

**Modernized e-File (MeF)
Test Package**

Form 1120
(U.S. Corporation Income Tax Return)

Form 1120-S
(U.S. Income Tax Return for S Corporation)

Form 1120-F
(U.S. Income Tax Return of a Foreign Corporation)

Form 7004
(Application for Automatic Extension of Time to File Certain Business Income
Tax, Information, and Other Returns)

Tax Year 2008



Department of the Treasury
Internal Revenue Service

www.irs.gov

Publication 4162 (2008)
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**PUBLICATION 4162
Modernized e-File (MeF)
TEST PACKAGE CHANGE PAGE**

Updates to Test Scenarios (10-27-2008)

The changes identified below have been incorporated into each individual test scenario in this package.

Form 1120 Test Scenario # 1

1. Schedule D now included in scenario.
2. Form 8916-A, Part II, Lines 5a, 5d, 6a, and 6c deleted

Form 1120 Test Scenario # 2

1. Form 1120, Schedule E, Line 1c and 1d added
2. Form 4626, Lines 2a, 2e, and 2o corrected
3. Form 5471, Foreign Corp # 1 Line 2d
 - Zip Code changed
 - Box B, Category of filer changed
4. Form 5471, Foreign Corp # 2 and Foreign Corp # 3
 - Box B, Category of filer changed
 - Added Schedule M (from Form 5471) for Foreign Corp #2
5. Form 8916-A –Hide 'N Seek Foods, Inc. – Consolidated
 - Lines 3b, 3d, 5a, 5b, 6a, 6d, 8a, and 8b changed
6. Form 8916-A, Hide'N Seek Foods, Inc
 - Lines 5a, 5b, 8a, and 8c changed
7. Form 8916-A, Acme Foods
 - Lines 3b, 3d, 7a, 7b, 8a, and 8d changed

Form 1120S Test Scenario # 4

1. Form 1120S, Paid Preparer Data, Check if self-employed box should not be checked.
2. Form 1120S, Schedule M2, Line 6b, \$486 added

Form 1120S Test Scenario # 5

1. Form 1120S, Schedule L, Line 10b(a) is 374,043, Line 10b(b) is 50,206, Line 10b(c) is 337,358, and Line 10b(d) is 60,043
2. Form 1120S, Schedule L, Lines 11b(a), 11b(b), 11b(c), and 11b(d) deleted
3. Form 1120S, Schedule M-2, Line 5a is 586,880
4. Form 1120S, Schedule M-2, Line 5b deleted

Form 1120-F Test Scenario #1

1. Form 1120-F, Section II, Line 1b is 7,500, Line 1c is 24,976,500, line 3 is 24,976,500 and Line 4 is 13,500
2. Form 1120-F, Schedule C, Line 14 is 13,500
3. Form 1120-F, Section III, Line 5 is 6,454,900
4. Form 1120-F, Schedule H, Line 6 is 25,000,000
5. Form 1120-F, Schedule I, Line 11 and 13 are deleted
6. Form 1120-F, Schedule M-3 is completely reworked, please consult the form for changes.
7. Form 1120-F, Schedule P, Part I, Box B Zip Code added

ASSURANCE TESTING TAX YEAR 2008
Forms 1120, 1120-S, 1120-F and 7004

WHO MUST TEST?

Software developers must perform the tests in this Test Package before being accepted into the electronic filing program for the 2009 (Tax Year 2008) filing season. Anyone who plans to transmit using approved software must perform a communications test and be accepted.

Prior to testing, all software developers and transmitters must have obtained an Electronic Transmitter Identification Number (ETIN) and an Electronic Filer Identification Number (EFIN) through the application process.

Refer to Publication 3112, *IRS e-file Application and Participation*, for Form 8633 procedures. Refer to irs.gov. e-services – Online Tools for Tax Professionals for On-Line Application procedures.

Software Developers

Software developers will be assigned a Test ETIN to be used for software testing. This test ETIN will remain in test status, and will not be moved to a production status. This allows a developer to test year round.

Transmitters

The ETIN assigned in the application process must be included in each message. The ETIN for transmitters will be set to “Test” until the transmitter passes required communication testing with the IRS, at which time the ETIN will be moved to “Production” status. A transmitter may then request a Test ETIN, which can be used to continue testing once the original ETIN has been moved to Production status. If a transmitter fails to revise its IRS e-file application to indicate it will be transmitting using the Modernized e-File (MeF) Internet XML transmission method, and/or fails to check the appropriate MeF form types (1120, 990, 1065, etc.), its ETIN will not be valid, and any submissions will be rejected. The transmission status (Test or Production) of the ETIN used to transmit must match the Test/Production Indicator in the Message Header; otherwise, the message will be rejected.

PASSWORDS/STRONG AUTHENTICATION

Internet Filing Application (IFA)

To access the IFA system, a transmitter sending returns to MeF through IFA must use the password selected during *e-services* registration. The same password must be used whether a transmitter sends returns to the testing and/or production system.

Application to Application (A2A)

January 1, 2009, passwords can no longer be used for A2A filing through MeF. Digital certificates will be required and will provide enhanced security for A2A transactions.

Prior to converting your existing System IDs from passwords to certificates, it is recommended that a new System ID be added to develop and test your digital certificates for MeF processing. Passwords can be used until December 29, 2008; after this date, MeF systems will be converted to accept only digital certificates.

A Strong Authentication User Guide is available to explain the integration and use of certificate-based authentication. This guide contains an IRS-provided sample client code and guidance used when integrating this new feature into client software which communicates with the MeF A2A Web services.

This guidance is relevant to the client code that will be developed in the future, and also to any pre-existing client code that doesn't currently use digital signatures to sign SOAP messages. If your organization is interested in obtaining the Strong Authentication User Guide, contact the IRS e-Help Desk at 1-866-255-0654.

Additional information on Strong Authentication can also be found in Publication 4164, *Modernized e-File (MeF) Guide for Software Developers and Transmitters*.

Large Taxpayers may refer to the Large and Mid-Sized Business (LMSB) website on irs.gov for additional information.

A2A transmitter(s) must also enroll the system(s) that will be used to conduct business with MeF to obtain a systemID. If a transmitter and/or system(s) are not enrolled, the transmitter will not be able to transmit through A2A.

Note: All authorized e-file providers must submit key information about their Web sites to the IRS. Providers must submit new URLs to the IRS before the website is accessible on the internet. Failure to comply with these IRS e-file rules can result in suspension or expulsion from the IRS e-file program. More information can be found on irs.gov.

WHY TEST?

The purpose of testing prior to live processing is to ensure that:

1. Transmitters use the correct format and IRS MeF electronic filing specifications.
2. Returns have fewer validation and math errors.
3. IRS can receive and process the electronic returns.
4. Filers understand and are familiar with the mechanics of electronic filing.
5. Transmitters can retrieve responses from MeF, including acknowledgement files, state returns and state status records.

WHAT IS TESTED?

The test package for the 2008 Assurance Testing System (ATS) consists of six tax return scenarios for Forms 1120/1120S, one scenario for Form 1120-F, and four scenarios for Form 7004. Software Developers (SWD) supporting clients that may file Forms 1120L and 1120PC returns as subsidiaries must develop their own test scenarios including these forms and submit them for testing. The e-Help Desk will verify these scenarios and the scenarios in the test package.

Test returns include a limited number of forms and schedules that may be attached to corporate returns. It is not possible to represent all possible conditions in these tests; therefore, once a Software Developer has passed the tests, it may want to test additional conditions appropriate to its client base. Predefined EINs, Name Controls, Tax Period and Form types must be used, as described in Exhibit 3.

Test scenarios for the Form 7004 must be completed and submitted for approval by vendors that will support Form 7004. Exhibit 3, Table 2 includes additional EINs to accommodate all other form types for which an extension can be filed, as listed on Form 7004. These EINs must be used for testing other form types.

The scenarios provide information necessary to prepare selected forms and schedules. Test returns must be correctly prepared and computed before transmission. The IRS strongly recommends that each return be run against a parser prior to transmission. IRS processing consists of two steps – schema validation through a parser, and business rule validation.

FORMATTING THE ENTITIES

Below are some resources that relate to XML schemas, software tools and parsers. The IRS is not endorsing any product -- these resources are provided for information only. You may choose any third party parser toolkit, or you may use your own.

- W3C XML Home Page: <http://www.w3.org/XML/>
- W3C XML Schema Home Page: <http://www.w3.org/XML/Schema>
- XML Spy: XML Editor from Altova: XMLSpy - Apache Xerces parser toolkit:

<http://xml.apache.org/>

• Microsoft Core XML Services: Download details: MSXML 4.0 Service Pack 2 (Microsoft XML Core Services) <http://msdn2.microsoft.com/en-us/xml/Bb190622.aspx>

The business entities presented in the test scenarios are shown as in common usage, with commas and periods. Refer to XML efile Types for proper formatting of business name lines and addresses. No commas or periods are allowed.

Example:

Test Scenario

Help For All, Inc.

31 Any Street

Anytown, MD 20901

XML Format

Help For All Inc (BusinessNameLine1Type)

31 Any St (StreetAddressType)

Anytown (CityType)

MD (StateType)

20901 (ZipCodeType)

WHEN TO TEST

When a SWD is ready to test call the e-Help Desk at 1-866-255-0654. The e-Help Desk will assist with all preparations needed to begin testing, including the assignment of a Software ID to be used when submitting returns. Note: Vendors need a new softwareID for each tax year and each tax package they support.

TESTING GUIDELINES FOR SOFTWARE DEVELOPERS

It is not required that software provide for all forms or schedules, nor for all occurrences of a particular form or schedule. At the time of first contact with the e-Help Desk, before testing begins, a SWD must advise the e-Help Desk of all limitations to its Software package by completing and submitting a Questionnaire. If you test with limitations but later decide to support additional forms that were not included in the initial testing, you must call the e-Help Desk to update your questionnaire, and then successfully test with the added forms before moving them into production. The complete form must be tested, with no field limitations except for the number of occurrences. For example, if you initially tested only Forms 1120 and 1120S and now wish to submit Form 1120-F, you must test and be approved for Form 1120-F before submitting live versions of the form. Additionally, you must submit test scenarios and receive approval before filing Form 7004.

FEDERAL/STATE TESTING FOR FORMS 1120/1120S

For Tax Year 2008, there will not be a separate State ATS. Full ATS for both transmitters and states will be available on November 3, 2008. Transmitters should test federal scenarios before attempting to test with the states. Contact each state for specifics on the scenarios to use for its state returns. Federal and State returns may be transmitted through A2A or IFA. States must retrieve state returns through A2A.

SIGNATURE REQUIREMENTS

Please refer to Publication 4164 for the current guidelines for electronic signatures.

Practitioner PIN

The Practitioner PIN option can only be used when a taxpayer uses an Electronic Return Originator (ERO). It cannot be used if a taxpayer is filing through an On-Line Provider or transmitting its own return. If the signature option of "PIN Number" is chosen, the taxpayer and ERO will be required to sign the return with a personal identification number (PIN). The Practitioner PIN option consists of two PINs – one for the taxpayer and one for the Practitioner.

1. Taxpayer PIN – The taxpayer chooses the PIN that they wish to use to sign their return. The Taxpayer's PIN must be 5 numeric characters, and cannot contain all zeros.
2. Practitioner PIN – The ERO selects an eleven position PIN to sign the return. The first 6 positions of the Practitioner PIN must be the EFIN of the ERO, and the last 5 positions will be made up of 5 numeric characters that the ERO will select.

The taxpayer must decide whether it wants to enter its own PIN, or authorize the ERO to enter the PIN they choose as their signature. This authorization is made on Form 8879-C/Form 8879-S/Form 8879-I.

When the Practitioner PIN method is used, the following fields must be entered, or a return will be rejected:

- Practitioner PIN
- PIN Entered By Indicator
- Name of Officer
- Title of Officer
- Taxpayer PIN
- Date Signed

Scanned Form 8453

The scanned Form 8453 method must be used when a taxpayer decides not to, or is not eligible to, use the Practitioner PIN method for signing a return. The applicable Form 8453-C, Form 8453-S or Form 8453-I must be completed and signed by all required parties, and then scanned as a PDF file. The signature option “Binary Attachment 8453 Signature Document” must be identified in the Return Header. When this option is chosen, the taxpayer, and ERO if applicable, must sign the paper Form 8453. The signed Form 8453-C/Form 8453-S/Form 8453-I must then be scanned into a PDF document and inserted into the electronic return as a binary attachment. The Description field of binary attachments must contain the words “8453 Signature Document.”

REVIEWING ACKNOWLEDGEMENT FILES AND CORRECTING TESTS

You may transmit as many test returns as necessary until you receive no rejects on the scenarios. All Business Rules violations must be corrected in order to pass ATS testing.

LIMITATION OF THE ATS SYSTEM

The MeF Assurance Testing System was not designed for external stakeholders to perform stress or load testing. ATS is not configured exactly the same as the MeF Production system. Therefore, when testing in the ATS environment, a tester should not expect the same response time as it will experience in the Production environment, especially as relates to performance or load testing. This is true whether a stakeholder is testing a single extremely large return in one transmission, many large returns in one transmission, or a large number of concurrent transmissions.

COMMUNICATIONS TEST FOR THE e-file SYSTEM

IRS allows two means of transmission for MeF: Internet Filing Application, and Application to Application. If you are a Transmitter using accepted software, you must complete an error-free communications test by transmitting five returns. A transmitter that passed the communications test and wants to continue testing must request a test ETIN.

- If you will be transmitting returns through IFA, you must perform the communications test through IFA.
- If you will be transmitting returns through A2A, you must perform the communications test through A2A.
- If you will be transmitting through both portals, communications tests must be performed through both systems.

A Software Developer, who will not transmit, need not perform a communications test.

LARGE TAXPAYERS COMMUNICATIONS TEST

The first year a Large Taxpayer that files its own return participates in corporate e-file, it must perform a communications test through the channel it will use to submit its return for production. Refer to the IRS e-file for Large Taxpayers Filing their Own Corporate Income Tax Return posted on the irs.gov website.

NOTE: Publication 4162, Modernized e-File (MeF) Test Package has been developed using the most current draft forms and schedules available at the time of this publishing. Please be aware that late legislation could impact the content of these scenarios and related schemas. As new schema versions are implemented, additional testing is recommended to ensure accuracy.

Please contact the e-Help Desk at 1-866-255-0654 for any comments or updates needed to this document.

EXHIBITS LISTING

EXHIBIT 1: Standard Postal Service State Abbreviations / Zip Codes Tables

The Standard Postal Service State Abbreviations and Zip code list can be found on irs.gov at:

<http://www.irs.gov/efile/article/0,,id=171946,00.html>

EXHIBIT 2: Foreign Country Codes Table

The Foreign Country Code list can be found on irs.gov at:

<http://www.irs.gov/efile/article/0,,id=175595,00.html>

EXHIBIT 3: List of valid EINs and Name Controls Tables

Exhibit 4: Tax Year 2008 Form 1120 Test Scenarios

Exhibit 5: Tax Year 2008 Form 1120S Test Scenarios

Exhibit 6: Tax Year 2008 Form 1120-F Test Scenario

Exhibit 7: Tax Year 2008 Form 7004 Test Scenarios

EXHIBIT 3 - VALID EINS AND NAME CONTROLS

Table 1 Forms 1120/1120S

| <u>EIN</u> | <u>Name Control</u> | <u>Tax Period Ending Month</u> | <u>Form Type</u> |
|------------|---------------------|------------------------------------|------------------|
| 11-0000001 | HELP | 12 | 1120 |
| 11-0000002 | HIDE | 12 | 1120 |
| 11-0000003 | ANYW | 01 | 1120 |
| 11-0000004 | MAIL | 01 | 1120 |
| 11-0000005 | INTE | 12 | 1120 |
| 11-0000006 | GREAT | 12 | 1120S |
| 11-0000007 | WORK | 12 | 1120S |
| 11-0000008 | GOLD | 12 | 1120S |
| 11-0000009 | TREE | 12 | 1120S |
| 11-0000010 | PACK | 03 | 1120S |
| 11-0000012 | GREE | 12 | 1120 |
| 11-0000013 | ACME | 12 | 1120 |
| 11-0000014 | COUN | 12 | 1120 |
| 11-0000015 | ABCE | 12 | 1120 |
| 11-0000016 | SHAR | 12 | 1120 |
| 11-0000017 | DEFF | 12 | 1120 |
| 11-0000018 | GHIF | 12 | 1120 |
| 11-0000019 | JKLF | 12 | 1120 |
| 11-0000020 | MNOF | 12 | 1120 |
| 11-0000021 | ABCF | 12 | 1120 |
| 11-0000022 | HANK | 12 | 1120S |
| 11-0000023 | BIGE | 12 | 1120S |
| 11-0000024 | CLEA | 12 | 1120S |
| 11-0000025 | PLAY | 12 | 1120 |
| 11-0000026 | CARD | 12 | 1120 |
| 11-0000027 | GAME | 12 | 1120 |
| 11-0000028 | COOL | 12 | 1120 |
| 11-0000029 | HOTT | 12 | 1120 |

Table 2 Form 7004

| <u>EIN</u> | <u>Name Control</u> | <u>Tax Period Ending Month</u> | <u>Type of Extension</u> |
|------------|---------------------|--------------------------------|--------------------------|
| 11-0000030 | RAMC | 10 | 1120S |
| 11-0000031 | MODE | 10 | 1120 |
| 11-0000033 | FORE | 7 | 1120-FSC |
| 11-0000034 | UNIT | 12 | 1120-A |
| 11-0000035 | ANYB | 12 | 1120 |
| 11-0000036 | HOME | 12 | 1120-H |
| 11-0000037 | ANYL | 12 | 1120-L |
| 11-0000038 | NUCL | 12 | 1120-ND |
| 11-0000039 | VOTE | 12 | 1120-POL |
| 11-0000040 | ANYR | 12 | 1120-REIT |
| 11-0000041 | ANYS | 12 | 1120-SF |
| 11-0000042 | SECO | 12 | 1120-F |
| 11-0000043 | HOTT | 12 | 1120 affiliate |
| 11-0000044 | APPL | 12 | 1120 affiliate |
| 11-0000046 | ANYC | 12 | 1120-PC |
| 11-0000047 | ANYR | 12 | 1120-RIC |
| 11-0000049 | FLOW | 12 | 1065 |
| 11-0000050 | REDE | 12 | 1120-C |
| 11-0000052 | PUTT | 12 | 706-GS(T) |
| 11-0000053 | CAMP | 12 | 1041 |
| 11-0000054 | SEAT | 3 | 1042 |
| 11-0000055 | LOOP | 12 | 1066 |
| 11-0000056 | BLUE | 12 | 3520-A |
| 11-0000057 | ROSE | 12 | 8804 |
| 11-0000058 | NONE | 12 | 1065-B |

Table 3 Form 1120-F

| <u>EIN</u> | <u>Name Control</u> |
|------------|---------------------|
| 11-0000600 | RMNI |
| 11-0000700 | BANC |

Table 4 Other Forms

| EIN | Name Control |
|-------------|---------------------|
| 11-0000011 | ELEC |
| 001-06-0001 | DESI |
| 001-06-0002 | BOOK |
| 001-06-0003 | CALV |
| 001-06-0004 | HOBB |
| 001-06-0005 | SALE |
| 001-06-0006 | ORTI |
| 001-06-0007 | TAXM |
| 001-06-0008 | EXEM |
| 001-06-0009 | CLEA |
| 001-06-0010 | STAI |
| 001-06-0013 | LIFT |
| 001-06-0014 | TRIM |
| 001-06-0016 | DOE |
| 001-06-0017 | DOE |
| 001-06-0018 | DOE |
| 001-06-0019 | FUEL |
| 999-06-0016 | DOE |
| 999-06-0017 | DOE |
| 999-06-0018 | DOE |
| 999-06-0002 | BOOK |
| 999-06-0041 | DUDO |
| 999-06-0005 | SALE |
| 999-06-0042 | WIND |

EXHIBIT 4 – Tax Year 2008 Form 1120 Test Scenarios

Form 1120 Test Scenario 1

Form 1120 Test Scenario 2

Form 1120 Test Scenario 3

Form 1120 Test Scenario 1

FORM 1120 TEST SCENARIO 1

FORMS REQUIRED: 1120, Sch B, Sch D, Sch M-3, 3800, 4562, 4626, 5884, 8594, 8861, 8881, 8882, 8916-A, 8453-C

ATTACHMENTS:

ItemizedOtherIncomeSchedule
ItemizedOtherDeductionsSchedule
ItemizedAdditionalSection263ACostsSchedule
ItemizedOtherCostsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedOtherLiabilitiesSchedule
ItemizedOtherIncreasesSchedule
ItemizedOtherDecreasesSchedule
OtherExpenseDeductionItemsWithDifferencesSchedule

BINARY ATTACHMENTS: Scanned Form 8453-C (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2008

Preparer Firm Electronic Tax Filers, Inc. 11-0000011
100 Efile Drive
Anytown, TX 78621

MultipleSoftwarePackagesUsed: Yes or No

Originator: **EFIN:** Self-select
Type: ERO
PractitionerPIN: None
PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1120

Filer: **EIN:** 11-0000001
Name: Help For All, Inc.
Name Control: Help
Address: 31 Any Street
Anytown, MD 20901

Officer: **Name:** Roger Rabbit
Title: Chief Executive Officer
Taxpayer PIN: Self-Select
Phone: 703-555-1515
Email Address:
DateSigned: 01/25/09

Preparer: **Name:** Johnny Appleseed
SSN: 999-06-0007, 11-0000011
Phone: 512-555-1212
Email Address:
Date Prepared: 01/20/09
Self Employed: Yes

Name Control: **HELP**

IRS PAYMENT: **N/A**

Details for attachments to Form 1120

Attachment 1, Form 1120, Line 10, Other Income (*ItemizedOtherIncomeSchedule*)

| | |
|--------------------------|---------------------------|
| Income from Partnerships | <u>375,018,745</u> |
| Total | <u>375,018,745</u> |

Attachment 2, Form 1120, Line 26, Other Deductions (*ItemizedOtherDeductionsSchedule*)

| | |
|-------------------------|---------------------------|
| Dues and Subscriptions | 3,932,765 |
| Communications | 925,702 |
| Employment Expenses | 81,763,530 |
| Utilities & Telephone | 3,932,765 |
| Travel | 6,404,749 |
| Amortization | 719,800 |
| Professional Expenses | 4,376,350 |
| Workers Compensation | 8,725,013 |
| Supplies | 4,914,685 |
| Postage | 212,652 |
| Transportation | 989,391 |
| Meals and Entertainment | 221,174 |
| Miscellaneous | <u>112,203,275</u> |
| Total | <u>229,321,851</u> |

Attachment 3, Form 1120, Sch A, Line 4, Additional section 263A costs (*ItemizedAdditionalSection263ACostsSchedule*)

| | |
|----------------------|----------------------|
| Administrative costs | <u>19,676</u> |
| Total | <u>19,676</u> |

Attachment 4, Form 1120, Sch A, Line 5, Other Costs (*ItemizedOtherCostsSchedule*)

| | |
|----------------------------------|----------------------|
| Allocation of Cost of Goods Sold | 2,974 |
| Cost of Service | <u>50,804</u> |
| Total | <u>53,778</u> |

Attachment 5, Form 1120, Sch L, Line 6(b) & (d), Other current assets (*ItemizedOtherCurrentAssetsSchedule*)

| | Beginning | Ending |
|-------------------|-------------------------|-------------------------|
| Other Receivables | | 108,721 |
| Pre-paid | | -38,282 |
| Unbilled Revenue | 1,794,860 | 130,717 |
| Other | <u>4,477,350</u> | <u>5,000,000</u> |
| Total | <u>6,272,210</u> | <u>5,201,156</u> |

Attachment 6, Form 1120, Sch L, Line 9(b) & (d), Other investments (*ItemizedOtherInvestmentsSchedule*)

| | Beginning | Ending |
|---------------------------|-----------------------------|-----------------------------|
| Investments in Affiliates | <u>1,170,917,682</u> | <u>1,230,810,633</u> |
| Total | <u>1,170,917,682</u> | <u>1,230,810,633</u> |

Attachment 7, Form 1120, Sch L, Line 18(b) & (d), Other current liabilities (*ItemizedOtherCurrentLiabilitiesSchedule*)

| | Beginning | Ending |
|---------------------|---------------------------|---------------------------|
| Payroll & Related | 217,392,209 | 115,320,352 |
| Accrued Interest | 367,939,212 | 172,573,825 |
| Accrued Benefits | 25,287,715 | 402,963 |
| Accrued Liabilities | <u>219,144,766</u> | <u>181,956,145</u> |
| Total | <u>829,763,902</u> | <u>470,253,285</u> |

Form 1120 Test Scenario 1

Help For All, Inc.

