

August ____, 2011

From:

[REDACTED]

To:

DUANE READE
440 Ninth Avenue
New York, NY 10001
(212) 273-5700

NOTICE OF TERMINATION OF WITHHOLDINGS AGREEMENT

*NOTICE TO THE AGENT IS NOTICE TO THE PRINCIPAL
NOTICE TO THE PRINCIPAL IS NOTICE TO THE AGENT
(Applicable to all Successors and Assigns)*

This constructive notice is in regards to the private contract between [REDACTED] and DUANE READE:

As of today, August ____, 2011, [REDACTED] hereby notifies DUANE READE to cancel all withholdings of income or earnings, including: state and federal income taxes, social security, Medicare, state and federal unemployment tax, union dues, third-party payments of sick pay, supplemental unemployment compensation benefits, and any and all other withholdings.

If there is any confusion about this notice, please have your attorney refer to Part 31, Section 3402(p)-1 of the Code of Federal Regulations, paragraph b.

As your courtesy to help you comply with these federal regulations stated above, I am hereby instructing you to please attach this statement to Form W-4 which I have previously filed with your company.

I do not wish to have any withholding from my paycheck between August ____, 2011 and December 31, 2020. Please update your payroll records to reflect this change.

IN WITNESS WHEREOF I hereunto set my hand and seal on this ____th day of _____, 2011 and hereby certify all the statements made above are true, correct and complete.

Date: _____

State of **NEW YORK**)

) ss:

JURAT

County of _____)

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 2011, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(seal)

Signature

Liability Release Statement:

I _____, understand that termination or withdrawal of a W-4, Employee's Withholding Certificate, releases the employer from any obligation to make payroll withholdings. I understand that in doing so, the taxpayer is thus responsible for all taxes due and I release the employer from any tax liability associated with this employee.

I certify that the foregoing statement is correct and I release the employer from any withholding obligations or claims.

_____, Secured Party Creditor is willing to sign a release statement and issue an indemnity bond upon request by the Employer, to further assist in this matter.

Signature

Date

Code of Federal Regulations

Revised as of April 1, 1998

CITE: 26CFR31.3402(p)-1

Title 26--Internal Revenue

Chapter I--Internal Revenue Service Department Of The Treasury--

Part 31--Employment Taxes And Collection Of Income Tax At Source--

Subpart E--Collection of Income Tax at Source

Sec. 31.3402(p)-1 Voluntary withholding agreements.

(a) In general. An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of Sec. 31.3401(a)-3, made after December 31, 1970. An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee. The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See Sec. 31.3405(c)-1, Q and A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.

(b) Form and duration of agreement.

(1) (i) Except as provided in subdivision (ii) of this subparagraph, an employee who desires to enter into an agreement under section 3402(p) shall furnish his employer with Form W-4 (withholding exemption certificate) executed in accordance with the provisions of section 3402(f) and the regulations thereunder. The furnishing of such Form W-4 shall constitute a request for withholding.

(ii) In the case of an employee who desires to enter into an agreement under section 3402(p) with his employer, if the employee performs services (in addition to those to be the subject of the agreement) the remuneration for which is subject to mandatory income tax withholding by such employer, or if the employee wishes to specify that the agreement terminate on a specific date, the employee shall furnish the employer with a request for withholding which shall be signed by the employee, and shall contain--

- (a) The name, address, and social security number of the employee making the request,
- (b) The name and address of the employer,
- (c) A statement that the employee desires withholding of Federal income tax, and applicable, of qualified State individual income tax (see paragraph (d)(3)(I) of Sec. 301.6361-1 of this chapter (Regulations on Procedures and Administration)), and
- (d) If the employee desires that the agreement terminate on a specific date, the date of termination of the agreement.

If accepted by the employer as provided in subdivision (iii) of this subparagraph, the request shall be attached to, and constitute part of, the employee's Form W-4. An employee who furnishes his employer a request for withholding under this subdivision shall also furnish such employer with Form W-4 if such employee does not already have a Form W-4 in effect with such employer.

(iii) No request for withholding under section 3402(p) shall be effective as an agreement between an employer and an employee until the employer accepts the request by commencing to withhold from the amounts with respect to which the request was made.

(2) An agreement under section 3402 (p) shall be effective for such period as the employer and employee mutually agree upon. However, either the employer or the employee may terminate the agreement prior to the end of such period by furnishing a signed written notice to the other. Unless the employer and employee agree to an earlier termination date, the notice shall be effective with respect to the first payment of an amount in respect of which the agreement is in effect which is made on or after the first "status determination date" (January 1, May 1, July 1, and October 1 of each year) that occurs at least 30 days after the date on which the notice is furnished. If the employee executes a new Form W-4, the request upon which an agreement under section 3402 (p) is based shall be attached to, and constitute a part of, such new Form W-4.

(86 Stat. 944, 26 U.S.C. 6364; 68A Stat. 917, 26 U.S.C. 7805)

[T.D. 7096, 36 FR 5216, Mar. 18, 1971, as amended by T.D. 7577, 43 FR 59359, Dec. 20, 1978; T.D. 8619, 60 FR 49215, Sept. 22, 1995]

CERTIFICATE OF SERVICE

It is hereby certified, that on the date noted below, the undersigned third-party witness mailed to:

DUANE READE
440 Ninth Avenue
New York, NY 10001

Hereinafter, "Recipient," the documents and sundry papers pertaining to **TERMINATION OF WITHHOLDINGS AGREEMENT** and [REDACTED] as follows:

1. **NOTICE OF TERMINATION OF WITHHOLDINGS AGREEMENT** (two leafs), issued by [REDACTED] and dated _____, 2011; and
2. **LIABILITY RELEASE STATEMENT** (one leaf), issued by [REDACTED] and dated _____, 2011; and
3. **CODE OF FEDERAL REGULATIONS** (one leaf) regarding Termination of Withholdings; and
4. unsigned courtesy copy of this **NOTARY'S CERTIFICATE OF SERVICE** (one leaf)

by first-class mail envelope properly addressed to Recipient at the said address and depositing same at an official depository under the exclusive face and custody of the U.S. Postal Service within the State of NEW YORK.

Third-party Witness

DATE (Seal)

