

**TRANSLATION**

**REPUBLIC OF GREECE  
Department of Finance  
Internal Revenue Service of Samos  
Legal Department  
83100 Samos**

**Samos, April 3, 2002  
Registr. No 3844/R 341**

**To: Christos Eliopoulos  
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(Greece)**

**Copy: Internal Revenue Service  
Department 16  
Section E**

**With reference to the letter of Mr. George Diamond of January 28, 2002 the following is our position:**

**By virtue of contract number 9650/July 5, 1994 drawn up by notary public, Them. Demopoulos, Demetrios Papadiamantis purchased from his sister, Maria Papadiamanti a house on a property of 455 square meters at Kokkari Samos located at the most sought after area in Samos as well as the 50% of a warehouse on a property of 282 square meters. He then filed returns 230 and 231/June 27, 1994 for transfer of property taxes stating the value of these two items as being 5,000,000 and 2,000,000 drachmae respectively.**

**On August 18, 1994 he filed amended/additional returns having accepted the temporary value of 28,950,000 and 10,160,000 drachmae respectively determined by the Internal Revenue Service of Samos following investigation and having signed in person the required forms which were processed and found truthful. On September 1, 1994 Maria Papadiamanti died and her brother, Demetrios Papadiamantis filed inheritance tax return number 238/94 on September 30, 1994 stating a taxable amount of 6,100,000 drachmae.**

**Then on October 25, 1994 he filed an amended/additional tax return having accepted the temporary value of 27, 328,000 drachmae as well as the inclusion of the value of the real estate property that he bought from his sister, namely the amount of 39,110,000 drachmae which had been considered as a truthful return based on article 3, paragraph 3 of Presidential decree 118/73 which states that " All financial transactions or monies received as income from property belonging to the decedent within the year preceding his/her death as well as the amount of the sale of an inherited property item - sale having occurred within three years for movable property and within five years for real estate prior to the death of the decedent are considered as being part of the inheritance. All and any legal procedure is allowed in order to prove to the contrary."**

**The above mentioned tax returns submitted by Demetrios Papadiamantis had been signed by him when he came to this office accompanied by his then attorney Thalys Papavassiliou whom he appointed as his legal representative. Both were fully aware of the terms of the law and the consequences thereof.**

However, on December 28, 1995 Demetrios Papadiamantis filed request number 9155/12-28-95 for the retraction of his inheritance tax return by which he was asking to withdraw his amended/additional inheritance tax return as it pertained to the amount of the sale of the two items of property that Maria Papadiamanti sold prior to her death.

The case had been considered as closed when the amended/additional inheritance tax returns had been filed and the statements thereof considered truthful. Therefore, these cannot be retracted according to article 72, paragraph 2 of Law Decree 118/73 and article 73, paragraph 3 of Law Decree 118/73 and the request was rejected by virtue of decision number 2219/March 27, 1996 of the Director of the Samos Internal Revenue Service which stated that the matter could only be settled by the appropriate Tax Court. 

Subsequent to this, Demetrios Papadiamantis appealed to the Administrative Lower Court of Syros on April 4, 1996 which rejected his appeal by decision number 67/98. By that appeal, the claimant had asked for the annulment of decision number 2219/March 3, 1996 of the Director of the Samos Internal Revenue Service (mentioned above) claiming that : 

a) the request to retract his amended/additional inheritance tax return was the result of a misunderstanding on his part at the time he filed the tax return, b) he was never given a report of temporary assessment of the market price of the property to be inherited , c) the fact that the market price of the property already sold by the decedent was included in the assessment of the property to be inherited was not legal due to the fact that the decedent's bad health necessitated the sale of some of her property prior to her death to cover health care costs.

The Court took into consideration that the case was already closed per article 73 of Law Decree 118/73 and rejected the appeal in its entirety. Furthermore, the Court ruled that the Samos Internal Revenue Service should not have felt necessary to issue a decision of temporary assessment of the market price of the property to be inherited, considering that the case was closed after the amended/additional inheritance tax return was filed by the claimant and such return was deemed truthful.

Another appeal was made against ruling number 67/98 of the Administrative Three-Member Court of Syros (translator's note: Dealing with tax matters) on October, 8, 1999 which resulted in ruling number 1962/2001 of the Fifth Three-Member Commission of the Administrative Appeals Court of Piraeus whereby this second appeal was rejected.

On June 12, 2000 after multiple summons sent to Demetrios Papadiamantis and to his attorney asking him to settle his outstanding tax debt of 33, 101,866 drachmae which he had personally admitted he owed but refused to pay, we were forced to confiscate the rent that he was receiving from Constantinos Kypraios, son of Emmanuel and from Stella Partsafa, daughter of Constantinos in order to halt the 

ever increasing surcharges and to eventually settle his debt.

All of the above is evidence that our Department desired to serve the interests of the now decedent Demetrios Papadlamantis so that his estate would be free and clear of debt.

The claims made by George Diamond's are false and unfounded as well as injurious to the Intergity and ethics of our personnel. Our staff have never caused any problems to this department, instead they always try to discharge of their duties in a spirit of understanding and compassion for the tax paying citizens.

Considering all of the above, we reserve the right to take any legal action to safeguard our honor and integrity.



The Director of the Internal revenue service of Samos

(Signature not legible)



TRUE AND ACCURATE  
TRANSLATION BY OLGA FRIESEN

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