11-0000001

Attachment 8, Form 1120, Sch L, Line 21(b) & (d), Other Liabilities (*ItemizedOtherLiabilitiesSchedule*)

| | Beginning | Ending |
|-----------------------|---------------------------|-----------------------------|
| Deferred Compensation | <u>962,818,384</u> | <u>1,173,826,771</u> |
| Total | <u>962,818,384</u> | <u>1,173,826,771</u> |

Attachment 9, Form 1120, Sch M-2, Line 3, Other increases (*ItemizedOtherIncreasesSchedule*)

| | |
|-------------------------------|-----------------------------|
| Miscellaneous Other Increases | <u>1,804,817,786</u> |
| Total | <u>1,804,817,786</u> |

Attachment 10, Form 1120, Sch M-2, Line 6, Other decreases (*ItemizedOtherDecreasesSchedule*)

| | |
|-----------------|---------------------------|
| Other Decreases | <u>882,718,261</u> |
| Total | <u>882,718,261</u> |

Attachment 11, Schedule M-3, Part III, Line 35, Other Expense Items with Differences (*OtherExpenseDeductionItemsWithDifferencesSchedule*)

| | a | b | c | d |
|--------------------|----------------------------------|--------------------------|-------------------------|-----------------------------|
| | Expense per Income Stmt | Temporary Difference | Permanent Difference | Deduction per Tax Return |
| Employee Benefits | 10,149 | - | (5,000) | 5,149 |
| Property Tax | 531,751 | 90,163 | - | 621,914 |
| Miscellaneous | 64,989,159 | 47,214,116 | - | 112,203,275 |
| Salaries and Wages | <u>6,764,571</u> | - | <u>(11,350)</u> | <u>6,753,221</u> |
| Total | <u>72,295,630</u> | <u>47,304,279</u> | <u>(16,350)</u> | <u>119,583,559</u> |

1120
Form
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2008 or tax year beginning _____, 2008, ending _____, 20 _____

▶ See separate instructions.

A Check if:

- 1a Consolidated return (attach Form 851)
- b Life/nonlife consolidated return
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp. (see instructions)
- 4 Schedule M-3 attached

Use IRS label. Otherwise, print or type.

Name
Help For All, Inc.
Number, street, and room or suite no. If a P.O. box, see instructions.
31 Any Street
City or town, state, and ZIP code
Anytown, MD 20901

B Employer identification number

11-0000011

C Date incorporated

5/30/1983

D Total assets (see instructions)

\$ **3,751,608,959**

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

| | | | | | | | |
|---------------|---|----------------|--------------------------------------|--|----------------|-----------|--------------------|
| Income | 1a Gross receipts or sales | 684,525 | b Less returns and allowances | | c Bal ▶ | 1c | 684,525 |
| | 2 Cost of goods sold (Schedule A, line 8) | | | | | 2 | 219,245 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | | | 3 | 465,280 |
| | 4 Dividends (Schedule C, line 19) | | | | | 4 | |
| | 5 Interest | | | | | 5 | 8,018,387 |
| | 6 Gross rents | | | | | 6 | 265,386 |
| | 7 Gross royalties | | | | | 7 | |
| | 8 Capital gain net income (attach Schedule D (Form 1120)) | | | | | 8 | 11,802,202 |
| | 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | | | 9 | |
| | 10 Other income (see instructions—attach schedule) | | | | | 10 | 375,018,745 |
| | 11 Total income. Add lines 3 through 10 | | | | | 11 | 395,570,000 |

| | | | | | | | | |
|---|--|------------|--|--|--|-----------|--------------------|--|
| Deductions (See instructions for limitations on deductions.) | 12 Compensation of officers (Schedule E, line 4) | | | | | 12 | 1,000,000 | |
| | 13 Salaries and wages (less employment credits) | | | | | 13 | 6,753,221 | |
| | 14 Repairs and maintenance | | | | | 14 | 225,729 | |
| | 15 Bad debts | | | | | 15 | | |
| | 16 Rents | | | | | 16 | | |
| | 17 Taxes and licenses | | | | | 17 | 7,621,914 | |
| | 18 Interest | | | | | 18 | 2,716,219 | |
| | 19 Charitable contributions | | | | | 19 | | |
| | 20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | | | 20 | 8,961,357 | |
| | 21 Depletion | | | | | 21 | | |
| | 22 Advertising | | | | | 22 | | |
| | 23 Pension, profit-sharing, etc., plans | | | | | 23 | 25,701 | |
| | 24 Employee benefit programs | | | | | 24 | 5,149 | |
| | 25 Domestic production activities deduction (attach Form 8903) | | | | | 25 | | |
| | 26 Other deductions (attach schedule) | | | | | 26 | 229,321,851 | |
| | 27 Total deductions. Add lines 12 through 26 | | | | | 27 | 256,631,141 | |
| | 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 | | | | | 28 | 138,938,859 | |
| | 29 Less: a Net operating loss deduction (see instructions) | 29a | | | | | | |
| | b Special deductions (Schedule C, line 20) | 29b | | | | | | |
| | 29c | | | | | | | |

| | | | | | | | | |
|---|---|------------|-------------------|--|---|----------------|--------------------|-------------------|
| Tax and Payments | 30 Taxable income. Subtract line 29c from line 28 (see instructions) | | | | | 30 | 138,938,859 | |
| | 31 Total tax (Schedule J, line 10) | | | | | 31 | 48,611,751 | |
| | 32a 2007 overpayment credited to 2008 | 32a | | | | | | |
| | b 2008 estimated tax payments | 32b | 48,650,000 | | | | | |
| | c 2008 refund applied for on Form 4466 | 32c | (| |) | d Bal ▶ | 32d | 48,650,000 |
| | e Tax deposited with Form 7004 | 32e | | | | | | |
| | f Credits: (1) Form 2439 (2) Form 4136 | 32f | | | | | 32g | 48,650,000 |
| 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached | | | | | | 33 | | |
| 34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed | | | | | | 34 | | |
| 35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid | | | | | | 35 | 38,249 | |
| 36 Enter amount from line 35 you want: Credited to 2009 estimated tax ▶ 38,249 Refunded ▶ | | | | | | 36 | | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed Preparer's SSN or PTIN **999-06-0007**
Firm's name (or yours if self-employed), address, and ZIP code ▶ **Electronic Tax Filers, Inc** EIN **11-000011**
100 Efile Drive, Anytown, Tx Phone no. **512 555-1212**

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|---|--|---|---------|
| 1 | Inventory at beginning of year | 1 | 75,770 |
| 2 | Purchases | 2 | 67,390 |
| 3 | Cost of labor | 3 | 97,307 |
| 4 | Additional section 263A costs (attach schedule) | 4 | 19,676 |
| 5 | Other costs (attach schedule) | 5 | 53,778 |
| 6 | Total. Add lines 1 through 5 | 6 | 313,921 |
| 7 | Inventory at end of year | 7 | 94,676 |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 219,245 |

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

| | (a) Dividends received | (b) % | (c) Special deductions (a) × (b) |
|----|--|------------------|----------------------------------|
| 1 | Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) | 70 | |
| 2 | Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) | 80 | |
| 3 | Dividends on debt-financed stock of domestic and foreign corporations | see instructions | |
| 4 | Dividends on certain preferred stock of less-than-20%-owned public utilities | 42 | |
| 5 | Dividends on certain preferred stock of 20%-or-more-owned public utilities | 48 | |
| 6 | Dividends from less-than-20%-owned foreign corporations and certain FSCs | 70 | |
| 7 | Dividends from 20%-or-more-owned foreign corporations and certain FSCs | 80 | |
| 8 | Dividends from wholly owned foreign subsidiaries | 100 | |
| 9 | Total. Add lines 1 through 8. See instructions for limitation | | |
| 10 | Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 | 100 | |
| 11 | Dividends from affiliated group members | 100 | |
| 12 | Dividends from certain FSCs | 100 | |
| 13 | Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 | | |
| 14 | Income from controlled foreign corporations under subpart F (attach Form(s) 5471) | | |
| 15 | Foreign dividend gross-up | | |
| 16 | IC-DISC and former DISC dividends not included on lines 1, 2, or 3 | | |
| 17 | Other dividends | | |
| 18 | Deduction for dividends paid on certain preferred stock of public utilities | | |
| 19 | Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 | | |
| 20 | Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b | | |

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

| (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned | | (f) Amount of compensation |
|------------------------|---|---|------------------------------------|---------------|----------------------------|
| | | | (d) Common | (e) Preferred | |
| 1 Robert Fleece | 123-45-6789 | 100 % | 10 % | % | 1,000,000 |
| | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| 2 | Total compensation of officers | | | | 1,000,000 |
| 3 | Compensation of officers claimed on Schedule A and elsewhere on return | | | | |
| 4 | Subtract line 3 from line 2. Enter the result here and on page 1, line 12 | | | | 1,000,000 |

Schedule J Tax Computation (see instructions)

| | | | | |
|----|---|--------------------------|----|------------|
| 1 | Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) | <input type="checkbox"/> | | |
| 2 | Income tax. Check if a qualified personal service corporation (see instructions) | <input type="checkbox"/> | 2 | 48,628,601 |
| 3 | Alternative minimum tax (attach Form 4626) | | 3 | |
| 4 | Add lines 2 and 3 | | 4 | 48,628,601 |
| 5a | Foreign tax credit (attach Form 1118) | | 5a | |
| b | Credit from Form 8834 | | 5b | |
| c | General business credit. Check applicable box(es): <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input checked="" type="checkbox"/> Form 3800 <input checked="" type="checkbox"/> Form 5884 <input type="checkbox"/> Form 8846 | | 5c | 16,850 |
| d | Credit for prior year minimum tax (attach Form 8827) | | 5d | |
| e | Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 | | 5e | |
| 6 | Total credits. Add lines 5a through 5e | | 6 | 16,850 |
| 7 | Subtract line 6 from line 4 | | 7 | 48,611,751 |
| 8 | Personal holding company tax (attach Schedule PH (Form 1120)) | | 8 | |
| 9 | Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule) | | 9 | |
| 10 | Total tax. Add lines 7 through 9. Enter here and on page 1, line 31 | | 10 | 48,611,751 |

Schedule K Other Information (see instructions)

| | | | |
|---|--|-----|----|
| 1 | Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ | Yes | No |
| 2 | See the instructions and enter the: | | |
| a | Business activity code no. ▶ 313000 | | |
| b | Business activity ▶ Textile | | |
| c | Product or service ▶ Textile | | |
| 3 | Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ | | ✓ |
| 4 | At the end of the tax year: | | |
| a | Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v). | | ✓ |

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Percentage Owned in Voting Stock |
|--------------------|--|----------------------|------------------------------|--------------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | | | |
|---|---|-----|----|
| b | Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv). | Yes | No |
| | | | ✓ |

| (i) Name of Individual or Estate | (ii) Identifying Number (if any) | (iii) Country of Citizenship (see instructions) | (iv) Percentage Owned in Voting Stock |
|----------------------------------|----------------------------------|---|---------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Schedule K *Continued*

5 At the end of the tax year, did the corporation:

| Yes | No |
|-----|----|
| | ✓ |

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions .
If "Yes," complete (i) through (iv).

| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage Owned in Voting Stock |
|-------------------------|--|--------------------------------|---------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

DRAFT AS OF
July 29, 2008

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions .
If "Yes," complete (i) through (iv).

| Yes | No |
|-----|----|
| | ✓ |

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Country of Organization | (iv) Maximum Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|-------------------------------|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.
If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

| Yes | No |
|-----|----|
| | ✓ |

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:
(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____

| Yes | No |
|-----|----|
| | ✓ |

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶
If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than \$250,000?
If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____

| Yes | No |
|-----|----|
| | ✓ |

| Schedule L | Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|---|---|-----------------------|----------------------|-----------------|----------------------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 940,348,325 | | 375,724,013 |
| 2a | Trade notes and accounts receivable | 1,675,642 | | 115,679,010 | |
| b | Less allowance for bad debts | (2,000) | 1,673,642 | (2,083) | 115,676,927 |
| 3 | Inventories | | 75,770 | | 94,676 |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets (attach schedule) | | 6,272,210 | | 5,201,156 |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (attach schedule) | | 1,170,917,682 | | 1,230,810,633 |
| 10a | Buildings and other depreciable assets | 320,264,517 | | 346,364,576 | |
| b | Less accumulated depreciation | (115,865,855) | 204,398,662 | (138,886,967) | 207,477,609 |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | | | |
| 13a | Intangible assets (amortizable only) | 2,050,521,992 | | 2,078,314,078 | |
| b | Less accumulated amortization | (257,037,784) | 1,793,484,208 | (261,690,133) | 1,816,623,945 |
| 14 | Other assets (attach schedule) | | | | |
| 15 | Total assets | | 4,117,170,499 | | 3,751,608,959 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 22,075,720 | | 20,596,725 |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities (attach schedule) | | 829,763,902 | | 470,253,285 |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 | Other liabilities (attach schedule) | | 962,818,384 | | 1,173,826,771 |
| 22 | Capital stock: a Preferred stock | 308,500,000 | | 308,500,000 | |
| | b Common stock | 17,680,774 | 326,180,774 | 17,513,891 | 326,013,891 |
| 23 | Additional paid-in capital | | 675,611,707 | | 675,611,707 |
| 24 | Retained earnings—Appropriated (attach schedule) | | | | |
| 25 | Retained earnings—Unappropriated | | 1,300,720,012 | | 1,085,306,580 |
| 26 | Adjustments to shareholders' equity (attach schedule) | | | | |
| 27 | Less cost of treasury stock | | () | | () |
| 28 | Total liabilities and shareholders' equity | | 4,117,170,499 | | 3,751,608,959 |

| Schedule M-1 | | Reconciliation of Income (Loss) per Books With Income per Return | | |
|--|---|--|----|--|
| Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions | | | | |
| 1 | Net income (loss) per books | | 7 | Income recorded on books this year not included on this return (itemize): |
| 2 | Federal income tax per books | | | Tax-exempt interest \$ _____ |
| 3 | Excess of capital losses over capital gains | | | _____ |
| 4 | Income subject to tax not recorded on books this year (itemize): _____ | | | _____ |
| 5 | Expenses recorded on books this year not deducted on this return (itemize): | | 8 | Deductions on this return not charged against book income this year (itemize): |
| a | Depreciation \$ _____ | | a | Depreciation \$ _____ |
| b | Charitable contributions \$ _____ | | b | Charitable contributions \$ _____ |
| c | Travel and entertainment \$ _____ | | | _____ |
| 6 | Add lines 1 through 5 | | 9 | Add lines 7 and 8 |
| | | | 10 | Income (page 1, line 28)—line 6 less line 9 |

| Schedule M-2 | | Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L) | | |
|--------------|--|--|---|---|
| 1 | Balance at beginning of year | 1,300,720,012 | 5 | Distributions: a Cash |
| 2 | Net income (loss) per books | 67,250,945 | | b Stock |
| 3 | Other increases (itemize): _____ | | | c Property |
| | | | 6 | Other decreases (itemize): _____ |
| | | 1,804,817,786 | 7 | Add lines 5 and 6 |
| 4 | Add lines 1, 2, and 3 | 3,172,788,743 | 8 | Balance at end of year (line 4 less line 7) |
| | | | | 1,204,763,902 |
| | | | | 882,718,261 |
| | | | | 2,087,482,163 |
| | | | | 1,085,306,580 |

Form 1120 Test Scenario 1

**SCHEDULE B
(Form 1120)**
(December 2008)
Department of the Treasury
Internal Revenue Service

**Additional Information for
Schedule M-3 Filers**

▶ See instructions on page 2.
▶ Attach to Form 1120.

OMB No. 1545-0123

Name **Help For All, Inc** Employer identification number (EIN) **11 0000001**

| | Yes | No |
|---|-----|----|
| 1 Do the amounts reported on Schedule M-3 (Form 1120), Part II, lines 9 or 10, column (d), reflect allocations to this corporation from a partnership of income, gain, loss, deduction, or credit that are disproportionate to this corporation's capital contribution to the partnership or its ratio for sharing other items of the partnership? | ✓ | |
| 2 At any time during the tax year, did the corporation sell, exchange, or transfer any interest in an intangible asset to a related person as defined in section 267(b)? | | ✓ |
| 3 At any time during the tax year, did the corporation acquire any interest in an intangible asset from a related person as defined in section 267(b)? | ✓ | |
| 4a During the tax year, did the corporation enter into a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations? | ✓ | |
| b At any time during the tax year, was the corporation a participant in a cost-sharing arrangement with any related foreign party on whose behalf the corporation did not file Form 5471? | | ✓ |
| 5 At any time during the tax year, did the corporation make any change in accounting principle for financial accounting purposes? See instructions for the definition of change in accounting principle | | ✓ |
| 6 At any time during the tax year, did the corporation make any change in a method of accounting for U.S. income tax purposes? | | ✓ |
| 7 At any time during the tax year, did the corporation own any voluntary employees' beneficiary association (VEBA) trusts that were used to hold funds designated for employee benefits? | | ✓ |
| 8 At any time during the tax year, did the corporation use an allocation method for mixed-service costs that varied from the Federal Energy Regulatory Commission method of accounting? | | ✓ |

Form 1120 Test Scenario 1

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

© Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.
© See separate instructions.

OMB No. 1545-0123

2008

Name
Help For All, Inc.

