



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

By the order of the United States District Court for the District of New Jersey, dated 06/25/2013, the United States is authorized to sell stock in the closely held corporation named 1321 Memorial Drive Investments Inc., (hereinafter 1321), . {Civil Case Number 3:11-cv-04988}.

The value of the 1321 stock is based upon the assets currently held by the 1321 entity. These assets consist of a Promissory Note associated with the sale of real property at 1321 Memorial Drive, Asbury Park, New Jersey and ownership of four (4) parcels of vacant land in Ocean Township, New Jersey.

Four Vacant Lots in Ocean Township, NJ:

1321 Memorial Drive Investment Inc. owns four (4) non-contiguous vacant lots on Albert Avenue in Ocean Township, New Jersey, (Exhibit 11).

Block & Lot	Square Footage
210 – 4	40 x 100 = 4,000
210 – 6	100 x 100 = 10,000
211 – 10	60 x 100 = 6,000
211 – 12	80 x 100 = 8,000

- All four lots are in an “R4 zone,” which restricts building to single family dwellings and family day care homes.
- The minimum lot size for building without a variance is 10,000 square feet.
- Block 210, Lot 6 is the only conforming lot.

- (Block 210, Lot 4), (Block 211, Lot 10) and (Block 211, Lot 12) are non-conforming lots that would require a variance in order to build homes.

There are no known mortgages against the properties, but each is encumbered by several tax sale certificates.

The valuation for these vacant lots has been estimated largely on the strength of the assessed value for each lot. These lots are located in a subdivision of homes built on lots of at least 10,000 square feet. Three (3) of the four (4) properties in question are unbuildable because they are less than 10,000 square feet. These undersized lots would be difficult to sell, so the value for each is reduced from the assessed value by a ratio relative to the size of the lot.

Block 210 Lot 4:

This property has been held by “1321 Memorial Drive Investment Corp” since 03/10/1987.

The current assessed value is \$14,200.

The equalization ratio currently used in Ocean Township is close to fair market value at 95.41%.

The Ocean Township has advised that this property does not conform with the local zoning regulations for the building of a single family residence. This 40 x 100 lot is only 4000 square feet. 10,000 square feet is needed to build a single family residence. Therefore, this lot is far short of the necessary requirements.

At 4,000 square feet, this lot is considered to be highly undersized.

In view of the deficiencies present, the value of Lot 210, Block 4 is estimated at 40% of the assessed value to reflect a fair market value, (or FMV) of \$5,680.

\$14,200 (Assessed Value)
 - \$ 8,520 (Reduction to FMV)

 \$ 5,680 (FMV)

The property is encumbered by two Tax Sale Certificates for unpaid municipal taxes and current taxes for 2014.

The chart below outlines the amount due calculated to 04/15/2014.

Certificate Number	Amount Due to 04/15/2014	
98-041	\$ 644	
99-060	\$6,461	
2014 unpaid	\$ 171	

Total:	\$7,276	
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Based upon this investigation, 1321 Memorial Drive Investments Inc. has no equity in Block 210, Lot 4, Ocean Township, New Jersey.

\$5,680 (FMV)
 - \$7,276 (Municipal Taxes)

 (\$1,596) (No Gross Equity)

Block 210 Lot 6:

This property has been held by 1321 Memorial Drive Investments Inc since 03/10/1987.

This is the only vacant lot owned by 1321 that conforms to the local zoning regulations for the construction of a single family residence. The lot is on the corner of Albert Road and Allen Street.

The assessed value is \$32,000. The equalization ratio currently used in Ocean Township is close to fair market value at 95.41%.

Therefore, we will estimate the FMV for this property at \$32,000.

The property is encumbered by two Tax Sale Certificates for unpaid municipal taxes and current taxes for 2014.

The chart below outlines the amount due calculated to 04/15/2014.

Certificate Number	Amount Due to 04/15/2014	
98-042	\$ 1,253	
99-061	\$18,204	
2014	\$ 385	
Total:	\$19,842	

Based upon this investigation, 1321 Memorial Drive Investments Inc. enjoys gross equity of \$12,158 in Block 210, Lot 6, Ocean Township, New Jersey.

\$ 32,000 (FMV)
 - \$ 19,842 (Municipal Taxes)

 \$ 12,158 (Gross Equity)

Block 211 Lot 10:

This property has been held by 1321 Memorial Drive Investments Inc since 03/10/1987.

The assessed value is \$29,600, (). The equalization ratio currently used in Ocean Township is close to fair market value at 95.41%.

The Ocean Township Zoning has advised that this property does not confirm with the local zoning regulations for the building of a single family residence. This 60 x 100 lot is only 6000 square feet. 10,000 square feet is needed to build a single family residence. Therefore, this lot is far short of the necessary requirements.

In view of the deficiencies present, the FMV of Lot 211, Block 10 is estimated at 50% of the assessed value, or \$14,800.

\$29,600 (Assessed Value)
 - \$14,800 (Reduction to FMV)

 \$14,800 (FMV)

The property is encumbered by two Tax Sale Certificates for unpaid municipal taxes and current taxes for 2014. The chart below outlines the amount due calculated to 04/15/2014.

Certificate Number	Amount Due to 04/15/2014	
98-043	\$ 929	
99-062	\$12,989	
2014	\$ 356	
Total:	\$14,274	

Based upon this investigation, 1321 Memorial Drive Investments Inc. enjoys gross equity of \$526 in Block 211, Lot 10, Ocean Township, New Jersey.

\$14,800 (FMV)
 - \$14,274 (Municipal Taxes)

 \$ 526 (Gross Equity)

Block 211 Lot 12:

This property has been held by 1321 Memorial Drive Investments Inc since, 03/10/1987.

The property is assessed at \$30,800. The equalization ratio currently used in Ocean Township is close to fair market value at 95.41%.

The Ocean Township has advised that this property does not confirm with the local zoning regulations for the building of a single family residence. This 80 x 100 lot is only

8000 square feet. 10,000 square feet is needed to build a single family residence. Therefore, this lot does not conform.

In view of the deficiencies present, the value of Lot 211, Block 12 is estimated at 60% of the assessed value, or \$18,480.

\$30,800 (Assessed Value)
- \$12,320 (Reduction to FMV)

\$18,480 (FMV)

The property is encumbered by two Tax Sale Certificates for unpaid municipal taxes and current taxes for 2014.

The chart below outlines the amount due calculated to 04/15/2014.

Certificate Number	Amount Due to 04/15/2014	
98-044	\$ 679	
99-063	\$15,559	
2014	\$ 371	
Total:	\$16,609	

Based upon this investigation, 1321 Memorial Drive Investments Inc. enjoys gross equity of \$1,871 in Block 211, Lot 10, Ocean Township, New Jersey.

\$18,480 (FMV)
- \$16,609 (Municipal Taxes)

\$ 1,871 (Gross Equity)