of jeopardy.**—This subsection shall not apply if the Secretary finds that the collection of tax is in jeopardy.

Sec. 6332. Surrender of Property Subject to Levy.

(a) **Requirement.**—Except as otherwise provided in subsections (b) and (c), any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made shall, upon demand of the Secretary, surrender such property or rights (or discharge such obligation) to the Secretary, except such part of the property or rights as is, at the time of such demand, subject to an attachment or execution under any judicial process.

(d) **Enforcement of Levy.**—

(1) **Extent of personal liability.**—Any person who fails or refuses to surrender any property or rights to property, subject to levy, upon demand by the Secretary, shall be liable in his own person and estate to the United States in a sum equal to the value of the property or rights not so surrendered, but not exceeding the amount of taxes for the collection of which such levy has been made, together with costs and interest on such sum at the underpayment rate established under section 6621 from the date of such levy (or, in the case of a levy described in section 6331 (d)(3), from the date such person would otherwise have been obligated to pay over such amounts to the taxpayer.) Any amount (other than costs) recovered under this paragraph shall be credited against the tax liability for the collection of which such levy was made.

(2) **Penalty for violation.**—In addition to the personal liability imposed by paragraph (1), if any person required to surrender property or rights to property fails or refuses to surrender such property or rights to property without reasonable cause, such person shall be liable for a penalty equal to 50 percent of the amount recoverable under paragraph (1). No part of such penalty shall be credited against the tax liability for the collection of which such levy was made.

(e) **Effect of Honoring Levy.**—Any person in possession of (or obligated with respect to) property or rights to property subject to levy upon which a levy has been made who, upon demand by the Secretary, surrenders such property or rights to property (or discharges such obligation) to the Secretary (or who pays a liability under subsection (d)(1)) shall be discharged from any obligation or liability to the delinquent taxpayer and any other person who respect to such property or rights to property arising from such surrender or payment.

(f) **Person Denied.**—There shall be exempt from levy—

(1) **Wearing apparel and school books.**—Such items of wearing apparel and such school books as are necessary for the taxpayer or for members of his family;

(2) **Fuel, provisions, furniture, and personal effects.**—If the taxpayer is the head of a family, so much of the fuel, provisions, furniture, and personal effects in his household, and of the arms for personal use, livestock, and poultry of the taxpayer, as does not exceed \$1,650 (\$1,550 in the case of levies issued during 1989) in value.

(3) **Books and tools of a trade, business or profession.**—So many of the books and tools necessary for the trade, business, or profession of the taxpayer as do not exceed in the aggregate \$1,100 (\$1,050 in the case of levies issued during 1989) in value.

(5) **Undelivered mail.**—Mail addressed to any person, which has not been delivered to the addressee.

(13) **Principal residence except in absence of certain approval or jeopardy.**—Except to the extent provided in subsection (e), the principal residence of the taxpayer (within the meaning of section 1034).

(e) **Levy Allowed on Principal residence in Case of Jeopardy or Certain Approval.**—Property described in subsection (a)(13) shall not be exempt from levy if—

(1) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property, or

(2) The Secretary finds that the collection of tax is in jeopardy.

Sec. 6335. Sale of Seized Property

(f) **Right to Request Sale of Seized Property Within 60 Days.**—The owner of any property seized by levy may request that the Secretary sell such property within 60 days after such request (or within such longer period as may be specified by the owner). The Secretary shall comply with such request unless the Secretary determines (and notifies the owner within such period) that such compliance would not be in the best interests of the United States.

Sec. 6343. Authority to Release Levy and Return Property

(a) **Release of Levy and Notice of Release.**—

(1) **In general.**—Under regulations prescribed by the Secretary, the Secretary shall release the levy upon all, or part of, the property or rights to property levied upon and shall promptly notify the person upon whom such levy was made (if any) that such levy has been released if—

(A) the liability for which such levy was made is satisfied or becomes unenforceable by reason of lapse of time,

(B) release of such levy will facilitate the collection of such liability,

(C) the taxpayer has entered into an agreement under section 6159 to satisfy such liability by means of installment payments, unless such agreement provides otherwise.

(D) the Secretary has determined that such levy is creating an economic hardship due to the financial condition of the taxpayer, or

(E) the fair market value of the property exceeds such liability and release of the levy on a part of such property could be made without hindering the collection of such liability.

For purposes of subparagraph (C), the Secretary is not required to release such levy if such release would jeopardize the secured creditor status of the Secretary.

(2) **Expedited determination on certain business property.**—In the case of any tangible personal property essential in carrying on the trade or business of the taxpayer, the Secretary shall provide for an expedited determination under paragraph (1) if levy on such tangible personal property would prevent the taxpayer from carrying on such trade or business.

(3) **Subsequent Levy.**—The release of levy on any property under paragraph (1) shall not prevent any subsequent levy on such property.