Employer identification number
11-0000001

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

| (a) Description of property (Example: 100 shares of Z Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price (see instructions) | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|--|-----------------------------------|-------------------------------|------------------------------------|--|--|
| 1 10,000 Shares of XYZ Co | 01/15/2008 | 12/15/2008 | 20,000,000 | 8,197,798 | 11,802,202 |
| 2 Short-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 2 |
| 3 Short-term gain or (loss) from like-kind exchanges from Form 8824 | | | | | 3 |
| 4 Unused capital loss carryover (attach computation) | | | | | 4 () |
| 5 Net short-term capital gain or (loss). Combine lines 1 through 4 | | | | | 5 11,802,202 |

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

| | | | | | |
|---|--|--|--|--|----|
| 6 | | | | | |
| 7 Enter gain from Form 4797, line 7 or 9 | | | | | 7 |
| 8 Long-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 8 |
| 9 Long-term gain or (loss) from like-kind exchanges from Form 8824 | | | | | 9 |
| 10 Capital gain distributions (see instructions) | | | | | 10 |
| 11 Net long-term capital gain or (loss). Combine lines 6 through 10 | | | | | 11 |

Part III Summary of Parts I and II

| | | |
|--|--|---------------|
| 12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11) | | 12 11,802,202 |
| 13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5) | | 13 |
| 14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns. If the corporation has qualified timber gain, also complete Part IV Note. If losses exceed gains, see Capital losses in the instructions. | | 14 11,802,202 |

Part IV Alternative Tax for Corporations with Qualified Timber Gains. Complete Part IV only if the corporation has qualified timber gain under section 1201(b). Skip this part if you are filing Form 1120-RIC. See instructions.

| | | |
|---|--|----|
| 15 Enter qualified timber gain (as defined in section 1201(b)(2)) | | 15 |
| 16 Enter taxable income from Form 1120, page 1, line 30, or the applicable line of your tax return | | 16 |
| 17 Enter the smallest of: (a) the amount on line 15; (b) the amount on line 16; or (c) the amount on Part III, line 13 | | 17 |
| 18 Multiply line 17 by 15% | | 18 |
| 19 Subtract line 17 from line 16 | | 19 |
| 20 Multiply line 19 by 35% | | 20 |
| 21 Enter the total of line 18 and line 20 | | 21 |
| 22 Enter the tax on the amount on line 16, figured using the Tax Rate Schedule (or applicable tax rate) appropriate for the return with which Schedule D (Form 1120) is being filed | | 22 |
| 23 Enter the smaller of line 21 or line 22. Also enter this amount on Form 1120, Schedule J, line 2, or the applicable line of your tax return | | 23 |

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2008

Department of the Treasury
Internal Revenue Service

© Attach to Form 1120 or 1120-C.
© See separate instructions.

Name of corporation (common parent, if consolidated return)

Help For All, Inc.

Employer identification number

11-0000001

- Check applicable box(es):
- (1) Non-consolidated return
 - (2) Consolidated return (Form 1120 only)
 - (3) Mixed 1120/L/PC group
 - (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning Jan 1, 2008 Ending Dec 31, 2008
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.
- b** Enter the symbol of the corporation's primary U.S. publicly traded voting common stock
- c** Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

| | | |
|--|------------|-------------------|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | 67,250,945 |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | () |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (attach schedule) | 7b | |
| c Net income (loss) of other includible entities (attach schedule) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach schedule) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach schedule) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2. | 11 | 67,250,945 |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|--|--------------|-------------------|
| a Included on Part I, line 4 <input type="checkbox"/> | | |
| b Removed on Part I, line 5 <input type="checkbox"/> | | |
| c Removed on Part I, line 6 <input type="checkbox"/> | | |
| d Included on Part I, line 7 <input type="checkbox"/> | | |

| | |
|---|--|
| Name of corporation (common parent, if consolidated return) Help For All, Inc. | Employer identification number 11-000001 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |
| Name of subsidiary (if consolidated return) | Employer identification number |

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach schedules for lines 1 through 11) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Section 78 gross-up | | | | |
| 5 Gross foreign distributions previously taxed | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations | | | | |
| 9 Income (loss) from U.S. partnerships | 313,415,757 | 61,602,988 | | 375,018,745 |
| 10 Income (loss) from foreign partnerships | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 | | | | |
| Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income (attach Form 8916-A) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (attach Form 8916-A) | (199,569) | (19,676) | | (219,245) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | 12,052,997 | | (12,052,997) | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | 11,802,202 | 11,802,202 |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach schedule) | | | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | 325,269,185 | 61,583,312 | (250,795) | 386,601,702 |
| 27 Total expense/deduction items (from Part III, line 36) | (149,583,207) | (58,076,329) | 68,431,726 | (139,227,810) |
| 28 Other items with no differences | | | | (108,435,033) |
| 29a Mixed groups, see instructions. All others, combine lines 26 through 28 | 67,250,945 | 3,506,983 | 68,180,931 | 138,938,859 |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 67,250,945 | 3,506,983 | 68,180,931 | 138,938,859 |

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

| | |
|---|---|
| Name of corporation (common parent, if consolidated return) Help For All, Inc. | Employer identification number 11-0000001 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |
| Name of subsidiary (if consolidated return) | Employer identification number |

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

| | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 68,193,702 | | (68,193,702) | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | 7,000,000 | | | 7,000,000 |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (attach Form 8916-A) | (11,808,495) | 14,524,714 | | 2,716,219 |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 442,348 | | (221,174) | 221,174 |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | 26,201 | | (500) | 25,701 |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 | | | | |
| Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 5,399,957 | (4,680,157) | | 719,800 |
| 29 Section 198 environmental remediation costs | | | | |
| 30 Depletion | 8,033,864 | 927,493 | | 8,961,357 |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 | | | | |
| Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Other expense/deduction items with differences (attach schedule) | 72,295,630 | 47,304,279 | (16,350) | 119,583,559 |
| 36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 149,583,207 | 58,076,329 | (68,431,726) | 139,227,810 |

General Business Credit

▶ See separate instructions.
 ▶ Attach to your tax return.

| | |
|-------------------------|--------------------|
| Name(s) shown on return | Identifying number |
|-------------------------|--------------------|

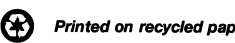
Part I Current Year Credit

Important: You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see the instructions.

| | | | |
|--|-----------|--|--|
| 1a Investment credit (attach Form 3468) | 1a | | |
| b Welfare-to-work credit (Form 8861) | 1b | | |
| c Credit for increasing research activities (only from partnerships, S corporations, estates, and trusts) | 1c | | |
| d Low-income housing credit (Form 8586) (enter EIN if claiming this credit from a pass-through entity: _____) | 1d | | |
| e Disabled access credit (Form 8826) (do not enter more than \$5,000) | 1e | | |
| f Renewable electricity production credit (Form 8835, Section A only) | 1f | | |
| g Indian employment credit (only from partnerships, S corporations, cooperatives, estates, and trusts) | 1g | | |
| h Orphan drug credit (Form 8820) | 1h | | |
| i New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity: _____) | 1i | | |
| j Credit for small employer pension plan startup costs (Form 8881) (do not enter more than \$500) | 1j | | |
| k Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity: _____) | 1k | | |
| l Qualified railroad track maintenance credit (only from partnerships and S corporations) | 1l | | |
| m Biodiesel and renewable diesel fuels credit (attach Form 8864) | 1m | | |
| n Low sulfur diesel fuel production credit (Form 8896) | 1n | | |
| o Distilled spirits credit (Form 8906) | 1o | | |
| p Nonconventional source fuel credit (Form 8907) | 1p | | |
| q Energy efficient home credit (Form 8908) | 1q | | |
| r Energy efficient appliance credit (only from partnerships, S corporations, cooperatives, estates, and trusts) | 1r | | |
| s Alternative motor vehicle credit (Form 8910) (enter EIN if claiming this credit from a pass-through entity: _____) | 1s | | |
| t Alternative fuel vehicle refueling property credit (Form 8911) | 1t | | |
| u Mine rescue team training credit (Form 8923) | 1u | | |
| v Agricultural chemicals security credit (Form 8931) | 1v | | |
| w Credit for employer differential wage payments (Form 8932) | 1w | | |
| x Credit for contributions to selected community development corporations (Form 8847) | 1x | | |
| y General credits from an electing large partnership (Schedule K-1 (Form 1065-B)) | 1y | | |
| 2 Add lines 1a through 1y | 2 | | |
| 3 Passive activity credits included on line 2 (see instructions) | 3 | | |
| 4 Subtract line 3 from line 2 | 4 | | |
| 5 Passive activity credits allowed for 2008 (see instructions) | 5 | | |
| 6 Carryforward of general business credit to 2008. See instructions for the schedule to attach | 6 | | |
| 7 Carryback of general business credit from 2009 (see instructions) | 7 | | |
| 8 Current year credit. Add lines 4 through 7 | 8 | | |

Part II Allowable Credit

| | | | | | | |
|--|--|---|--|------------|-----------|-----------|
| <p>9 Regular tax before credits:</p> <ul style="list-style-type: none"> Individuals. Enter the amount from Form 1040, line 44 or Form 1040NR, line 41 Corporations. Enter the amount from Form 1120, Schedule J, line 2; or the applicable line of your return Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return | | | | 9 | | |
| | <p>10 Alternative minimum tax:</p> <ul style="list-style-type: none"> Individuals. Enter the amount from Form 6251, line 35 Corporations. Enter the amount from Form 4626, line 14 Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56 | | | | 10 | |
| | | <p>11 Add lines 9 and 10</p> | | | | 11 |
| <p>12a Personal credits from Form 1040 or Form 1040NR (see instructions)</p> | | 12a | | | | |
| <p>b Foreign tax credit</p> | 12b | | | | | |
| <p>c Credit from Form 8834</p> | 12c | | | | | |
| <p>d Non-business alternative motor vehicle credit (Form 8910, line 18)</p> | 12d | | | | | |
| <p>e Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19)</p> | 12e | | | | | |
| <p>f Add lines 12a through 12e</p> | | | | 12f | | |
| <p>13 Net income tax. Subtract line 12f from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18</p> | | | | 13 | | |
| <p>14 Net regular tax. Subtract line 12f from line 9. If zero or less, enter -0-</p> | 14 | | | | | |
| <p>15 Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions)</p> | 15 | | | | | |
| <p>16 Tentative minimum tax:</p> <ul style="list-style-type: none"> Individuals. Enter the amount from Form 6251, line 33 Corporations. Enter the amount from Form 4626, line 12 Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54 | | | | 16 | | |
| <p>17 Enter the greater of line 15 or line 16</p> | | | | 17 | | |
| <p>18 Subtract line 17 from line 13. If zero or less, enter -0-</p> | | | | 18 | | |
| <p>19 Credit allowed for the current year. Enter the smaller of line 8 or line 18. Individuals, estates, and trusts: See the instructions for line 19 if claiming the research credit. C corporations: See the line 19 instructions if there has been an ownership change, acquisition, or reorganization. Report the amount from line 19 (if smaller than line 8, see instructions) as indicated below or on the applicable line of your return:</p> <ul style="list-style-type: none"> Individuals. Form 1040, line 54 or Form 1040NR, line 49 Corporations. Form 1120, Schedule J, line 5c Estates and trusts. Form 1041, Schedule G, line 2c | | | | 19 | | |



Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|---|---|---|
| Name(s) shown on return Help For All, Inc | Business or activity to which this form relates Textile Mills | Identifying number 11-0000001 |
|---|---|---|

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|-----------|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | 2,143,129 |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

| | | | |
|----|---|----|-----------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 6,299,741 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | 2,547,723 | 5 | HY | 200DB | 509,455 |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | 153,912 | 15 | HY | 150DB | 7,696 |
| f 20-year property | | 35,627 | 20 | HY | 150DB | 1,336 |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|-----------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 8,961,357 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | 103,951 |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | % | | | S/L - | | | |
| | | % | | | S/L - | | | |
| | | % | | | S/L - | | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. | | | | | | | 28 | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. | | | | | | | | 29 |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | | (b) Vehicle 2 | | (c) Vehicle 3 | | (d) Vehicle 4 | | (e) Vehicle 5 | | (f) Vehicle 6 | |
|---|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
| | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | | | | | | | | | | | | |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2008 tax year (see instructions): | | | | | |
| From PTPS Flow Thru | | | | | 719,800 |
| 43 Amortization of costs that began before your 2008 tax year. | | | | 43 | |
| 44 Total. Add amounts in column (f). See the instructions for where to report. | | | | 44 | 719,800 |

Alternative Minimum Tax—Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

| | |
|-----------------------------------|---|
| Name Help For All, Inc. | Employer identification number 11 ; 0000001 |
|-----------------------------------|---|

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

| | | | | | |
|---|-----------|--|---------------------|-----------|--------------------|
| 1 Taxable income or (loss) before net operating loss deduction | | | | | 138,938,859 |
| 2 Adjustments and preferences: | | | | | |
| a Depreciation of post-1986 property | | | | 2a | 1,549,346 |
| b Amortization of certified pollution control facilities | | | | 2b | |
| c Amortization of mining exploration and development costs | | | | 2c | |
| d Amortization of circulation expenditures (personal holding companies only) | | | | 2d | |
| e Adjusted gain or loss | | | | 2e | |
| f Long-term contracts | | | | 2f | |
| g Merchant marine capital construction funds | | | | 2g | |
| h Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only) | | | | 2h | |
| i Tax shelter farm activities (personal service corporations only) | | | | 2i | |
| j Passive activities (closely held corporations and personal service corporations only) | | | | 2j | |
| k Loss limitations | | | | 2k | |
| l Depletion | | | | 2l | |
| m Tax-exempt interest income from specified private activity bonds | | | | 2m | |
| n Intangible drilling costs | | | | 2n | |
| o Other adjustments and preferences | | | | 2o | |
| 3 Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o | | | | 3 | 140,488,205 |
| 4 Adjusted current earnings (ACE) adjustment: | | | | | |
| a ACE from line 10 of the ACE worksheet in the instructions | 4a | | 130,488,205 | | |
| b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions) | 4b | | (10,000,000) | | |
| c Multiply line 4b by 75% (.75). Enter the result as a positive amount | 4c | | 7,500,000 | | |
| d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You <i>must</i> enter an amount on line 4d (even if line 4b is positive) | 4d | | 4,000,000 | | |
| e ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount } | | | | 4e | (4,000,000) |
| 5 Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT | | | | 5 | 136,488,205 |
| 6 Alternative tax net operating loss deduction (see instructions) | | | | 6 | |
| 7 Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions | | | | 7 | 136,488,205 |
| 8 Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c): | | | | | |
| a Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- | 8a | | | | |
| b Multiply line 8a by 25% (.25) | 8b | | | | |
| c Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- | | | | 8c | 0 |
| 9 Subtract line 8c from line 7. If zero or less, enter -0- | | | | 9 | 136,488,205 |
| 10 Multiply line 9 by 20% (.20) | | | | 10 | 27,297,641 |
| 11 Alternative minimum tax foreign tax credit (AMTFTC) (see instructions) | | | | 11 | |
| 12 Tentative minimum tax. Subtract line 11 from line 10 | | | | 12 | 27,297,641 |
| 13 Regular tax liability before applying all credits except the foreign tax credit | | | | 13 | 48,628,601 |
| 14 Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return | | | | 14 | 0 |

Work Opportunity Credit

Department of the Treasury
Internal Revenue Service

▶ Attach to your tax return.

Name(s) shown on return

Identifying number

Help For All, Inc.

11-0000001

Part I Current Year Credit

| | | | |
|-----------|--|-----------|--------------|
| 1 | Enter on the applicable line below the total qualified first- or second-year wages paid or incurred during the tax year, and multiply by the percentage shown, for services of employees who are certified (if required) as members of a targeted group. | | |
| a | Qualified first-year wages of employees who worked for you at least 120 hours but fewer than 400 hours \$ 15,600 × 25% (.25) | 1a | 3,900 |
| b | Qualified first-year wages of employees who worked for you at least 400 hours \$ × 40% (.40) | 1b | |
| c | Qualified second-year wages of employees certified as long-term family assistance recipients \$ × 50% (.50) | 1c | |
| 2 | Add lines 1a, 1b, and 1c. See instructions for the adjustment you must make for salaries and wages. | 2 | 3,900 |
| 3 | Work opportunity credit from partnerships, S corporations, cooperatives, estates, and trusts. | 3 | |
| 4 | Add lines 2 and 3. Partnerships and S corporations, report this amount on Schedule K; all others, go to line 5 | 4 | 3,900 |
| 5 | Work opportunity credit included on line 4 from passive activities (see instructions) | 5 | |
| 6 | Subtract line 5 from line 4 | 6 | 3,900 |
| 7 | Work opportunity credit allowed for 2008 from a passive activity (see instructions) | 7 | |
| 8 | Carryforward of any work opportunity credit that originated in a tax year that began after 2006 and carryforward from 2007 of the New York Liberty Zone business employee credit | 8 | |
| 9 | Carryback of the work opportunity credit from 2009 (see instructions) | 9 | |
| 10 | Add lines 6 through 9. Cooperatives, estates, and trusts, continue on to line 11. All others, use this amount to complete Part II | 10 | 3,900 |
| 11 | Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see instructions) | 11 | |
| 12 | Cooperatives, estates, and trusts, subtract line 11 from line 10. Use this amount to complete Part II | 12 | |

Part II Allowable Credit

| | | | |
|------------|--|------------|-------------------|
| 13 | Regular tax before credits (see instructions) | 13 | 48,628,601 |
| 14 | Alternative minimum tax (see instructions) | 14 | 0 |
| 15 | Add lines 13 and 14 | 15 | 48,628,601 |
| 16a | Personal credits from Form 1040 or Form 1040NR (see instructions) | 16a | |
| b | Foreign tax credit | 16b | |
| c | Credit from Form 8834 | 16c | |
| d | Non-business alternative motor vehicle credit (Form 8910, line 18) | 16d | |
| e | Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19) 0 | 16e | 0 |
| f | Add lines 16a through 16e | 16f | 0 |
| 17 | Net income tax. Subtract line 16f from line 15. If zero, skip lines 18 through 21 and enter -0- on line 22 | 17 | 48,628,601 |
| 18 | Net regular tax. Subtract line 16f from line 13. If zero or less, enter -0- | 18 | 48,628,601 |
| 19 | Enter 25% (.25) of the excess, if any, of line 18 over \$25,000 (see instructions) | 19 | 12,150,900 |
| 20 | Subtract line 19 from line 17. If zero or less, enter -0- | 20 | 36,477,701 |
| 21a | General business credit (Form 3800, line 19) 12,950 | 21a | 12,950 |
| b | Empowerment zone and renewal community employment credit (Form 8844, line 26) 0 | 21b | 0 |
| c | Add lines 21a and 21b | 21c | 12,950 |
| 22 | Subtract line 21c from line 20. If zero or less, enter -0- | 22 | 36,464,751 |
| 23 | Credit allowed for the current year. Cooperatives, estates, and trusts. Enter the smaller of line 12 or 22. Report this amount on Form 1120-C, Schedule J, line 5c; or Form 1041, Schedule G, line 2c. If line 22 is smaller than line 12, see instructions. All others. Enter the smaller of line 10 or 22. Report this amount on Form 1040, line 54; Form 1040NR, line 49; Form 1120, Schedule J, line 5c; or the applicable line of your return. If line 22 is smaller than line 10, see instructions | 23 | 3,900 |

**Asset Acquisition Statement
 Under Section 1060**

▶ **Attach to your income tax return.** ▶ **See separate instructions.**

| | |
|--|--|
| Name as shown on return Help For All, Inc. | Identifying number as shown on return 11-0000001 |
|--|--|

Check the box that identifies you:
 Purchaser Seller

Part I General Information

| | |
|---|---|
| 1 Name of other party to the transaction Cardigan Unlimited | Other party's identifying number 11-0000026 |
|---|---|

Address (number, street, and room or suite no.)
123 Avenue C

City or town, state, and ZIP code
Somewhere, MD 20901

| | |
|-------------------------------------|--|
| 2 Date of sale 10-22-2008 | 3 Total sales price (consideration) 16,060,950 |
|-------------------------------------|--|

Part II Original Statement of Assets Transferred

| 4 Assets | Aggregate fair market value (actual amount for Class I) | Allocation of sales price |
|------------------|---|---------------------------|
| Class I | \$ | \$ |
| Class II | \$ | \$ |
| Class III | \$ 16,060,950 | \$ 16,060,950 |
| Class IV | \$ | \$ |
| Class V | \$ | \$ |
| Class VI and VII | \$ | \$ |
| Total | \$ 16,060,950 | \$ 16,060,950 |

5 Did the purchaser and seller provide for an allocation of the sales price in the sales contract or in another written document signed by both parties? Yes No
 If "Yes," are the aggregate fair market values (FMV) listed for each of asset Classes I, II, III, IV, V, VI, and VII the amounts agreed upon in your sales contract or in a separate written document? Yes No

6 In the purchase of the group of assets (or stock), did the purchaser also purchase a license or a covenant not to compete, or enter into a lease agreement, employment contract, management contract, or similar arrangement with the seller (or managers, directors, owners, or employees of the seller)? Yes No
 If "Yes," attach a schedule that specifies (a) the type of agreement and (b) the maximum amount of consideration (not including interest) paid or to be paid under the agreement. See instructions.

Form 1120 Test Scenario 1

Form **8861**
 (Rev. December 2006)
 Department of the Treasury
 Internal Revenue Service

Welfare-to-Work Credit

OMB No. 1545-1569

▶ Attach to your tax return.

Attachment
 Sequence No. **107**

Name(s) shown on return

Identifying number

Help For All, Inc.

11-0000001

| | | | |
|---|--|-----------|--------------|
| <p>1 Enter on the applicable line below the qualified first- or second-year wages paid or incurred during the tax year and multiply by the percentage shown for services of employees who began work for you before the date in the instructions, and are certified as long-term family assistance recipients.</p> | | | |
| a | <p>Qualified first-year wages \$ <u>21,286</u> × 35% (.35)</p> | 1a | 7,450 |
| b | <p>Qualified second-year wages \$ _____ × 50% (.50)</p> | 1b | |
| 2 | <p>Add lines 1a and 1b. See instructions for the adjustment you must make for salaries and wages</p> | 2 | 7,450 |
| 3 | <p>Welfare-to-work credit from partnerships, S corporations, cooperatives, estates, and trusts .</p> | 3 | |
| 4 | <p>Add lines 2 and 3. Cooperatives, estates, and trusts, go to line 5; partnerships and S corporations, report this amount on Schedule K; all others, report this amount on the applicable line of Form 3800 (e.g., line 1c of the 2006 Form 3800)</p> | 4 | 7,450 |
| 5 | <p>Amount allocated to the patrons of the cooperative or the beneficiaries of the estate or trust (see instructions)</p> | 5 | |
| 6 | <p>Cooperatives, estates, and trusts, subtract line 5 from line 4. Report the amount on the applicable line of Form 3800 (e.g., line 1c of the 2006 Form 3800)</p> | 6 | |

Form **8881**

**Credit for Small Employer Pension Plan
Startup Costs**

OMB No. 1545-1810

Department of the Treasury
Internal Revenue Service

Attachment
Sequence No. **130**

▶ **Attach to your tax return.**

Name(s) shown on return

Identifying number

Help For All, Inc.

11-0000001

| | | | | | | |
|----------|--|----------|--------------|--|------------|--|
| 1 | Qualified startup costs incurred during the tax year. Do not enter more than \$1,000 | 1 | 1,000 | | | |
| 2 | Enter one-half of line 1 | | | | 500 | |
| 3 | Credit for small employer pension plan startup costs from partnerships and S corporations | | | | | |
| 4 | Add lines 2 and 3 | | | | 500 | |
| 5 | Enter the smaller of line 4 or \$500 . Partnerships and S corporations, report this amount on Schedule K; all others report this amount on the applicable line of Form 3800, (e.g., line 1m of the 2006 Form 3800) | | | | 500 | |

**Credit for Employer-Provided Childcare
 Facilities and Services**

▶ Attach to your tax return.

Name(s) shown on return

Help For All, Inc.

Identifying number

11-0000001

| | | | | | |
|---|--|---|--------|---|-------|
| 1 | Qualified childcare facility expenditures paid or incurred | 1 | | | |
| 2 | Enter 25% (.25) of line 1 | | | 2 | |
| 3 | Qualified childcare resource and referral expenditures paid or incurred | 3 | 50,000 | | |
| 4 | Enter 10% (.10) of line 3 | | | 4 | 5,000 |
| 5 | Credit for employer-provided childcare facilities and services from partnerships, S corporations, estates, and trusts | | | 5 | |
| 6 | Add lines 2, 4, and 5 | | | 6 | 5,000 |
| 7 | Enter the smaller of line 6 or \$150,000 . Estates and trusts, go to line 8. All others report this amount as follows: partnerships and S corporations, report this amount on Schedule K; all others, report the credit on the applicable line of Form 3800, (e.g., line 1n of the 2006 Form 3800) | | | 7 | 5,000 |
| 8 | Amount allocated to beneficiaries of the estate or trust (see instructions) | | | 8 | |
| 9 | Estates and trusts. Subtract line 8 from line 7. Report the credit on the applicable line of Form 3800 (e.g., line 1n of the 2006 Form 3800) | | | | |

Form **8916-A**

Supplemental Attachment to Schedule M-3

OMB No. 1545-2061

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

| | |
|--|--|
| Name of common parent Help For All, Inc. | Employer identification number 11 000001 |
| Name of subsidiary | Employer identification number |

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|---|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Section 198 environmental remediation costs | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | | | | |
| m Corporate owned life insurance premiums | | | | |
| n Other section 263A costs | 199,569 | 19,676 | | 219,245 |
| 3 Inventory shrinkage accruals | | | | |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | | | | |
| 6 Other items with differences (attach schedule) | | | | |
| 7 Other items with no differences | | | | |
| 8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d | 199,569 | 19,676 | | 219,245 |

| Part II Interest Income | | | | | |
|--------------------------------|---|--|--------------------------------|--------------------------------|--|
| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income — From outside tax affiliated group | | | | |
| 4b | Intercompany interest income — From tax affiliated group | | | | |
| 5 | Other interest income | | | | |
| 6 | Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11. | | | | |

| Part III Interest Expense | | | | | |
|----------------------------------|---|--|--------------------------------|--------------------------------|------------------------------------|
| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense — Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense — Paid to tax affiliated group | | | | |
| 4 | Other interest expense | (11,808,495) | 14,524,714 | | 2,716,219 |
| 5 | Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26. | (11,808,495) | 14,524,714 | | 2,716,219 |

Form **8453-C**

**U.S. Corporation Income Tax Declaration
for an IRS e-file Return**

OMB No. 1545-1866

Department of the Treasury
Internal Revenue Service

File electronically with the corporation's tax return. Do not file paper copies.
For calendar year 2008, or tax year beginning , 2008, ending , 20

2008

Name of corporation **Help For All, Inc** Employer identification number **11 000001**

Part I Tax Return Information (Whole dollars only)

| | | | |
|---|-------------------------------------|---|-------------|
| 1 | Total income (Form 1120, line 11) | 1 | 395,570,000 |
| 2 | Taxable income (Form 1120, line 30) | 2 | 138,938,859 |
| 3 | Total tax (Form 1120, line 31) | 3 | 48,611,751 |
| 4 | Amount owed (Form 1120, line 34) | 4 | 0 |
| 5 | Overpayment (Form 1120, line 35) | 5 | 38,249 |

Part II Declaration of Officer (see instructions) **Be sure to keep a copy of the corporation's tax return.**

- 6a I consent that the corporation's refund be directly deposited as designated on the **Form 8050**, Direct Deposit of Corporate Tax Refund, that will be electronically transmitted with the corporation's 2008 federal income tax return.
- b I do not want direct deposit of the corporation's refund or the corporation is not receiving a refund.
- c I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If the corporation is filing a balance due return, I understand that if the IRS does not receive full and timely payment of its tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties.

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2008 federal income tax return. To the best of my knowledge and belief, the corporation's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the corporation's return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO, transmitter, and/or ISP an acknowledgment of receipt of transmission and an indication of whether or not the corporation's return is accepted, any indication of a refund offset, and, if rejected, the reason(s) for the rejection. If the processing of the corporation's return or refund is delayed, I authorize the IRS to disclose to my ERO, transmitter, and/or ISP the reason(s) for the delay, or when the refund was sent.

Sign Here Signature of officer _____ Date _____ **Chief Executive Officer** _____ Title _____

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above corporation's return and that the entries on Form 8453-C are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The corporate officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers and Large Taxpayers (Corporations, Partnerships and Tax Exempt Organizations). If I am also the Paid Preparer, under penalties of perjury, I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

| | | | | | |
|-----------------------|--|-------------------------------------|---|--|--|
| ERO's Use Only | ERO's signature | Date | Check if also paid preparer <input checked="" type="checkbox"/> | Check if self-employed <input checked="" type="checkbox"/> | ERO's SSN or PTIN 999-06-0007 |
| | Firm's name (or yours if self-employed), address, and ZIP code | Electronic Tax Filers, Inc | EIN | 11 000001 | Phone no. (512) 555-1212 |
| | | 100 Efile Drive, Anytown, TX | | | |

Under penalties of perjury, I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

| | | | | |
|---------------------------------|--|------|---|------------------------|
| Paid Preparer's Use Only | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | EIN | |
| | | | Phone no. () | |

Form 1120 Test Scenario 2

Name Controls:**Hide 'N Seek Foods, Inc. - HIDE****The Greek Playhouse - GREE****Acme Food Corp - ACME****Details for attachments to Form 1120 and 5471's****Consolidated Return Data**

| 1120 Page 1 Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|---|--------------|---|--------------------------------|---------------------------|
| 1a Gross Receipts | 496,482,805 | 471,548,828 | 530,446 | 24,403,531 |
| 1b Less returns and allowances | 60,233,606 | 60,233,606 | 0 | 0 |
| 1c Balance | 436,249,199 | 411,315,222 | 530,446 | 24,403,531 |
| 2 Cost of goods sold | 287,440,463 | 265,912,650 | 315,431 | 21,212,382 |
| 3 Gross profit | 148,808,736 | 145,402,572 | 215,015 | 3,191,149 |
| 4 Dividends | 2,304,041 | 2,304,041 | 0 | 0 |
| 5 Interest | 2,948,781 | 1,221,456 | 0 | 1,727,325 |
| 6 Gross rents | 6,132,695 | 5,016,831 | 0 | 1,115,864 |
| 7 Gross royalties | 2,707,354 | 2,707,354 | 0 | 0 |
| 8 Capital gain net income | 409,942 | 207,765 | 220,747 | -18,570 |
| 9 Net gain or loss (4797) | 530,308 | 528,161 | 2,147 | 0 |
| 10 Other Income | 50,072,270 | -475,221 | | 50,547,491 |
| 11 Total Income | 213,914,127 | 156,912,959 | 437,909 | 56,563,259 |
| 12 Compensation of officers | 3,563,291 | 3,563,291 | 0 | 0 |
| 13 Salaries and wages | 30,986,825 | 28,833,991 | 128,917 | 2,023,917 |
| 14 Repairs and maintenance | 598,092 | 560,968 | 1,568 | 35,556 |
| 15 Bad debts | 378,768 | 374,049 | 0 | 4,719 |
| 16 Rents | 3,473,590 | 3,044,789 | 7,150 | 421,651 |
| 17 Taxes and licenses | 5,726,524 | 4,174,822 | 0 | 1,551,702 |
| 18 Interest | 21,434,718 | 21,413,314 | 2,142 | 19,262 |
| 19 Charitable contributions | 148,769 | 117,353 | 15,602 | 15,814 |
| 20a Depreciation | 19,593,266 | 17,063,911 | 7,603 | 2,521,752 |
| 20b Less depreciation claimed elsewhere | 17,936,732 | 15,593,967 | 0 | 2,342,765 |
| 20c Net depreciation | 1,656,534 | 1,469,944 | 7,603 | 178,987 |
| 21 Depletion | 0 | 0 | 0 | 0 |
| 22 Advertising | 1,870,199 | 1,837,525 | 1,943 | 30,731 |
| 23 Pension, profit-sharing, etc | 2,227,414 | 2,006,997 | 0 | 220,417 |
| 24 Employee benefit plan | 3,289,542 | 3,120,938 | 0 | 168,604 |
| 25 Domestic prod activity | 0 | 0 | 0 | 0 |
| 26 Other deductions | 55,481,163 | 52,982,935 | 100,753 | 2,397,475 |
| 27 Total deductions | 130,835,429 | 123,500,916 | 265,678 | 7,068,835 |
| 28 Taxable Income before NOL | 83,078,698 | 33,412,043 | 172,231 | 49,494,424 |
| 29a NOL deduction | 0 | 0 | 0 | 0 |
| 29b Special deductions | 0 | 0 | 0 | 0 |
| 30 Taxable Income | 83,078,698 | 33,412,043 | 172,231 | 49,494,424 |

| 1120 Page 2 Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|---------------------------------------|-------------|--------------------------------|------------------------|-------------------|
| Schedule A Cost of Goods Sold | | | | |
| 1. Inventory at begin of year | 96,446,105 | 91,068,584 | 0 | 5,377,521 |
| 2. Purchases | 240,726,374 | 231,620,008 | 159,895 | 8,946,471 |
| 3. Cost of labor | 63,913,239 | 59,613,767 | 0 | 4,299,472 |
| 4. Additional sec 263a costs | -122,798 | -20,000 | 0 | -102,798 |
| 5. Other costs | 17,714,999 | 6,164,072 | 216,041 | 11,334,886 |
| 6. TOTAL (add lines 1-5) | 418,677,919 | 388,446,431 | 375,936 | 29,855,552 |
| 7. Inventory at end of year | 131,237,456 | 122,533,781 | 60,505 | 8,643,170 |
| 8. Cost of Goods Sold | 287,440,463 | 265,912,650 | 315,431 | 21,212,382 |

(NOTE: PLEASE DO NOT ENTER THE ZEROS INTO THE ELEMENTS IN THE SCHEMA. THIS IS JUST TO SHOW YOU THE CONSOLIDATION)

Schedule C-Dividends Col A

| | | | | |
|---|------------------|------------------|----------|----------|
| 1. Less than 20% owned domestic corps at 70% | 0 | 0 | 0 | 0 |
| 2. 20% or more owned domestic corps at 80% | 0 | 0 | 0 | 0 |
| 3. Debt financed stock of domestic corporation | 0 | 0 | 0 | 0 |
| 4. Certain preferred stock of public utility at 42% | 0 | 0 | 0 | 0 |
| 5. Certain preferred stock of public utility at 48% | 0 | 0 | 0 | 0 |
| 6. Less than 20% owned foreign corps at 70% | 0 | 0 | 0 | 0 |
| 7. 20% or more owned foreign corps at 80% | 0 | 0 | 0 | 0 |
| 8. Wholly owned foreign subsidiaries sec 245b | 0 | 0 | 0 | 0 |
| 10. Domes. Corps received by small bus. Investment | 0 | 0 | 0 | 0 |
| 11. Certain FSC's subject to 100% Sec 245c1 | 0 | 0 | 0 | 0 |
| 12. Affiliated Groups subject to 100% Sec 263a3 | 0 | 0 | 0 | 0 |
| 13. Other dividends from foreign corporations | 0 | 0 | | 0 |
| 14. Income from controlled foreign corps sub-part F | 2,304,041 | 2,304,041 | 0 | 0 |
| 15. Foreign Dividend Gross-up Sec. 78 | 0 | 0 | 0 | 0 |
| 16. IC-DISC or former disc dividends sec 246d | 0 | 0 | 0 | 0 |
| 17. Other dividends | 0 | 0 | 0 | 0 |
| 19. TOTAL Dividends | 2,304,041 | 2,304,041 | 0 | 0 |

Schedule C-Special Deductions Col C

| | | | | |
|---|---|---|---|---|
| 1. Less than 20% owned domestic corps at 70% | 0 | 0 | 0 | 0 |
| 2. 20% or more owned domestic corps at 80% | 0 | 0 | 0 | 0 |
| 3. Debt financed stock of domestic corporation | 0 | 0 | 0 | 0 |
| 4. Certain Preferred stock of public utility at 42% | 0 | 0 | 0 | 0 |
| 5. Certain preferred stock of public utility at 48% | 0 | 0 | 0 | 0 |
| 6. Less than 20% owned foreign corps at 70% | 0 | 0 | 0 | 0 |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

| | | | | |
|--|----------|----------|----------|----------|
| 7. 20% or more owned foreign corps at 80% | 0 | 0 | 0 | 0 |
| 8. Wholly owned foreign subsidiaries sec 245b | 0 | 0 | 0 | 0 |
| 9. TOTAL Add lines 1-8 | 0 | 0 | 0 | 0 |
| 10. Domes. Corps received by small bus. Investment | 0 | 0 | 0 | 0 |
| 11. Certain FSC's subject to 100% Sec 245c1 | 0 | 0 | 0 | 0 |
| 12. Affiliated Groups subject to 100% Sec 263a3 | 0 | 0 | 0 | 0 |
| 17. Other dividends | 0 | 0 | 0 | 0 |
| 18. Deduction for certain Pfd stock of pub utility | 0 | 0 | 0 | 0 |
| 20. TOTAL Special Deductions | 0 | 0 | 0 | 0 |

| Schedule L Balance Sheet BOY | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|---|--------------------|---------------------------------|----------------------------|-----------------------|
| ASSETS | | | | |
| Case & Cash Accounts | 1,400,129 | 1,007,632 | 1,000 | 391,497 |
| Trade Notes & Accts Rec | 67,505,582 | 61,338,984 | 42,165 | 6,124,433 |
| Less allow for bad debts | -3,565,083 | -3,456,187 | 0 | -108,896 |
| Inventories | 96,446,105 | 91,068,584 | 54,176 | 5,323,345 |
| Other Current Assets | 58,184,400 | 43,419,099 | 1,522,051 | 13,243,250 |
| Other Investments | 391,810,173 | 215,395,809 | 2,629,421 | 173,784,943 |
| Depreciable assets | 165,666,792 | 149,325,880 | 4,019,637 | 12,321,275 |
| Less accumulated depreciation | -114,027,850 | -107,763,377 | -3,867,420 | -2,397,053 |
| Depletable assets | | | | |
| Less accumulated depletion | | | | |
| Land | 3,046,857 | 2,866,974 | 179,883 | 0 |
| Intangible assets | 9,649,921 | 217,580 | 0 | 9,432,341 |
| Less accumulated amortization | -5,122,236 | -217,580 | 0 | -4,904,656 |
| Other assets | 25,320,662 | 147,597,496 | 28,107,508 | -150,384,342 |
| TOTAL | 696,315,452 | 600,800,894 | 32,688,421 | 62,826,137 |
| LIABILITIES AND EQUITY | | | | |
| Accounts payable | 17,736,997 | 15,395,065 | 6,871,682 | -4,529,750 |
| Mortgages, notes, bonds payable less than 1yr | 45,556,804 | 44,590,755 | 966,049 | 0 |
| Other current liabilities | 47,235,461 | 43,118,783 | 1,800,434 | 2,316,244 |
| Loans from stockholders | 0 | 0 | 0 | 0 |
| Mortgages, notes, bonds payable 1 yr or more | 216,040,151 | 214,114,169 | 1,925,982 | 0 |
| Other liabilities | 2,039,040 | 1,916,735 | 122,305 | 0 |
| Capital preferred stock | 0 | 0 | 0 | 0 |
| Capital common stock | 40,156,378 | 39,588,269 | 242,495 | 325,614 |
| Additional paid-in capital | 278,955,000 | 268,468,748 | 8,025,437 | 2,460,815 |
| Retained earnings-appropriated | 0 | 0 | 0 | 0 |
| Retained earnings-unappropriated | 48,595,621 | -26,391,630 | 12,734,037 | 62,253,214 |
| Adjustments to shareholders equity | 0 | 0 | 0 | 0 |
| Less cost of treasury stock | 0 | 0 | 0 | 0 |
| TOTAL | 696,315,452 | 600,800,894 | 32,688,421 | 62,826,137 |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

| Schedule L Balance Sheet EOY | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|---|--------------------|---------------------------------|----------------------------|-----------------------|
| ASSETS | | | | |
| Case & Cash Accounts | -1,084,483 | -656,358 | 212,850 | -640,975 |
| Trade Notes & Accts Rec | 88,009,947 | 77,847,052 | 259,054 | 9,903,841 |
| Less allow for bad debts | -3,429,116 | -3,257,116 | -25,000 | -147,000 |
| Inventories | 131,237,456 | 122,533,781 | 60,505 | 8,643,170 |
| Other Current Assets | 17,472,554 | 43,204,385 | 91,179 | -25,823,010 |
| Other Investments | 500,835,921 | 238,370,653 | 9,960,169 | 252,505,099 |
| Depreciable assets | 191,729,290 | 171,069,482 | 4,020,785 | 16,639,023 |
| Less accumulated depreciation | -117,663,548 | -110,024,100 | -3,875,213 | -3,764,235 |
| Depletable assets | | | | |
| Less accumulated depletion | | | | |
| Land | 3,058,582 | 2,878,699 | 179,883 | 0 |
| Intangible assets | 17,146,830 | 6,776,830 | 0 | 10,370,000 |
| Less accumulated amortization | -6,175,345 | -713,960 | 0 | -5,461,385 |
| Other assets | 39,650,087 | 206,170,017 | 36,839,838 | -203,359,768 |
| TOTAL | 860,788,175 | 754,199,365 | 47,724,050 | 58,864,760 |
| LIABILITIES AND EQUITY | | | | |
| Accounts payable | 26,805,004 | 23,566,145 | 5,984,391 | -2,745,532 |
| Mortgages, notes, bonds payable less than 1yr | 57,898,678 | 39,504,569 | 17,341,428 | 1,052,681 |
| Other current liabilities | 56,200,717 | 95,672,392 | 1,801,000 | -41,272,675 |
| Loans from stockholders | | | | |
| Mortgages, notes, bonds payable 1yr or more | 268,662,559 | 266,363,796 | 1,902,064 | 396,699 |
| Other liabilities | -269,375 | -525,689 | 256,314 | 0 |
| Capital preferred stock | 0 | 0 | 0 | 0 |
| Capital common stock | 40,315,772 | 39,747,663 | 242,495 | 325,614 |
| Additional paid-in capital | 282,772,118 | 272,285,866 | 8,025,437 | 2,460,815 |
| Retained earnings-appropriated | | | | |
| Retained earnings-un-appropriated | 136,104,313 | 25,286,234 | 12,170,921 | 98,647,158 |
| Adjustments to shareholders equity | | | | |
| Less cost of treasury stock | -7,701,611 | -7,701,611 | 0 | 0 |
| TOTAL | 860,788,175 | 754,199,365 | 47,724,050 | 58,864,760 |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

Attachment 1, Form 1120, line 10, Other Income (*ItemizedOtherIncomeSchedule*)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|-----------------------------|--------------------------|--------------------------------|------------------------|-------------------|
| Sales | 217,441 | 208,671 | | 8,770 |
| Exchange Gain/Loss Realized | -2,321,468 | -2,229,104 | | -92,364 |
| Partnership Income/Loss | 50,578,008 | -59,869 | | 50,637,877 |
| Miscellaneous Income | 149,354 | 156,146 | | -6,792 |
| Interco Consulting Fees | 1,448,935 | 1,448,935 | | |
| TOTAL | <u>50,072,270</u> | -475,221 | | 50,547,491 |

Attachment 2, Form 1120, Line 26, Other Deductions (*ItemizedOtherDeductionsSchedule*)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|-------------------------------------|--------------------------|--------------------------------|------------------------|-------------------|
| Commissions | 7,129,771 | 7,123,617 | 6,154 | 0 |
| Travel/Lodging | 3,937,289 | 3,729,891 | 12,542 | 194,856 |
| Meals/Entertainment | 1,159,309 | 1,104,239 | 2,469 | 52,601 |
| Motor Vehicle Operations | 827,654 | 808,099 | 0 | 19,555 |
| Supplies | 2,152,100 | 2,059,062 | 7,848 | 85,190 |
| Freight | 311,622 | 234,432 | 0 | 77,190 |
| Insurance | 3,622,317 | 3,584,467 | 10,573 | 27,277 |
| Communication Expense | 2,865,579 | 2,771,308 | 6,476 | 87,795 |
| Utilities | 406,618 | 245,079 | 1,024 | 160,515 |
| Subscriptions & Dues | 498,257 | 472,213 | 2747 | 23,297 |
| Outside Prof. Service | 5,320,705 | 4,799,006 | 218,000 | 303,699 |
| Data Processing | 798 | 798 | 0 | 0 |
| Prototype Development (software) | 753 | 753 | 0 | 0 |
| Royalties | 6,748 | 0 | 0 | 6,748 |
| Inter-Department Charges | 3,401,546 | 3,400,480 | 0 | 1,066 |
| Consulting Fees | 9,939,000 | 9,939,000 | 0 | 0 |
| Miscellaneous other deductions | 11,483,141 | 10,627,885 | 53,667 | 801,589 |
| Amortization | 2,417,956 | 2,082,606 | 0 | 335,350 |
| TOTAL | <u>55,481,163</u> | 52,982,935 | 321,500 | 2,176,728 |

Attachment 3, Form 1120, Schedule A, Line 4, Additional Sec 263A Costs (*ItemizedAdditionalSection263ACostsSchedule*)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Foods Corp |
|------------------------|------------------------|--------------------------------|------------------------|--------------------|
| Administrative Costs | <u>-122,798</u> | -20,000 | 0 | -102,798 |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

Attachment 4, Form 1120, Schedule A, Line 5, Other Cost of Goods Sold
(Itemized Other Costs Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|------------------------|-------------------|--------------------------------|------------------------|-------------------|
| Communications | 18,498,443 | 14,810,549 | 0 | 3,687,894 |
| Property Taxes | 1,959,787 | 1,170,806 | 0 | 788,981 |
| Employee Benefits | 2,339,176 | 1,738,644 | 0 | 600,532 |
| Travel/lodging | 12,586,226 | 8,747,935 | 0 | 3,838,291 |
| Miscellaneous | -35,605,365 | -35,897,829 | 216,041 | 76,423 |
| Depreciation | 17,936,732 | 15,593,967 | 0 | 2,342,765 |
| TOTAL | 17,714,999 | 6,164,072 | 216,041 | 11,334,886 |

Attachment 5, Form 1120, Schedule L, Line 6(b) &(d), Other Current Assets
(Itemized Other Current Assets Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|-------------------------------|--------------------------|--------------------------------|------------------------|-------------------|
| BEGINNING OF TAX YEAR | | | | |
| Prepaid Expense | 7,936,105 | 7,696,131 | 0 | 239,974 |
| Non-Trade Accounts Receivable | 49,175,055 | 34,649,728 | 1,522,051 | 13,003,276 |
| Notes Receivable-Current | 901,920 | 901,920 | 0 | 0 |
| Miscellaneous | 171,320 | 171,320 | 0 | 0 |
| TOTAL | <u>58,184,400</u> | 43,419,099 | 1,522,051 | 13,243,250 |
| END OF TAX YEAR | | | | |
| Prepaid Expense | 3,337,363 | 3,320,172 | 17,191 | 0 |
| Non-Trade Accounts Receivable | 13,716,682 | 39,465,704 | 73,988 | -25,823,010 |
| Notes Receivable-Current | 263,262 | 263,262 | 0 | 0 |
| Miscellaneous | 155,247 | 155,247 | 0 | 0 |
| TOTAL | <u>17,472,554</u> | 43,204,385 | 91,179 | -25,823,010 |

Attachment 6, Form 1120, Schedule L, Line 9(b) & (d) Other Investments
(Itemized Other Investments Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|------------------------------|---------------------------|--------------------------------|------------------------|-------------------|
| BEGINNING OF TAX YEAR | | | | |
| Investment in Subsidiaries | 302,135,500 | 128,350,557 | 0 | 173,784,943 |
| Miscellaneous | 89,674,673 | 87,045,252 | 2,629,421 | 0 |
| TOTAL | <u>391,810,173</u> | 215,395,809 | 2,629,421 | 173,784,943 |
| END OF TAX YEAR | | | | |
| Investment in Subsidiaries | 423,155,682 | 170,650,583 | 0 | 252,505,099 |
| Miscellaneous | 77,680,239 | 67,720,070 | 9,960,169 | 0 |
| TOTAL | <u>500,835,921</u> | 238,370,653 | 9,960,169 | 252,505,099 |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

Attachment 7, Form 1120, Schedule L, Line 14(b) & (d), Other Assets
(Itemized Other Assets Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|------------------------|--------------------------|--------------------------------|------------------------|-------------------|
| BEGINNING OF TAX YEAR | | | | |
| Deposits | 13,194,762 | 5,427,286 | 975,522 | 6,791,954 |
| Miscellaneous | 12,125,900 | 142,170,210 | 27,131,986 | -157,176,296 |
| TOTAL | <u>25,320,662</u> | 147,597,496 | 28,107,508 | -150,384,342 |
| END OF TAX YEAR | | | | |
| Deposits | 18,491,267 | 10,724,682 | 1,563,221 | 6,203,364 |
| Miscellaneous | 21,158,820 | 195,445,335 | 35,276,617 | -209,563,132 |
| TOTAL | <u>39,650,087</u> | 206,170,017 | 36,839,838 | -203,359,768 |

Attachment 8, Form 1120, Schedule L, Line 18(b) & (d), Other Current Liabilities
(Itemized Other Current Liabilities Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|------------------------|--------------------------|--------------------------------|------------------------|-------------------|
| BEGINNING OF TAX YEAR | | | | |
| Payrolls | 9,650,780 | 6,738,707 | 926,308 | 1,985,765 |
| Income Taxes Payable | 5,788,693 | 5,777,110 | 0 | 11,583 |
| Interest | 20,639,889 | 20,639,889 | 0 | 0 |
| Miscellaneous | 11,156,099 | 9,963,077 | 874,126 | 318,896 |
| TOTAL | <u>47,235,461</u> | 43,118,783 | 1,800,434 | 2,316,244 |
| END OF TAX YEAR | | | | |
| Payrolls | 11,852,741 | 9,102,456 | 854,321 | 1,895,964 |
| Income Taxes Payable | 8,759,638 | 3,957,985 | 0 | 4,801,653 |
| Interest | 25,741,862 | 25,741,862 | 0 | 0 |
| Miscellaneous | 9,846,476 | 56,870,089 | 946,679 | -47,970,292 |
| TOTAL | <u>56,200,717</u> | 95,672,392 | 1,801,000 | -41,272,675 |

Attachment 9, Form 1120, Schedule L, Line 21(b) & (d), Other Liabilities
(Itemized Other Liabilities Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc. | The Greek Playhouse | Acme Food Corp |
|------------------------|-------------------------|-----------------------------|------------------------|----------------|
| BEGINNING OF TAX YEAR | | | | |
| Deferred Income Tax | 1,711,311 | 1,711,311 | 0 | 0 |
| Miscellaneous | 327,729 | 205,424 | 122,305 | 0 |
| TOTAL | <u>2,039,040</u> | 1,916,735 | 122,305 | 0 |
| END OF TAX YEAR | | | | |
| Deferred Income Tax | -525,689 | -525,689 | 0 | 0 |
| Miscellaneous | 256,314 | 0 | 256,314 | 0 |
| TOTAL | <u>-269,375</u> | -525,689 | 256,314 | 0 |

Form 1120, Schedule M-2 Analysis of Unappropriated Retained Earnings per Books

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc.. | The Greek Playhouse | Acme Foods Corp |
|--|-------------|------------------------------|------------------------|--------------------|
| 1. Balance at BOY | 48,595,621 | (26,391,630) | 12,734,037 | 62,253,214 |
| 2. Net Income per books | 80,174,706 | 41,387,930 | 2,598,349 | 36,188,427 |
| 3. Other Increases: (See Schedule 10 below) | | | | |
| Prior Period Adjustment | 7,333,986 | 10,289,934 | (3,161,465) | 205,517 |
| 4. Total of Lines 1-3 | 136,104,313 | 25,286,234 | 12,170,921 | 98,647,158 |
| 5. Distributions: | | | | 0 |
| (A) Cash | 0 | 0 | 0 | 0 |
| (B) Stock | 0 | 0 | 0 | 0 |
| (C) Property | 0 | 0 | 0 | 0 |
| 6. Other Decreases | 0 | 0 | 0 | 0 |
| 7. Total of Lines 5-6 | 0 | 0 | 0 | 0 |
| 8 Bal @ EOY (Line 4 less Line 7) | 136,104,313 | 25,286,234 | 12,170,921 | 98,647,158 |

Attachment 10, Form 1120, Schedule M-2, Line 3, Other Increases
(Itemized Other Increases Schedule)

| Consolidated Schedules | Total | Hide 'N Seek Foods, Inc.. | The Greek Playhouse | Acme Food Corp |
|-------------------------|------------------|---------------------------------|------------------------|-------------------|
| Prior Period Adjustment | <u>7,333,986</u> | 10,289,934 | (3,161,465) | 205,517 |

Attachment 11, Schedule M-3 (Consolidated), Part II, Line 9, Income (Loss) from US Partnership
(Partnership Interest Schedule)

| | |
|----------------------------------|--------------------------|
| Corporation Name | Hide 'N Seek Foods, Inc. |
| Corporation EIN | 11-0000002 |
| Name | Playground Partnership |
| EIN | 11-0000025 |
| EOY Profit Sharing Percentage | 65 |
| EOY Loss Sharing Percentage | 65 |
| Income Loss Per Income Statement | 0 |
| Temporary Difference | (59,869) |
| Permanent Difference | 0 |
| Income Loss Per Tax Return | (59,869) |

| | |
|----------------------------------|------------------------|
| Corporation Name | Greek Playhouse |
| Corporation EIN | 11-0000012 |
| Name | Card Shark Partnership |
| EIN | 11-0000026 |
| EOY Profit Sharing Percentage | 75 |
| EOY Loss Sharing Percentage | 75 |
| Income Loss Per Income Statement | 0 |
| Temporary Difference | 220,747 |
| Permanent Difference | 0 |
| Income Loss Per Tax Return | 220,747 |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

| | |
|----------------------------------|-----------------------|
| Corporation Name | Acme Food Corp |
| Corporation EIN | 11-0000013 |
| Name | Game Over Partnership |
| EIN | 11-0000027 |
| EOY Profit Sharing Percentage | 55 |
| EOY Loss Sharing Percentage | 55 |
| Income Loss Per Income Statement | 59,338,000 |
| Temporary Difference | (8,920,870) |
| Permanent Difference | 0 |
| Income Loss Per Tax Return | 50,417,130 |

| | |
|----------------------------------|--------------------------|
| TOTAL CONSOLIDATED | |
| Income Loss Per Income Statement | 59,338,000 |
| Temporary Difference | (8,759,992) |
| Permanent Difference | 0 |
| Income Loss Per Tax Return | <u>50,578,008</u> |

Attachment 12, Schedule M-3 (Consolidated), Part II, Line 25, Other Income (Loss) with Differences
(OtherIncomeLossItemsWithDifferencesSchedule)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|-----------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------|
| Exchange Gain/Loss Realized | <u>1,710,800</u> | <u>(4,032,268)</u> | | <u>(2,321,468)</u> |

Attachment 13, Schedule M-3 (Consolidated), Part III, Line 35, Other Expenses with Differences
(OtherExpenseDeductionItemsWithDifferencesSchedule)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|-------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------|
| Salaries and Wages | 27,787,166 | (3,143,866) | | 24,643,300 |
| Rents | 2,852,744 | 192,045 | | 3,044,789 |
| Insurance | 3,640,160 | (55,693) | | 3,584,467 |
| Outside Professional Reserves | 4,911,989 | (112,983) | | 4,799,006 |
| Misc. Other Deductions | 18,669,619 | (7,186,658) | | 11,482,961 |
| Employee Benefit Plan | <u>1,005,863</u> | <u>(837,259)</u> | | <u>168,604</u> |
| TOTAL | <u>58,867,541</u> | <u>(11,144,414)</u> | | <u>47,723,127</u> |

Attachment 14, Schedule M-3 (Hide 'N Seek, Inc), Part II, Line 25, Other Income (Loss) with Differences
(OtherIncomeLossItemsWithDifferencesSchedule)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|-----------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------|
| Exchange Gain/Loss Realized | <u>977,052</u> | <u>(3,206,156)</u> | | <u>(2,229,104)</u> |

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc.

11-0000002

Attachment 15, Schedule M-3 (Hide 'N Seek Foods, Inc), Part III, Line 35, Other Expenses with Differences (*OtherExpenseDeductionItemsWithDifferencesSchedule*)

| | <u>Per Books</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Return</u> |
|-------------------------------|--------------------------|------------------------------|------------------------------|--------------------------|
| Salaries | 22,571,248 | 48,135 | | 22,619,383 |
| Rents | 2,852,744 | 192,045 | | 3,044,789 |
| Insurance | 3,640,160 | (55,693) | | 3,584,467 |
| Outside Professional services | 4,911,989 | (112,983) | | 4,799,006 |
| Misc. Other Deductions | <u>10,518,447</u> | <u>109,438</u> | | <u>10,627,885</u> |
| TOTAL | <u>44,494,588</u> | <u>180,942</u> | | <u>44,675,530</u> |

Attachment 16, Schedule M-3 (Acme Foods), Part II, Line 25, Other Income (Loss) with Differences (*OtherIncomeLossItemsWithDifferencesSchedule*)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|-----------------------------|-----------------------------|------------------------------|------------------------------|-----------------------|
| Exchange Gain/Loss Realized | 725,904 | (818,268) | | (92,364) |

Attachment 17, Schedule M-3 (Acme Foods), Part III, Line 35, Other Expenses with Differences (*OtherExpenseDeductionItemsWithDifferencesSchedule*)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|-----------------------|-----------------------------|------------------------------|------------------------------|-------------------------|
| Salaries and Wages | 5,215,918 | (3,192,001) | | 2,023,917 |
| Employee Benefit Plan | 1,005,863 | (837,259) | | 168,604 |
| Miscellaneous | <u>11,991,734</u> | <u>(11,190,145)</u> | | <u>801,589</u> |
| TOTAL | <u>18,213,515</u> | <u>(15,219,405)</u> | | <u>2,994,110</u> |

Attachment 18, Schedule M-3 (Greek Playhouse), Part II, Line 25, Other Income (Loss) with Differences (*OtherIncomeLossItemsWithDifferencesSchedule*)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|-----------------------------|-----------------------------|------------------------------|------------------------------|-----------------------|
| Exchange Gain/Loss Realized | <u>7,844</u> | <u>(7,844)</u> | 0 | 0 |

Attachment 19, Schedule M-3 (Greek Playhouse), Part III, Line 35, Other Expenses with Differences
(OtherExpenseDeductionItemsWithDifferencesSchedule)

| | <u>Per Income Statement</u> | <u>Temporary Differences</u> | <u>Permanent Differences</u> | <u>Per Tax Return</u> |
|------------------------|-----------------------------|------------------------------|------------------------------|-----------------------|
| Misc. Other Deductions | (3,840,562) | 3,894,049 | | 53,487 |
| TOTAL | <u>(3,840,562)</u> | <u>3,894,049</u> | 0 | <u>53,487</u> |

Attachment 20, Form 5471 (Foreign Corp #3), Box B, Category of filer checkboxes
(Category3FilerStatement)

| | |
|------------------------|---|
| Amount of indebtedness | Foreign Corporation #3 has no indebtedness with any related party |
| Type of indebtedness | New acquisition |
| Name | Hide'N Seek Foods, Inc. |
| Address | 32 Any Street, Anytown, TX |
| Identifying Number | 11-0000002 |
| Number of shares | 640 |

Attachment 21, Form 5471, Sch C, Line 16, Other Deductions *(ItemizedOtherDeductionsSchedule2)*
Foreign Corporation #1

| Line | Amount |
|------------------------|-----------|
| 16 Managerial Services | 1,448,935 |

Attachment 22, Form 5471, Sch F, Line 12(a) &(b), Other Assets *(ItemizedOtherAssetsSchedule)*
Foreign Corporation #1

| Line | Amount |
|-----------------------------|------------|
| 12a Intercompany Receivable | 17,793,000 |
| 12b Intercompany Receivable | 17,793,000 |

Attachment 23, Form 5471, Sch F, Line 12 Other Assets *(ItemizedOtherAssetsSchedule)*
Foreign Corporation #2

| Line | Amount |
|-----------------------------|-----------|
| 12a Intercompany Receivable | 4,000,000 |
| 12b Intercompany Receivable | 4,000,000 |

1120
Form
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return
For calendar year 2008 or tax year beginning _____, 2008, ending _____, 20

▶ See separate instructions.

A Check if:

- 1a Consolidated return (attach Form 851)
- b Life/nonlife consolidated return
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp. (see instructions)
- 4 Schedule M-3 attached

Use IRS label. Otherwise, print or type.

Name
Hide 'N Seek Foods Inc.
Number, street, and room or suite no. If a P.O. box, see instructions.
32 Any Street
City or town, state, and ZIP code
Anytown, TX 77287

B Employer identification number

11-0000002

C Date incorporated

06/15/1979

D Total assets (see instructions)

\$ **860,788,175**

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

| | | | | | | | |
|---------------|---|--------------------|--------------------------------------|-------------------|----------------|-------------|--------------------|
| Income | 1a Gross receipts or sales | 496,482,805 | b Less returns and allowances | 60,233,606 | c Bal ▶ | 1c | 436,249,199 |
| | 2 Cost of goods sold (Schedule A, line 8) | | | | | 2 | 287,440,463 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | | | 3 | 148,808,736 |
| | 4 Dividends (Schedule C, line 19) | | | | | 4 | 2,304,041 |
| | 5 Interest | | | | | 5 | 2,948,781 |
| | 6 Gross rents | | | | | 6 | 6,132,695 |
| | 7 Gross royalties | | | | | 7 | 2,707,354 |
| | 8 Capital gain net income (attach Schedule D (Form 1120)) | | | | | 8 | 409,942 |
| | 9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | | | 9 | 530,308 |
| | 10 Other income (see instructions—attach schedule) | | | | | 10 | 50,072,270 |
| | 11 Total income. Add lines 3 through 10 | | | | | ▶ 11 | 213,914,127 |

| | | | | |
|---|--|--------------|-------------|--------------------|
| Deductions (See instructions for limitations on deductions.) | 12 Compensation of officers (Schedule E, line 4) | | ▶ 12 | 3,563,291 |
| | 13 Salaries and wages (less employment credits) | | ▶ 13 | 30,986,825 |
| | 14 Repairs and maintenance | | ▶ 14 | 598,092 |
| | 15 Bad debts | | ▶ 15 | 378,768 |
| | 16 Rents | | ▶ 16 | 3,473,590 |
| | 17 Taxes and licenses | | ▶ 17 | 5,726,524 |
| | 18 Interest | | ▶ 18 | 21,434,718 |
| | 19 Charitable contributions | | ▶ 19 | 148,769 |
| | 20 Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562) | | ▶ 20 | 1,656,534 |
| | 21 Depletion | | ▶ 21 | |
| | 22 Advertising | | ▶ 22 | 1,870,199 |
| | 23 Pension, profit-sharing, etc., plans | | ▶ 23 | 2,227,414 |
| | 24 Employee benefit programs | | ▶ 24 | 3,289,542 |
| | 25 Domestic production activities deduction (attach Form 8903) | | ▶ 25 | |
| | 26 Other deductions (attach schedule) | | ▶ 26 | 55,481,163 |
| | 27 Total deductions. Add lines 12 through 26 | | ▶ 27 | 130,835,429 |
| | 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 | | ▶ 28 | 83,078,698 |
| | 29 Less: a Net operating loss deduction (see instructions) | 29a | | |
| | b Special deductions (Schedule C, line 20) | 29b | | |
| | | ▶ 29c | | |

| | | | | |
|--|---|--------------|-------------------|-------------------|
| Tax and Payments | 30 Taxable income. Subtract line 29c from line 28 (see instructions) | | ▶ 30 | 83,078,698 |
| | 31 Total tax (Schedule J, line 10) | | ▶ 31 | 17,867,507 |
| | 32a 2007 overpayment credited to 2008 | 32a | 232,650 | |
| | b 2008 estimated tax payments | 32b | 20,000,000 | |
| | c 2008 refund applied for on Form 4466 | 32c | () | |
| | d Bal ▶ | 32d | 20,232,650 | |
| | e Tax deposited with Form 7004 | 32e | | |
| | f Credits: (1) Form 2439 (2) Form 4136 | 32f | | |
| | | ▶ 32g | 20,232,650 | |
| 33 Estimated tax penalty (see instructions). Check if Form 2220 is attached | | ▶ 33 | | |
| 34 Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed | | ▶ 34 | | |
| 35 Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid | | ▶ 35 | 2,365,143 | |
| 36 Enter amount from line 35 you want: Credited to 2009 estimated tax ▶ 1,000,000 Refunded ▶ | | ▶ 36 | 1,365,143 | |

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____

Chief Executive Officer
Title _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature **Electronic Tax Filers, Inc.**
Firm's name (or yours if self-employed), address, and ZIP code **100 Efile Drive Anytown, TX 75231**
Date _____ Check if self-employed Preparer's SSN or PTIN **999-06-0007**
EIN **11-000011**
Phone no. **512-555-1212**

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|---|--|---|-------------|
| 1 | Inventory at beginning of year | 1 | 96,446,105 |
| 2 | Purchases | 2 | 240,726,374 |
| 3 | Cost of labor | 3 | 63,913,239 |
| 4 | Additional section 263A costs (attach schedule) | 4 | (122,798) |
| 5 | Other costs (attach schedule) | 5 | 17,714,999 |
| 6 | Total. Add lines 1 through 5 | 6 | 418,677,919 |
| 7 | Inventory at end of year | 7 | 131,237,456 |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 287,440,463 |

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

| | (a) Dividends received | (b) % | (c) Special deductions (a) × (b) |
|----|--|------------------|----------------------------------|
| 1 | Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) | 70 | |
| 2 | Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) | 80 | |
| 3 | Dividends on debt-financed stock of domestic and foreign corporations | see instructions | |
| 4 | Dividends on certain preferred stock of less-than-20%-owned public utilities | 42 | |
| 5 | Dividends on certain preferred stock of 20%-or-more-owned public utilities | 48 | |
| 6 | Dividends from less-than-20%-owned foreign corporations and certain FSCs | 70 | |
| 7 | Dividends from 20%-or-more-owned foreign corporations and certain FSCs | 80 | |
| 8 | Dividends from wholly owned foreign subsidiaries | 100 | |
| 9 | Total. Add lines 1 through 8. See instructions for limitation | | |
| 10 | Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 | 100 | |
| 11 | Dividends from affiliated group members | 100 | |
| 12 | Dividends from certain FSCs | 100 | |
| 13 | Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 | | |
| 14 | Income from controlled foreign corporations under subpart F (attach Form(s) 5471) | | |
| 15 | Foreign dividend gross-up | | |
| 16 | IC-DISC and former DISC dividends not included on lines 1, 2, or 3 | | |
| 17 | Other dividends | | |
| 18 | Deduction for dividends paid on certain preferred stock of public utilities | | |
| 19 | Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 | 2,304,041 | |
| 20 | Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b | 2,304,041 | |

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

| (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned | | (f) Amount of compensation |
|---------------------|---|---|------------------------------------|---------------|----------------------------|
| | | | (d) Common | (e) Preferred | |
| 1 Doug Doe | 999-06-0016 | 100 % | 10 % | % | 1,294,635 |
| Jane Doe | 999-06-0017 | 100 % | 10 % | % | 1,009,528 |
| Tom Doe | 999-06-0018 | 100 % | 10 % | % | 1,259,128 |
| | | % | % | % | |
| | | % | % | % | |
| 2 | Total compensation of officers | | | | 3,563,291 |
| 3 | Compensation of officers claimed on Schedule A and elsewhere on return | | | | |
| 4 | Subtract line 3 from line 2. Enter the result here and on page 1, line 12 | | | | 3,563,291 |

Schedule J Tax Computation (see instructions)

| | | | | |
|----|---|--------------------------|----|------------|
| 1 | Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) | <input type="checkbox"/> | | |
| 2 | Income tax. Check if a qualified personal service corporation (see instructions) | <input type="checkbox"/> | 2 | 29,077,544 |
| 3 | Alternative minimum tax (attach Form 4626) | | 3 | |
| 4 | Add lines 2 and 3 | | 4 | 29,077,544 |
| 5a | Foreign tax credit (attach Form 1118) | | 5a | |
| b | Credit from Form 8834 | | 5b | |
| c | General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 8846 | | 5c | |
| d | Credit for prior year minimum tax (attach Form 8827) | | 5d | 11,210,037 |
| e | Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 | | 5e | |
| 6 | Total credits. Add lines 5a through 5e | | 6 | 11,210,037 |
| 7 | Subtract line 6 from line 4 | | 7 | 17,867,507 |
| 8 | Personal holding company tax (attach Schedule PH (Form 1120)) | | 8 | |
| 9 | Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule) | | 9 | |
| 10 | Total tax. Add lines 7 through 9. Enter here and on page 1, line 31 | | 10 | 17,867,507 |

Schedule K Other Information (see instructions)

| | | | | |
|---|--|--------------------|-----|----|
| 1 | Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ | | Yes | No |
| 2 | See the instructions and enter the: | | | |
| a | Business activity code no. ▶ | 311900 | | |
| b | Business activity ▶ | Food Manufacturing | | |
| c | Product or service ▶ | Coffee | | |
| 3 | Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ | | | ✓ |
| 4 | At the end of the tax year: | | | |
| a | Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v). | | | ✓ |

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Type of Entity | (iv) Country of Organization | (v) Percentage Owned in Voting Stock |
|--------------------|--|----------------------|------------------------------|--------------------------------------|
| | | | | |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | | | | |
|---|---|--|-----|----|
| b | Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv). | | Yes | No |
| | | | | ✓ |

| (i) Name of Individual or Estate | (ii) Identifying Number (if any) | (iii) Country of Citizenship (see instructions) | (iv) Percentage Owned in Voting Stock |
|----------------------------------|----------------------------------|---|---------------------------------------|
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |

Schedule K *Continued*

5 At the end of the tax year, did the corporation:

| Yes | No |
|-----|----|
| | ✓ |

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on **Form 851**, Affiliations Schedule? For rules of constructive ownership, see instructions .
If "Yes," complete (i) through (iv).

| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage Owned in Voting Stock |
|-------------------------|--|--------------------------------|---------------------------------------|
| | | | |
| | | | |
| | | | |
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| | | | |

DRAFT AS OF
July 29, 2008

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions .
If "Yes," complete (i) through (iv).

| Yes | No |
|-----|----|
| | ✓ |

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Country of Organization | (iv) Maximum Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|-------------------------------|---|
| | | | |
| | | | |
| | | | |
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| | | | |
| | | | |
| | | | |

6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)
If "Yes," file **Form 5452**, Corporate Report of Nondividend Distributions.

| Yes | No |
|-----|----|
| | ✓ |

If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?
For rules of attribution, see section 318. If "Yes," enter:

| Yes | No |
|-----|----|
| | ✓ |

(i) Percentage owned ▶ _____ and **(ii)** Owner's country ▶ _____

(c) The corporation may have to file **Form 5472**, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶
If checked, the corporation may have to file **Form 8281**, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here ▶

If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year **and** its total assets at the end of the tax year less than \$250,000?

| Yes | No |
|-----|----|
| | ✓ |

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$ _____

| Schedule L | Balance Sheets per Books | Beginning of tax year | | End of tax year | |
|---|---|-----------------------|-------------|-----------------|-------------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 1,400,129 | | (1,084,483) |
| 2a | Trade notes and accounts receivable | 67,505,582 | | 88,009,947 | |
| b | Less allowance for bad debts | (3,565,083) | 63,940,499 | (3,429,116) | 84,580,831 |
| 3 | Inventories | | 96,446,105 | | 131,237,456 |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets (attach schedule) | | 58,184,400 | | 17,472,554 |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (attach schedule) | | 391,810,173 | | 500,835,921 |
| 10a | Buildings and other depreciable assets | 165,666,792 | | 191,729,290 | |
| b | Less accumulated depreciation | (114,027,850) | 51,638,942 | (117,663,548) | 74,065,742 |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | | | | |
| 12 | Land (net of any amortization) | | 3,046,857 | | 3,058,582 |
| 13a | Intangible assets (amortizable only) | 9,649,921 | | 17,146,830 | |
| b | Less accumulated amortization | (5,122,236) | 4,527,685 | (6,175,345) | 10,971,485 |
| 14 | Other assets (attach schedule) | | 25,320,662 | | 39,650,087 |
| 15 | Total assets | | 696,315,452 | | 860,788,175 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 17,736,997 | | 26,805,004 |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | 45,556,804 | | 57,898,678 |
| 18 | Other current liabilities (attach schedule) | | 47,235,461 | | 56,200,717 |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | 216,040,151 | | 268,662,559 |
| 21 | Other liabilities (attach schedule) | | 2,039,040 | | (269,375) |
| 22 | Capital stock: a Preferred stock | | | | |
| | b Common stock | | 40,156,378 | 40,315,772 | 40,315,772 |
| 23 | Additional paid-in capital | | 278,955,000 | | 282,772,118 |
| 24 | Retained earnings—Appropriated (attach schedule) | | | | |
| 25 | Retained earnings—Unappropriated | | 48,595,621 | | 136,104,313 |
| 26 | Adjustments to shareholders' equity (attach schedule) | | | | |
| 27 | Less cost of treasury stock | | | | (7,701,611) |
| 28 | Total liabilities and shareholders' equity | | 696,315,452 | | 860,788,175 |

| Schedule M-1 | | Reconciliation of Income (Loss) per Books With Income per Return | | |
|--|---|--|----|--|
| Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions | | | | |
| 1 | Net income (loss) per books | | 7 | Income recorded on books this year not included on this return (itemize): |
| 2 | Federal income tax per books | | | Tax-exempt interest \$ _____ |
| 3 | Excess of capital losses over capital gains | | | _____ |
| 4 | Income subject to tax not recorded on books this year (itemize): _____ | | | _____ |
| 5 | Expenses recorded on books this year not deducted on this return (itemize): | | 8 | Deductions on this return not charged against book income this year (itemize): |
| a | Depreciation \$ _____ | | a | Depreciation \$ _____ |
| b | Charitable contributions \$ _____ | | b | Charitable contributions \$ _____ |
| c | Travel and entertainment \$ _____ | | | _____ |
| 6 | Add lines 1 through 5 | | 9 | Add lines 7 and 8 |
| | | | 10 | Income (page 1, line 28)—line 6 less line 9 |

| Schedule M-2 | | Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L) | | |
|--------------|--|--|---|---|
| 1 | Balance at beginning of year | 48,595,621 | 5 | Distributions: a Cash |
| 2 | Net income (loss) per books | 80,174,706 | | b Stock |
| 3 | Other increases (itemize): _____ | | | c Property |
| | | | 6 | Other decreases (itemize): _____ |
| | | 7,333,986 | 7 | Add lines 5 and 6 |
| 4 | Add lines 1, 2, and 3 | 136,104,313 | 8 | Balance at end of year (line 4 less line 7) |
| | | | | 136,104,313 |

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No. 1545-0123

2008

Name

Hide 'N Seek Foods, Inc - Consolidated Sch D

Employer identification number

11 0000002

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

| (a) Description of property (Example: 100 shares of Z Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price (see instructions) | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|---|--------------------------------------|----------------------------------|---------------------------------------|--|---|
| 1 | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 2 Short-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 2 |
| 3 Short-term gain or (loss) from like-kind exchanges from Form 8824 | | | | | 3 |
| 4 Unused capital loss carryover (attach computation) | | | | | 4 () |
| 5 Net short-term capital gain or (loss). Combine lines 1 through 4 | | | | | 5 |

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

| | | | | | |
|--|--|--|--|--|-------------------|
| 6 Passthru from Ptnrsp | | | | | 306,060 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 7 Enter gain from Form 4797, line 7 or 9 | | | | | 7 103,882 |
| 8 Long-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 8 |
| 9 Long-term gain or (loss) from like-kind exchanges from Form 8824 | | | | | 9 |
| 10 Capital gain distributions (see instructions) | | | | | 10 |
| 11 Net long-term capital gain or (loss). Combine lines 6 through 10 | | | | | 11 409,942 |

Part III Summary of Parts I and II

| | | | | | |
|--|--|--|--|--|-------------------|
| 12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11) | | | | | 12 |
| 13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5) | | | | | 13 409,942 |
| 14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns | | | | | 14 409,942 |

Note. If losses exceed gains, see **Capital losses** in the instructions.

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.
▶ See separate instructions.

OMB No. 1545-0123

2008

Name: **Hide 'N Seek Foods, Inc.** Employer identification number: **11 0000002**

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

| (a) Description of property (Example: 100 shares of Z Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price (see instructions) | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|---|--|----------------------------------|---------------------------------------|--|---|
| 1 | | | | | |
| 2 | Short-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | 2 |
| 3 | Short-term gain or (loss) from like-kind exchanges from Form 8824 | | | | 3 |
| 4 | Unused capital loss carryover (attach computation) | | | | 4 () |
| 5 | Net short-term capital gain or (loss). Combine lines 1 through 4 | | | | 5 |

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

| | | | | | |
|----|---|--|--|--|-------------------|
| 6 | Passthru from Ptnrsp | | | | 103,883 |
| 7 | Enter gain from Form 4797, line 7 or 9 | | | | 7 103,882 |
| 8 | Long-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | 8 |
| 9 | Long-term gain or (loss) from like-kind exchanges from Form 8824 | | | | 9 |
| 10 | Capital gain distributions (see instructions) | | | | 10 |
| 11 | Net long-term capital gain or (loss). Combine lines 6 through 10 | | | | 11 207,765 |

Part III Summary of Parts I and II

| | | | | | |
|----|--|--|--|--|-------------------|
| 12 | Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11) | | | | 12 |
| 13 | Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5) | | | | 13 207,765 |
| 14 | Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns | | | | 14 207,765 |

Note. If losses exceed gains, see **Capital losses** in the instructions.

Form 1120 Test Scenario 2

**SCHEDULE D
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ See separate instructions.

OMB No. 1545-0123

2008

Name

The Greek Playhouse

Employer identification number

11 000012

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

| (a) Description of property (Example: 100 shares of Z Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price (see instructions) | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|---|--------------------------------------|----------------------------------|---------------------------------------|--|---|
| 1 | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 2 Short-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 2 |
| 3 Short-term gain or (loss) from like-kind exchanges from Form 8824 | | | | | 3 |
| 4 Unused capital loss carryover (attach computation) | | | | | 4 () |
| 5 Net short-term capital gain or (loss). Combine lines 1 through 4 | | | | | 5 |

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

| | | | | | |
|--|--|--|--|--|-------------------|
| 6 Passthru from Ptnrsp | | | | | 220,747 |
| | | | | | |
| | | | | | |
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| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 7 Enter gain from Form 4797, line 7 or 9 | | | | | 7 |
| 8 Long-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 8 |
| 9 Long-term gain or (loss) from like-kind exchanges from Form 8824 | | | | | 9 |
| 10 Capital gain distributions (see instructions) | | | | | 10 |
| 11 Net long-term capital gain or (loss). Combine lines 6 through 10 | | | | | 11 220,747 |

Part III Summary of Parts I and II

| | | | | | |
|--|--|--|--|--|-------------------|
| 12 Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11) | | | | | 12 |
| 13 Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5) | | | | | 13 220,747 |
| 14 Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns | | | | | 14 220,747 |

Note. If losses exceed gains, see **Capital losses** in the instructions.



Form 1120 Test Scenario 2

SCHEDULE D
(Form 1120)

Capital Gains and Losses

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND,
1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

See separate instructions.

2008

Name

Acme Foods Corp

Employer identification number

11 0000013

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

Table with 6 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) Gain or (loss). Includes summary rows 2-5.

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

Table with 6 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) Gain or (loss). Includes summary rows 7-11.

Part III Summary of Parts I and II

Table with 6 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) Gain or (loss). Includes summary rows 12-14.

Note. If losses exceed gains, see Capital losses in the instructions.

For Paperwork Reduction Act Notice, see the Instructions for Form 1120.

Cat. No. 11460M

Schedule D (Form 1120) (2008)

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2008

Department of the Treasury
Internal Revenue Service

© Attach to Form 1120 or 1120-C.
© See separate instructions.

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.-Consolidated

Employer identification number

11-0000002

- Check applicable box(es):
- (1) Non-consolidated return
 - (2) Consolidated return (Form 1120 only)
 - (3) Mixed 1120/L/PC group
 - (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning Jan 1, 2008 Ending Dec 31, 2008
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock **H I D S K**

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock **9 5 9 9 5 9 9 5 9**

| | | |
|--|------------|----------------------|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | 82,461,378 |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | (2,304,041) |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | 105,264 |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (attach schedule) | 7b | |
| c Net income (loss) of other includible entities (attach schedule) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | (37,895) |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach schedule) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach schedule) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2. | 11 | 80,224,706 |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|---------------------------------------|--------------|-------------------|
| a Included on Part I, line 4 © | | |
| b Removed on Part I, line 5 © | | |
| c Removed on Part I, line 6 © | | |
| d Included on Part I, line 7 © | | |

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.-Consolidated

Employer identification number

11-0000002

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Employer identification number

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach schedules for lines 1 through 11) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | 2,304,041 | | 2,304,041 |
| 4 Section 78 gross-up | | | | |
| 5 Gross foreign distributions previously taxed | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations | | | | |
| 9 Income (loss) from U.S. partnerships | 59,338,000 | (8,759,992) | | 50,578,008 |
| 10 Income (loss) from foreign partnerships | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 | | | | |
| Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income (attach Form 8916-A) | 1,032,236 | 1,916,545 | | 2,948,781 |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (attach Form 8916-A) | (278,001,856) | (9,438,607) | | (287,440,463) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | (39,914) | | 39,914 | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | 189,195 | | 189,195 |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | 530,308 | | 530,308 |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach schedule) | 1,710,800 | (4,032,268) | | (2,321,468) |
| 26 Total income (loss) items. Combine lines 1 through 25 | (215,960,734) | (17,290,778) | 39,914 | (233,211,598) |
| 27 Total expense/deduction items (from Part III, line 36) | (109,192,583) | 9,009,599 | 11,095,257 | (89,087,727) |
| 28 Other items with no differences | 405,378,023 | | | 405,378,023 |
| 29a Mixed groups, see instructions. All others, combine lines 26 through 28 | 80,224,706 | (8,281,179) | 11,135,171 | 83,078,698 |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 80,224,706 | (8,281,179) | 11,135,171 | 83,078,698 |

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

| | |
|--|---|
| Name of corporation (common parent, if consolidated return) Hide 'N Seek Foods Inc.-Consolidated | Employer identification number 11-0000002 |
| Check applicable box(es): (1) <input checked="" type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |
| Name of subsidiary (if consolidated return) | Employer identification number |

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

| | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 16,001,211 | | (16,001,211) | |
| 2 U.S. deferred income tax expense | (145,423) | | 145,423 | |
| 3 State and local current income tax expense | 5,059,930 | 666,594 | | 5,726,524 |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (attach Form 8916-A) | 21,363,522 | 71,196 | | 21,434,718 |
| 9 Stock option expense | | | 6,214,608 | 6,214,608 |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 2,683,589 | | (1,524,280) | 1,159,309 |
| 12 Fines and penalties | 5,204 | | (5,204) | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | 2,227,414 | | | 2,227,414 |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | 73,362 | | 75,407 | 148,769 |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 971,988 | 1,445,968 | | 2,417,956 |
| 29 Section 198 environmental remediation costs | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | 1,651,217 | 5,317 | | 1,656,534 |
| 32 Bad debt expense | 433,028 | (54,260) | | 378,768 |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Other expense/deduction items with differences (attach schedule) | 58,867,541 | (11,144,414) | | 47,723,127 |
| 36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 109,192,583 | (9,009,599) | 11,095,257 | 89,087,727 |

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2008

Department of the Treasury
Internal Revenue Service

© Attach to Form 1120 or 1120-C.
© See separate instructions.

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.

Employer identification number

11-000002

- Check applicable box(es):
- (1) Non-consolidated return
 - (2) Consolidated return (Form 1120 only)
 - (3) Mixed 1120/L/PC group
 - (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning MM/DD/YYYY Ending MM/DD/YYYY
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

- b** Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|
- c** Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

| | | |
|--|------------|-----|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | () |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (attach schedule) | 7b | |
| c Net income (loss) of other includible entities (attach schedule) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach schedule) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach schedule) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2. | 11 | |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|--|--------------|-------------------|
| a Included on Part I, line 4 © | | |
| b Removed on Part I, line 5 © | | |
| c Removed on Part I, line 6 © | | |
| d Included on Part I, line 7 © | | |

| | |
|--|---|
| Name of corporation (common parent, if consolidated return) Hide 'N Seek Foods Inc. | Employer identification number 11-0000002 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input checked="" type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |

| | |
|--|---|
| Name of subsidiary (if consolidated return) Hide 'N Seek Foods, Inc. | Employer identification number 11-0000002 |
|--|---|

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items (Attach schedules for lines 1 through 11) | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | 2,304,041 | | 2,304,041 |
| 4 Section 78 gross-up | | | | |
| 5 Gross foreign distributions previously taxed | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations | | | | |
| 9 Income (loss) from U.S. partnerships | | (59,869) | | (59,869) |
| 10 Income (loss) from foreign partnerships | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 | | | | |
| Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income (attach Form 8916-A) | 1,221,456 | | | 1,221,456 |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (attach Form 8916-A) | (256,751,409) | (9,161,241) | | (265,912,650) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | (43,256) | | 43,256 | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | 207,765 | | 207,765 |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | 528,161 | | 528,161 |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach schedule) | 977,052 | (3,206,156) | | (2,229,104) |
| 26 Total income (loss) items. Combine lines 1 through 25 | (254,596,157) | (9,387,299) | 43,256 | (263,940,200) |
| 27 Total expense/deduction items (from Part III, line 36) | (85,001,618) | (1,678,423) | 3,046,579 | (83,633,462) |
| 28 Other items with no differences | 380,985,705 | | | 380,985,705 |
| 29a Mixed groups, see instructions. All others, combine lines 26 through 28 | 41,387,930 | (11,065,722) | 3,089,835 | 33,412,043 |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 41,387,930 | (11,065,722) | 3,089,835 | 33,412,043 |

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

| | |
|--|---|
| Name of corporation (common parent, if consolidated return) Hide 'N Seek Foods Inc. | Employer identification number 11-0000002 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input checked="" type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |

| | |
|--|---|
| Name of subsidiary (if consolidated return) Hide 'N Seek Foods, Inc. | Employer identification number 11-0000002 |
|--|---|

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

| | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 8,117,700 | | (8,117,700) | |
| 2 U.S. deferred income tax expense | (73,776) | | 73,776 | |
| 3 State and local current income tax expense | 4,351,535 | (176,713) | | 4,174,822 |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (attach Form 8916-A) | 21,342,118 | 71,196 | | 21,413,314 |
| 9 Stock option expense | | | 6,214,608 | 6,214,608 |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 2,362,058 | | (1,257,819) | 1,104,239 |
| 12 Fines and penalties | 5,204 | | (5,204) | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | 2,006,997 | | | 2,006,997 |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | 71,593 | | 45,760 | 117,353 |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 519,407 | 1,563,199 | | 2,082,606 |
| 29 Section 198 environmental remediation costs | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | 1,469,944 | | | 1,469,944 |
| 32 Bad debt expense | 334,250 | 39,799 | | 374,049 |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Other expense/deduction items with differences (attach schedule) | 44,494,588 | 180,942 | | 44,675,530 |
| 36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 85,001,618 | 1,678,423 | (3,046,579) | 83,633,462 |

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2008

Department of the Treasury
Internal Revenue Service

© Attach to Form 1120 or 1120-C.
© See separate instructions.

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.

Employer identification number

11-0000002

- Check applicable box(es):
- (1) Non-consolidated return
 - (2) Consolidated return (Form 1120 only)
 - (3) Mixed 1120/L/PC group
 - (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning MM/DD/YYYY Ending MM/DD/YYYY
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

- b** Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|
- c** Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

| | | |
|--|------------|-----|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | () |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (attach schedule) | 7b | |
| c Net income (loss) of other includible entities (attach schedule) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach schedule) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach schedule) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2. | 11 | |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|--|--------------|-------------------|
| a Included on Part I, line 4 © | | |
| b Removed on Part I, line 5 © | | |
| c Removed on Part I, line 6 © | | |
| d Included on Part I, line 7 © | | |

| | |
|--|--|
| Name of corporation (common parent, if consolidated return) Hide 'N Seek Foods Inc. | Employer identification number 11-000002 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input checked="" type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |

| | |
|---|--|
| Name of subsidiary (if consolidated return) Greek Playhouse | Employer identification number 11-000012 |
|---|--|

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| Income (Loss) Items (Attach schedules for lines 1 through 11) | | | | |
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Section 78 gross-up | | | | |
| 5 Gross foreign distributions previously taxed | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations | | | | |
| 9 Income (loss) from U.S. partnerships | | 220,747 | | 220,747 |
| 10 Income (loss) from foreign partnerships | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 | | | | |
| Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income (attach Form 8916-A) | (664,423) | 664,423 | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (attach Form 8916-A) | (315,431) | | | (315,431) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | 2,147 | | (2,147) | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | 2,147 | | 2,147 |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach schedule) | 7,844 | (7,844) | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | (969,863) | 879,473 | (2,147) | (92,537) |
| 27 Total expense/deduction items (from Part III, line 36) | 3,272,141 | (3,907,654) | 554,210 | (81,303) |
| 28 Other items with no differences | 346,071 | | | 346,071 |
| 29a Mixed groups, see instructions. All others, combine lines 26 through 28 | 2,648,349 | (3,028,181) | 552,063 | 172,231 |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 2,648,349 | (3,028,181) | 552,063 | 172,231 |

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.

Employer identification number

11-000002

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Greek Playhouse

Employer identification number

11-000012

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 502,343 | | (502,343) | |
| 2 U.S. deferred income tax expense | (4,565) | | 4,565 | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (attach Form 8916-A) | 2,142 | | | 2,142 |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 74,715 | | (72,246) | 2,469 |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | (212) | | 15,814 | 15,602 |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | (8,288) | 8,288 | | |
| 29 Section 198 environmental remediation costs | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | 2,286 | 5,317 | | 7,603 |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Other expense/deduction items with differences (attach schedule) | (3,840,562) | 3,894,049 | | 53,487 |
| 36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | (3,272,141) | 3,907,654 | (554,210) | 81,303 |

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2008

Department of the Treasury
Internal Revenue Service

© Attach to Form 1120 or 1120-C.
© See separate instructions.

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.

Employer identification number

11-0000002

- Check applicable box(es):
- (1) Non-consolidated return
 - (2) Consolidated return (Form 1120 only)
 - (3) Mixed 1120/L/PC group
 - (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning MM/DD/YYYY Ending MM/DD/YYYY
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

- b** Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|
- c** Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

| | | |
|--|------------|-----|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | () |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (attach schedule) | 7b | |
| c Net income (loss) of other includible entities (attach schedule) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach schedule) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach schedule) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2. | 11 | |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|--|--------------|-------------------|
| a Included on Part I, line 4 © | | |
| b Removed on Part I, line 5 © | | |
| c Removed on Part I, line 6 © | | |
| d Included on Part I, line 7 © | | |

| | |
|--|--|
| Name of corporation (common parent, if consolidated return) Hide 'N Seek Foods Inc. | Employer identification number 11-000002 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input checked="" type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |

| | |
|--|--|
| Name of subsidiary (if consolidated return) Acme Food Corp | Employer identification number 11-000013 |
|--|--|

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|--|--|--------------------------------|--------------------------------|--|
| Income (Loss) Items (Attach schedules for lines 1 through 11) | | | | |
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Section 78 gross-up | | | | |
| 5 Gross foreign distributions previously taxed | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations | | | | |
| 9 Income (loss) from U.S. partnerships | 59,338,000 | (8,920,870) | | 50,417,130 |
| 10 Income (loss) from foreign partnerships | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income (attach Form 8916-A) | 475,203 | 1,252,122 | | 1,727,325 |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (attach Form 8916-A) | (20,935,016) | (277,366) | | (21,212,382) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | 1,195 | | (1,195) | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | (18,570) | | (18,570) |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach schedule) | 725,904 | (818,268) | | (92,364) |
| 26 Total income (loss) items. Combine lines 1 through 25 | 39,605,286 | (8,782,952) | (1,195) | 30,821,139 |
| 27 Total expense/deduction items (from Part III, line 36) | (27,463,106) | 14,595,676 | 7,494,468 | (5,372,962) |
| 28 Other items with no differences | 24,046,247 | | | 24,046,247 |
| 29a Mixed groups, see instructions. All others, combine lines 26 through 28 | 36,188,427 | 5,812,724 | 7,493,273 | 49,494,424 |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 36,188,427 | 5,812,724 | 7,493,273 | 49,494,424 |

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

Name of corporation (common parent, if consolidated return)

Hide 'N Seek Foods Inc.

Employer identification number

11-000002

Check applicable box(es): (1) Consolidated group (2) Parent corp (3) Consolidated eliminations (4) Subsidiary corp (5) Mixed 1120/L/PC group

Check if a sub-consolidated: (6) 1120 group (7) 1120 eliminations

Name of subsidiary (if consolidated return)

Acme Foods Inc.

Employer identification number

11-000013

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | 7,381,168 | | (7,381,168) | |
| 2 U.S. deferred income tax expense | (67,082) | | 67,082 | |
| 3 State and local current income tax expense | 708,395 | 843,307 | | 1,551,702 |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (attach Form 8916-A) | 19,262 | | | 19,262 |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | 246,816 | | (194,215) | 52,601 |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | 220,417 | | | 220,417 |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 Charitable contribution of cash and tangible property | 1,981 | | 13,833 | 15,814 |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | 460,869 | (125,519) | | 335,350 |
| 29 Section 198 environmental remediation costs | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | 178,987 | | | 178,987 |
| 32 Bad debt expense | 98,778 | (94,059) | | 4,719 |
| 33 Corporate owned life insurance premiums | | | | |
| 34 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Other expense/deduction items with differences (attach schedule) | 18,213,515 | (15,219,405) | | 2,994,110 |
| 36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 27,463,106 | (14,595,676) | (7,494,468) | 5,372,962 |

Form 1120 Test Scenario 2

**SCHEDULE N
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Foreign Operations of U.S. Corporations

▶ Attach to Form 1120, 1120-C, 1120-IC-DISC, 1120-L,
1120-PC, 1120-REIT, 1120-RIC, or 1120S.

OMB No. 1545-0123

2008

Name

Hide 'n Seek Foods, Inc.

Employer identification number (EIN)

11

000002

Foreign Operations Information

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1a During the tax year, did the corporation own (directly or indirectly) any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 , Information Return of U.S. Persons With Respect to Foreign Disregarded Entities, for each foreign disregarded entity (see instructions). | | <input checked="" type="checkbox"/> |
| b Enter the number of Forms 8858 attached to the tax return ▶ ----- | | |
| 2 Enter the number of Forms 8865 , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to the corporation's income tax return ▶ ----- | | |
| 3 Excluding any partnership for which a Form 8865 is attached to the tax return, did the corporation own at least a 10% interest, directly or indirectly, in any other foreign partnership (including an entity treated as a foreign partnership under Regulations section 301.7701-2 or 301.7701-3)? If "Yes," see instructions for required attachment. | | <input checked="" type="checkbox"/> |
| 4a Was the corporation a U.S. shareholder of any controlled foreign corporation (CFC)? (See sections 951 and 957.) . If "Yes," attach Form 5471 , Information Return of U.S. Persons With Respect to Certain Foreign Corporations, for each CFC. | <input checked="" type="checkbox"/> | |
| b Enter the number of Forms 5471 attached to the tax return ▶ ----- 3 | | |
| 5 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520 , Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. | | <input checked="" type="checkbox"/> |
| 6a At any time during the 2008 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts. | | <input checked="" type="checkbox"/> |
| b If "Yes," enter the name of the foreign country ▶ ----- | | |
| 7a Is the corporation claiming the extraterritorial income exclusion? If "Yes," attach a separate Form 8873 , Extraterritorial Income Exclusion, for each transaction or group of transactions. | | <input checked="" type="checkbox"/> |
| b Enter the number of Forms 8873 attached to the tax return ▶ ----- | | |
| c Enter the total of the amounts from line 52 (extraterritorial income exclusion (net of disallowed deductions)) of all Forms 8873 attached to the tax return ▶ \$ | | |

Affiliations Schedule

► **File with each consolidated income tax return.**

OMB No. 1545-0025

For tax year ending **12/31**

2008

Name of common parent corporation

Hide 'N Seek Foods, Inc.

Employer identification number

11 : 0000002

Number, street, and room or suite no. If a P.O. box, see instructions.

32 Any Street

City or town, state, and ZIP code

Anytown, TX 77287

Part I Overpayment Credits, Estimated Tax Payments, and Tax Deposits (see instructions)

| Corp. No. | Name and address of corporation | Employer identification number | Portion of overpayment credits and estimated tax payments | Portion of tax deposited with Form 7004 |
|--|--|--------------------------------|---|---|
| 1 | Common parent corporation | | 20,232,650 | |
| 2 | Subsidiary corporations: The Greek Playhouse 60 Any Street Anytown, TX 78621 | 11 0000012 | | |
| 3 | Acme Food Corp 61 Any Street Anytown, TX 78621 | 11 0000013 | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | | | | |
| 9 | | | | |
| 10 | | | | |
| Totals (Must equal amounts shown on the consolidated tax return.) . . . ► | | | | |

Part II Principal Business Activity, Voting Stock Information, Etc. (see instructions)

| Corp. No. | Principal business activity (PBA) | PBA Code No. | Did the subsidiary make any nondividend distributions? | | Stock holdings at beginning of year | | | |
|-----------|--|---------------|--|----|-------------------------------------|-------------------------|------------------|--------------------------|
| | | | Yes | No | Number of shares | Percent of voting power | Percent of value | Owned by corporation no. |
| 1 | Common parent corporation Food Manufacturing | 311900 | | | | | | |
| 2 | Subsidiary corporations: Performing Arts Company | 711100 | | ✓ | 100 | 100 % | 100 % | |
| 3 | Crop Production | 111900 | | ✓ | 100 | 100 % | 100 % | |
| 4 | | | | | | % | % | |
| 5 | | | | | | % | % | |
| 6 | | | | | | % | % | |
| 7 | | | | | | % | % | |
| 8 | | | | | | % | % | |
| 9 | | | | | | % | % | |
| 10 | | | | | | % | % | |

Part III Changes in Stock Holdings During the Tax Year

| Corp. No. | Name of corporation | Shareholder of Corporation No. | Date of transaction | (a) Changes | | (b) Shares held after changes described in column (a) | |
|-----------|----------------------------|--------------------------------|---------------------|---------------------------|------------------------------|---|------------------|
| | | | | Number of shares acquired | Number of shares disposed of | Percent of voting power | Percent of value |
| 2 | The Greek Playhouse | 1 | 11/15/08 | 1,000 | | 100 % | 100 % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |
| | | | | | | % | % |

- (c) If any transaction listed above caused either a deconsolidation of a subsidiary or a deconsolidation of any share of subsidiary stock and afterward, any member continued to hold stock of the subsidiary, did the basis of any retained share exceed its value immediately before the deconsolidation? If "Yes," see the instructions for details. **Yes** **No**
- (d) Is the group deducting a loss recognized on the disposition of the stock of a subsidiary? If "Yes," see the instructions for details, including the statements that must be attached. **Yes** **No**
- (e) If the equitable owners of any capital stock shown above were other than the holders of record, provide details of the changes.

(f) If additional stock was issued, or if any stock was retired during the year, list the dates and amounts of these transactions.

Part IV Additional Stock Information (see instructions)

1 During the tax year, did the corporation have more than one class of stock outstanding? **Yes** **No**
 If "Yes," enter the name of the corporation and list and describe each class of stock.

| Corp. No. | Name of corporation | Class of stock |
|-----------|---------------------|----------------|
| | | |
| | | |
| | | |
| | | |

2 During the tax year, was there any member of the consolidated group that reaffiliated within 60 months of disaffiliation? **Yes** **No**
 If "Yes," enter the name of the corporation(s) and explain the circumstances.

| Corp. No. | Name of corporation | Explanation |
|-----------|---------------------|-------------|
| | | |
| | | |
| | | |
| | | |

3 During the tax year, was there any arrangement in existence by which one or more persons that were not members of the affiliated group could acquire any stock, or acquire any voting power without acquiring stock, in the corporation, other than a de minimis amount, from the corporation or another member of the affiliated group? **Yes** **No**
 If "Yes," enter the name of the corporation and see the instructions for what to enter in Items 3a, 3b, 3c, and 3d.

| Corp. No. | Name of corporation | Item 3a | Item 3b | Item 3c |
|-----------|---------------------|---------|---------|---------|
| | | % | % | % |
| | | % | % | % |
| | | % | % | % |
| | | % | % | % |

| Corp. No. | Item 3d—Provide a description of any arrangement. |
|-----------|---|
| | |
| | |
| | |
| | |

Form **1122**
 (Rev. December 2003)
 Department of the Treasury
 Internal Revenue Service

Authorization and Consent of Subsidiary Corporation To Be Included in a Consolidated Income Tax Return

▶ Attach to the consolidated income tax return.

For the calendar year 20 **08** , or other tax year beginning _____ , 20 _____ and ending _____ , 20 _____

| | |
|------------------------------------|--|
| Name The Greek Playhouse | Employer identification number 11 000012 |
|------------------------------------|--|

Number, street, and room or suite no.
60 Any Street

City or town, state, and ZIP code
Anytown, Tx 78621

| | |
|---|--|
| Name of parent corporation Hide 'N Seek Foods, Inc. | Employer identification number 11 000002 |
|---|--|

| | |
|--|--|
| The subsidiary corporation named above authorizes its parent corporation to include it in a consolidated return for the tax year indicated and for each subsequent year the group must file a consolidated return under the applicable regulations. If the parent corporation does not file a consolidated return on | behalf of the subsidiary, the subsidiary authorizes the Commissioner of the Internal Revenue Service or an IRS official to do so. The subsidiary consents to be bound by the provisions of the consolidated return regulations. |
|--|--|

| | |
|--|--|
| Sign Here | Under penalties of perjury, I declare that the subsidiary named above has authorized me to sign this form on its behalf, that I have examined this form and the information contained herein, and to the best of my knowledge and belief, it is true, correct, and complete. |
| ▶ _____ Signature of subsidiary officer | _____ Date |
| | ▶ Assistant Treasurer Title |

Instructions for the subsidiary corporation. Complete and submit an original, signed Form 1122 to the common parent corporation of the consolidated group for the first tax year the subsidiary consents to be included in the group's consolidated income tax return.

Instructions for the parent corporation filing the consolidated return. The common parent corporation of a consolidated group must attach a separate Form 1122 to the group's consolidated income tax return for each subsidiary

corporation for the first tax year each subsidiary consents to be included in the consolidated return. Attach to the consolidated return either the signed Form 1122 or an unsigned version containing the same information stated on the signed form. If the parent corporation submits an unsigned Form 1122, it must retain the original, signed form in its records.



Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|--|--|---|
| Name(s) shown on return Hide 'N Seek Foods, Inc. | Business or activity to which this form relates Food Manufacturing | Identifying number 11-0000002 |
|--|--|---|

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|------------------------------------|---|-------------------------------------|-------------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| (a) Description of property | | (b) Cost (business use only) | (c) Elected cost |
| 6 | | | |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|------------|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | 11,051,564 |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|------------------|--|----|-----------|
| Section A | | | |
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 4,538,703 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | 19,997,007 | 5 | HY | 200DB | 4,002,999 |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|------------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 19,593,266 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | 89,913 |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | % | | | | S/L - | | |
| | | % | | | | S/L - | | |
| | | % | | | | S/L - | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. | | | | | | | 28 | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. | | | | | | | | 29 |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | Vehicle 1 | | Vehicle 2 | | Vehicle 3 | | Vehicle 4 | | Vehicle 5 | | Vehicle 6 | |
|---|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are **not** more than 5% owners or related persons (see instructions).

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2008 tax year (see instructions): | | | | | 2,417,956 |
| 43 Amortization of costs that began before your 2008 tax year. | | | | 43 | |
| 44 Total. Add amounts in column (f). See the instructions for where to report. | | | | 44 | 2,417,956 |

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|--|--|--|
| Name(s) shown on return Hide 'N Seek Foods, Inc. | Business or activity to which this form relates Food Manufacturing | Identifying number 11-000002 |
|--|--|--|

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|------------------------------------|---|-------------------------------------|-------------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| (a) Description of property | | (b) Cost (business use only) | (c) Elected cost |
| 6 | | | |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|------------|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | 10,163,988 |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|------------------|--|----|-----------|
| Section A | | | |
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 2,900,522 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | 19,986,212 | 5 | HY | 200DB | 3,999,401 |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|------------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 17,063,911 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | 68,255 |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | % | | | | S/L - | | |
| | | % | | | | S/L - | | |
| | | % | | | | S/L - | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. | | | | | | | 28 | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. | | | | | | | | 29 |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | Vehicle 1 | | Vehicle 2 | | Vehicle 3 | | Vehicle 4 | | Vehicle 5 | | Vehicle 6 | |
|---|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) | (l) |
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2008 tax year (see instructions): | | | | | 2,082,606 |
| 43 Amortization of costs that began before your 2008 tax year. | | | | 43 | |
| 44 Total. Add amounts in column (f). See the instructions for where to report. | | | | 44 | 2,082,606 |

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|---|---|---|
| Name(s) shown on return The Greek Playhouse | Business or activity to which this form relates Performing Arts | Identifying number 11-0000012 |
|---|---|---|

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.
Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|--|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)
Section A

| | | | |
|----|--|----|-------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 4,005 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | 10,795 | 5 | HY | 200DB | 3,598 |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|-------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 7,603 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Rows 25-29.

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 columns for vehicles and 2 rows for personal use. Rows 30-36. Includes a large watermark 'Draft as of 06/02/2008'.

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table with 2 columns: Yes, No. Rows 37-41. Includes a note: Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Rows 42-44.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|--|---|---|
| Name(s) shown on return Acme Foods Corp. | Business or activity to which this form relates Crop Production | Identifying number 11-0000013 |
|--|---|---|

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|---------|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | 887,576 |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|--|----|-----------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 1,634,176 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|----------------|--|--|---------|----|-----|--|
| 20a Class life | | | | | S/L | |
| b 12-year | | | 12 yrs. | | S/L | |
| c 40-year | | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|-----------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 2,521,752 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | 21,658 |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Rows 25-29.

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 columns for vehicles and 2 rows for personal use. Rows 30-36. Includes a large watermark 'Draft as of 06/02/2008'.

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table with 2 columns: Yes, No. Rows 37-41. Includes a note: Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Rows 42-44.

Form **4626**

Alternative Minimum Tax—Corporations

OMB No. 1545-0175

2008

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **Hide 'N Seek Foods, Inc.** Employer identification number **11 ; 0000002**

Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

| | | | |
|-----------|--|-----------|--------------------|
| 1 | Taxable income or (loss) before net operating loss deduction | 1 | 83,078,698 |
| 2 | Adjustments and preferences: | | |
| a | Depreciation of post-1986 property | 2a | 5,498,317 |
| b | Amortization of certified pollution control facilities | 2b | |
| c | Amortization of mining exploration and development costs | 2c | |
| d | Amortization of circulation expenditures (personal holding companies only) | 2d | |
| e | Adjusted gain or loss | 2e | (453,363) |
| f | Long-term contracts | 2f | |
| g | Merchant marine capital construction funds | 2g | |
| h | Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only) | 2h | |
| i | Tax shelter farm activities (personal service corporations only) | 2i | |
| j | Passive activities (closely held corporations and personal service corporations only) | 2j | |
| k | Loss limitations | 2k | |
| l | Depletion | 2l | |
| m | Tax-exempt interest income from specified private activity bonds | 2m | |
| n | Intangible drilling costs | 2n | |
| o | Other adjustments and preferences | 2o | 2,013,113 |
| 3 | Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o | 3 | 90,136,765 |
| 4 | Adjusted current earnings (ACE) adjustment: | | |
| a | ACE from line 10 of the ACE worksheet in the instructions | 4a | 89,071,125 |
| b | Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions) | 4b | (1,065,640) |
| c | Multiply line 4b by 75% (.75). Enter the result as a positive amount | 4c | 799,230 |
| d | Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). Note: You <i>must</i> enter an amount on line 4d (even if line 4b is positive) | 4d | 1,668,227 |
| e | ACE adjustment. <ul style="list-style-type: none"> • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount | 4e | (799,230) |
| 5 | Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT | 5 | 89,337,535 |
| 6 | Alternative tax net operating loss deduction (see instructions) | 6 | |
| 7 | Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions | 7 | 89,337,535 |
| 8 | Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c): | | |
| a | Subtract \$150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- | 8a | |
| b | Multiply line 8a by 25% (.25) | 8b | |
| c | Exemption. Subtract line 8b from \$40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0- | 8c | 0 |
| 9 | Subtract line 8c from line 7. If zero or less, enter -0- | 9 | 89,337,535 |
| 10 | Multiply line 9 by 20% (.20) | 10 | 17,867,507 |
| 11 | Alternative minimum tax foreign tax credit (AMTFTC) (see instructions) | 11 | |
| 12 | Tentative minimum tax. Subtract line 11 from line 10 | 12 | 17,867,507 |
| 13 | Regular tax liability before applying all credits except the foreign tax credit | 13 | 29,077,544 |
| 14 | Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return | 14 | 0 |

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.▶ See separate instructions.

| | |
|---|---|
| Name(s) shown on return Hide 'N Seek Foods, Inc | Identifying number 11-0000002 |
|---|---|

| | |
|--|----------|
| 1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). | 1 |
|--|----------|

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 Partnership | | | | | | 106,029 |
| | | | | | | |
| | | | | | | |

| | |
|--|-------------------------|
| 3 Gain, if any, from Form 4684, line 39 | 3 |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | 4 |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | 5 |
| 6 Gain, if any, from line 32, from other than casualty or theft | 6 |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain on line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. | 7 106,029 |
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | 8 2,147 |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). | 9 103,882 |

Part II Ordinary Gain and Losses (see instructions)

| | |
|--|--|
| 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less) | |
| | |
| | |
| | |

| | |
|---|--------------------------|
| 11 Loss, if any, from line 7 | 11 () |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | 12 2,147 |
| 13 Gain, if any, from line 31 | 13 528,161 |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | 14 |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 |
| 17 Combine lines 10 through 16 | 17 530,308 |
| 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions | 18a |
| b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 | 18b |

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 | (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|---|--|-----------------------------------|-------------------------------|
| A | Equipment | various | Various |
| B | | | |
| C | | | |
| D | | | |
| These columns relate to the properties on lines 19A through 19D. ► | | Property A | Property B |
| 20 | Gross sales price (Note: See line 1 before completing.) | 708,077 | |
| 21 | Cost or other basis plus expense of sale | 3,408,615 | |
| 22 | Depreciation (or depletion) allowed or allowable | 3,228,699 | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 179,916 | |
| 24 | Total gain. Subtract line 23 from line 20 | 528,161 | |
| 25 | If section 1245 property: | | |
| a | Depreciation allowed or allowable from line 22 | 3,228,699 | |
| b | Enter the smaller of line 24 or 25a | 528,161 | |
| 26 | If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | |
| a | Additional depreciation after 1975 (see instructions) | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | | |
| c | Subtract line 26a from line 24. If residential rental property, line 24 is not more than line 26a, skip lines 26b and 26c | | |
| d | Additional depreciation after 1975 and before 1986 | | |
| e | Enter the smaller of line 26c or 26d | | |
| f | Section 291 amount (corporations only) | | |
| g | Add lines 26b, 26e, and 26f | 0 | |
| 27 | If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing small partnership). | | |
| a | Soil, water, and land clearing expenses | | |
| b | Line 27a multiplied by applicable percentage (see instructions) | | |
| c | Enter the smaller of line 24 or 27b | | |
| 28 | If section 1254 property: | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | | |
| b | Enter the smaller of line 24 or 28a | | |
| 29 | If section 1255 property: | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | | |
| b | Enter the smaller of line 24 or 29a (see instructions) | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | |
|-----------|---|----------------|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 528,161 |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 528,161 |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 0 |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|-----------|---|------------------------|
| 33 | Section 179 expense deduction or depreciation allowable in prior years | |
| 34 | Recomputed depreciation (see instructions) | |
| 35 | Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | |

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.▶ See separate instructions.

| | |
|--|---|
| Name(s) shown on return Hide 'N Seek Foods, Inc - Parent | Identifying number 11-0000002 |
|--|---|

| | |
|--|----------|
| 1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). | 1 |
|--|----------|

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 | | | | | | 103,882 |

| | |
|--|-------------------------|
| 3 Gain, if any, from Form 4684, line 39 | 3 |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | 4 |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | 5 |
| 6 Gain, if any, from line 32, from other than casualty or theft | 6 |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain on line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. | 7 103,882 |
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | 8 |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). | 9 |

Part II Ordinary Gains and Losses (see instructions)

| | |
|--|--|
| 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less) | |
|--|--|

| | |
|---|--------------------------|
| 11 Loss, if any, from line 7 | 11 () |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | 12 |
| 13 Gain, if any, from line 31 | 13 528,161 |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | 14 |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 |
| 17 Combine lines 10 through 16 | 17 528,161 |
| 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions | 18a |
| b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 | 18b |

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | | |
|---|-----------------------------------|-------------------------------|-------------------|-------------------|
| A Equipment | various | various | | |
| B | | | | |
| C | | | | |
| D | | | | |
| These columns relate to the properties on lines 19A through 19D. ► | Property A | Property B | Property C | Property D |
| 20 Gross sales price (Note: See line 1 before completing.) | 20 708,077 | | | |
| 21 Cost or other basis plus expense of sale | 21 3,408,615 | | | |
| 22 Depreciation (or depletion) allowed or allowable | 22 3,228,699 | | | |
| 23 Adjusted basis. Subtract line 22 from line 21 | 23 179,916 | | | |
| 24 Total gain. Subtract line 23 from line 20 | 24 528,161 | | | |
| 25 If section 1245 property: | | | | |
| a Depreciation allowed or allowable from line 22 | 25a 3,228,699 | | | |
| b Enter the smaller of line 24 or 25a | 25b 528,161 | | | |
| 26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | | |
| a Additional depreciation after 1975 (see instructions) | 26a | | | |
| b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | | | |
| c Subtract line 26a from line 24. If residential rental property, line 24 is not more than line 26a, skip lines 26b and 26c | 26c | | | |
| d Additional depreciation after 1975 and before 1986 | 26d | | | |
| e Enter the smaller of line 26c or 26d | 26e | | | |
| f Section 291 amount (corporations only) | 26f | | | |
| g Add lines 26b, 26e, and 26f | 26g | | | |
| 27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing small partnership). | | | | |
| a Soil, water, and land clearing expenses | 27a | | | |
| b Line 27a multiplied by applicable percentage (see instructions) | 27b | | | |
| c Enter the smaller of line 24 or 27b | 27c | | | |
| 28 If section 1254 property: | | | | |
| a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 28a | | | |
| b Enter the smaller of line 24 or 28a | 28b | | | |
| 29 If section 1255 property: | | | | |
| a Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | | | |
| b Enter the smaller of line 24 or 29a (see instructions) | 29b | | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | |
|---|-------------------|
| 30 Total gains for all properties. Add property columns A through D, line 24 | 30 528,161 |
| 31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 528,161 |
| 32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 0 |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|---|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 Recomputed depreciation (see instructions) | 34 | |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 | |

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.▶ See separate instructions.

| | |
|---|---|
| Name(s) shown on return The Greek Playhouse | Identifying number 11-0000012 |
|---|---|

| | |
|--|----------|
| 1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). | 1 |
|--|----------|

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|--|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 Partnership | | | | | | 2,147 |
| 3 Gain, if any, from Form 4684, line 39 | | | | | | 3 |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | | | | | | 4 |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 5 |
| 6 Gain, if any, from line 32, from other than casualty or theft | | | | | | 6 |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain on line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. | | | | | | 7 2,147 |
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | | | | | | 8 2,147 |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). | | | | | | 9 0 |

Part II Ordinary Gains and Losses (see instructions)

| | | | | | | |
|---|--|--|--|--|--|--------------------------|
| 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less) | | | | | | |
| 11 Loss, if any, from line 7 | | | | | | 11 () |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | | | | | | 12 2,147 |
| 13 Gain, if any, from line 31 | | | | | | 13 |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | | | | | | 14 |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | | | | | | 15 |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | | | | | | 16 |
| 17 Combine lines 10 through 16 | | | | | | 17 2,147 |
| 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 | | | | | | 18a 18b |

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 | (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|----|--|--------------------------------------|----------------------------------|
| A | | | |
| B | | | |
| C | | | |
| D | | | |
| | These columns relate to the properties on lines 19A through 19D. ► | Property A | Property B |
| 20 | Gross sales price (Note: See line 1 before completing.) | 20 | |
| 21 | Cost or other basis plus expense of sale | 21 | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 23 | |
| 24 | Total gain. Subtract line 23 from line 20 | 24 | |
| 25 | If section 1245 property: | | |
| a | Depreciation allowed or allowable from line 22 | 25a | |
| b | Enter the smaller of line 24 or 25a | 25b | |
| 26 | If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | |
| a | Additional depreciation after 1975 (see instructions) | 26a | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | |
| c | Subtract line 26a from line 24. If residential rental property, line 24 is not more than line 26a, skip lines 26c and 26e | 26c | |
| d | Additional depreciation after 1975 and before 1986 | 26d | |
| e | Enter the smaller of line 26c or 26d | 26e | |
| f | Section 291 amount (corporations only) | 26f | |
| g | Add lines 26b, 26e, and 26f | 26g | |
| 27 | If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing small partnership). | | |
| a | Soil, water, and land clearing expenses | 27a | |
| b | Line 27a multiplied by applicable percentage (see instructions) | 27b | |
| c | Enter the smaller of line 24 or 27b | 27c | |
| 28 | If section 1254 property: | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 28a | |
| b | Enter the smaller of line 24 or 28a | 28b | |
| 29 | If section 1255 property: | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | |
| b | Enter the smaller of line 24 or 29a (see instructions) | 29b | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | |
|----|---|----|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|----|---|------------------------|
| 33 | Section 179 expense deduction or depreciation allowable in prior years | 33 |
| 34 | Recomputed depreciation (see instructions) | 34 |
| 35 | Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 |

Form 1120 Test Scenario 2

Form **5471**

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01**, 20 **08**, and ending **12/31**, 20 **08**

Attachment
Sequence No. **121**

| | |
|---|---|
| Name of person filing this return Hide 'N Seek Foods, Inc. | A Identifying number 11-0000002 |
| Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 32 Any Street | B Category of filer (See instructions. Check applicable box(es): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> |
| City or town, state, and ZIP code Anytown, TX 78621 | C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100 % |
| Filer's tax year beginning 01/01 , 20 08 , and ending 12/31 , 20 08 | |

D Person(s) on whose behalf this information return is filed:

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|----------|-------------|------------------------|------------------------------|---------|----------|
| | | | Shareholder | Officer | Director |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

| | | | | |
|--|---|---|--|---|
| 1a Name and address of foreign corporation Foreign Corp. #1 65 Any Street, Anytown, Uruguay | b Employer identification number, if any c Country under whose laws incorporated Uruguay | | | |
| d Date of incorporation 06/05/1989 | e Principal place of business Uruguay | f Principal business activity code number 111900 | g Principal business activity Crop Production | h Functional currency Uruguayan Peso |

2 Provide the following information for the foreign corporation's accounting period stated above.

| | | | | | |
|--|---|------------------------------|---|--|--|
| a Name, address, and identifying number of branch office or agent (if any) in the United States | b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">(i) Taxable income or (loss)</td> <td style="width:50%; text-align: center;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> | (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) | | |
| (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) | | | | |
| | | | | | |
| c Name and address of foreign corporation's statutory or resident agent in country of incorporation | d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different Uruguay Accounting Department 64 Any Street, Anytown, TX 75668 | | | | |

Schedule A Stock of the Foreign Corporation

| (a) Description of each class of stock | (b) Number of shares issued and outstanding | |
|--|---|--------------------------------------|
| | (i) Beginning of annual accounting period | (ii) End of annual accounting period |
| Common | 5,000 | 5,000 |
| | | |
| | | |

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 49958V

Form **5471** (Rev. 12-2007)

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

| | (a) Name of country or U.S. possession | Amount of tax | | |
|---|---|----------------------------|------------------------|------------------------|
| | | (b) In foreign currency | (c) Conversion rate | (d) In U.S. dollars |
| 1 | U.S. | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | Total | | | |

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

| Assets | | (a) Beginning of annual accounting period | (b) End of annual accounting period |
|---|---|---|---|
| 1 | Cash | 650,000 | 2,299,236 |
| 2a | Trade notes and accounts receivable | | 460,000 |
| 2b | Less allowance for bad debts | () | () |
| 3 | Inventories | | |
| 4 | Other current assets (attach schedule) | | |
| 5 | Loans to shareholders and other related persons | | |
| 6 | Investment in subsidiaries (attach schedule) | | |
| 7 | Other investments (attach schedule) | | |
| 8a | Buildings and other depreciable assets | | |
| 8b | Less accumulated depreciation | () | () |
| 9a | Depletable assets | | |
| 9b | Less accumulated depletion | () | () |
| 10 | Land (net of any amortization) | | |
| 11 | Intangible assets: | | |
| 11a | a Goodwill | | |
| 11b | b Organization costs | | |
| 11c | c Patents, trademarks, and other intangible assets | | |
| 11d | d Less accumulated amortization for lines 11a, b, and c | () | () |
| 12 | Other assets (attach schedule) | 17,793,000 | 17,793,000 |
| 13 | Total assets | 18,443,000 | 20,552,236 |
| Liabilities and Shareholders' Equity | | | |
| 14 | Accounts payable | 0 | 200,395 |
| 15 | Other current liabilities (attach schedule) | | |
| 16 | Loans from shareholders and other related persons | | |
| 17 | Other liabilities (attach schedule) | | |
| 18 | Capital stock: | | |
| 18a | a Preferred stock | | |
| 18b | b Common stock | 17,650,000 | 17,650,000 |
| 19 | Paid-in or capital surplus (attach reconciliation) | | |
| 20 | Retained earnings | 793,000 | 2,701,841 |
| 21 | Less cost of treasury stock | () | () |
| 22 | Total liabilities and shareholders' equity | 18,443,000 | 20,552,236 |

Schedule G Other Information

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes No
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes No
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).
- 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? Yes No
- 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? Yes No

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

| | | | | |
|--|----------------------|-------------------------|-----------|-------------------|
| 1 Current year net income or (loss) per foreign books of account | | | 1 | 17,179,569 |
| 2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions): | Net Additions | Net Subtractions | | |
| a Capital gains or losses | | | | |
| b Depreciation and amortization | | | | |
| c Depletion | | | | |
| d Investment or incentive allowance | | | | |
| e Charges to statutory reserves | | | | |
| f Inventory adjustments | | | | |
| g Taxes | | | | |
| h Other (attach schedule) | | | | |
| 3 Total net additions | | | | |
| 4 Total net subtractions | | | | |
| 5a Current earnings and profits (line 1 plus line 3 minus line 4) | | | 5a | 17,179,569 |
| b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) | | | 5b | |
| c Combine lines 5a and 5b | | | 5c | 17,179,569 |
| d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)). Enter exchange rate used for line 5d ► 9.000 | | | 5d | 1,908,841 |

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

| | | | | |
|---|--|--|----------|------------------|
| 1 Subpart F income (line 38b, Worksheet A in the instructions) | | | 1 | 1,908,841 |
| 2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions) | | | 2 | |
| 3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) | | | 3 | |
| 4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) | | | 4 | |
| 5 Factoring income | | | 5 | |
| 6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions. | | | 6 | 1,908,841 |
| 7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) | | | 7 | |
| 8 Exchange gain or (loss) on a distribution of previously taxed income | | | 8 | |

Yes No

- Was any income of the foreign corporation blocked? Yes No
 - Did any such income become unblocked during the tax year (see section 964(b))?. Yes No
- If the answer to either question is "Yes," attach an explanation.

Form 1120 Test Scenario 2

Form **5471**

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01**, 20 **08**, and ending **12/31**, 20 **08**

Attachment
Sequence No. **121**

| | |
|---|---|
| Name of person filing this return Hide 'N Seek Foods, Inc. | A Identifying number 11-0000002 |
| Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 32 Any Street | B Category of filer (See instructions. Check applicable box(es): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> |
| City or town, state, and ZIP code Anytown, TX 78621 | C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100 % |
| Filer's tax year beginning 01/01 , 20 08 , and ending 12/31 , 20 08 | |

D Person(s) on whose behalf this information return is filed:

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|----------|-------------|------------------------|------------------------------|---------|----------|
| | | | Shareholder | Officer | Director |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

| | | | | |
|--|--|---|--|--|
| 1a Name and address of foreign corporation Foreign Corp. #2 65 Any Street, Anytown, Uruguay | b Employer identification number, if any c Country under whose laws incorporated United Kingdom | | | |
| d Date of incorporation 05/13/1973 | e Principal place of business United Kingdom | f Principal business activity code number 522110 | g Principal business activity Financing | h Functional currency British Pound |

2 Provide the following information for the foreign corporation's accounting period stated above.

| | | | | | |
|--|--|------------------------------|---|--|--|
| a Name, address, and identifying number of branch office or agent (if any) in the United States | b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">(i) Taxable income or (loss)</td> <td style="width:50%; text-align: center;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> | (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) | | |
| (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) | | | | |
| | | | | | |
| c Name and address of foreign corporation's statutory or resident agent in country of incorporation | d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different | | | | |

| Schedule A Stock of the Foreign Corporation | | |
|--|---|--------------------------------------|
| (a) Description of each class of stock | (b) Number of shares issued and outstanding | |
| | (i) Beginning of annual accounting period | (ii) End of annual accounting period |
| Common | 1,000 | 1,000 |
| Common | 24,998,400 | 24,998,400 |
| | | |
| | | |

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

| | (a) Name of country or U.S. possession | Amount of tax | | |
|---|---|----------------------------|------------------------|------------------------|
| | | (b) In foreign currency | (c) Conversion rate | (d) In U.S. dollars |
| 1 | U.S. | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | Total | | | |

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

| Assets | | (a) Beginning of annual accounting period | (b) End of annual accounting period |
|---|---|---|---|
| 1 | Cash | | 395,200 |
| 2a | Trade notes and accounts receivable | | |
| 2b | Less allowance for bad debts | () | () |
| 3 | Inventories | | |
| 4 | Other current assets (attach schedule) | | |
| 5 | Loans to shareholders and other related persons | | |
| 6 | Investment in subsidiaries (attach schedule) | | |
| 7 | Other investments (attach schedule) | | |
| 8a | Buildings and other depreciable assets | | |
| 8b | Less accumulated depreciation | () | () |
| 9a | Depletable assets | | |
| 9b | Less accumulated depletion | () | () |
| 10 | Land (net of any amortization) | | |
| 11 | Intangible assets: | | |
| 11a | a Goodwill | | |
| 11b | b Organization costs | | |
| 11c | c Patents, trademarks, and other intangible assets | | |
| 11d | d Less accumulated amortization for lines 11a, b, and c | () | () |
| 12 | Other assets (attach schedule) | 4,000,000 | 4,000,000 |
| 13 | Total assets | 4,000,000 | 4,395,200 |
| Liabilities and Shareholders' Equity | | | |
| 14 | Accounts payable | 195,846 | 195,846 |
| 15 | Other current liabilities (attach schedule) | | |
| 16 | Loans from shareholders and other related persons | | |
| 17 | Other liabilities (attach schedule) | | |
| 18 | Capital stock: | | |
| 18a | a Preferred stock | | |
| 18b | b Common stock | 2,500,156 | 2,500,156 |
| 19 | Paid-in or capital surplus (attach reconciliation) | | |
| 20 | Retained earnings | 1,303,998 | 1,699,198 |
| 21 | Less cost of treasury stock | () | () |
| 22 | Total liabilities and shareholders' equity | 4,000,000 | 4,395,200 |

Schedule G Other Information

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes No
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes No
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).
- 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? Yes No
- 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? Yes No

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

| | | | | | |
|----|--|----------------------|-------------------------|-----------|------------------|
| 1 | Current year net income or (loss) per foreign books of account | | | 1 | 2,766,400 |
| 2 | Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions): | | | | |
| | | Net Additions | Net Subtractions | | |
| a | Capital gains or losses | | | | |
| b | Depreciation and amortization | | | | |
| c | Depletion | | | | |
| d | Investment or incentive allowance | | | | |
| e | Charges to statutory reserves | | | | |
| f | Inventory adjustments | | | | |
| g | Taxes | | | | |
| h | Other (attach schedule) | | | | |
| 3 | Total net additions | | | | |
| 4 | Total net subtractions | | | | |
| 5a | Current earnings and profits (line 1 plus line 3 minus line 4) | | | 5a | 2,766,400 |
| b | DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) | | | 5b | |
| c | Combine lines 5a and 5b | | | 5c | 2,766,400 |
| d | Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) | | | 5d | 395,200 |

Enter exchange rate used for line 5d ► **7.000**

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

| | | | |
|---|---|----------|----------------|
| 1 | Subpart F income (line 38b, Worksheet A in the instructions) | 1 | 395,200 |
| 2 | Earnings invested in U.S. property (line 17, Worksheet B in the instructions) | 2 | |
| 3 | Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) | 3 | |
| 4 | Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) | 4 | |
| 5 | Factoring income | 5 | |
| 6 | Total of lines 1 through 5. Enter here and on your income tax return. See instructions. | 6 | 395,200 |
| 7 | Dividends received (translated at spot rate on payment date under section 989(b)(1)) | 7 | |
| 8 | Exchange gain or (loss) on a distribution of previously taxed income | 8 | |

Yes No

- Was any income of the foreign corporation blocked? Yes No
 - Did any such income become unblocked during the tax year (see section 964(b))?. Yes No
- If the answer to either question is "Yes," attach an explanation.

Form 1120 Test Scenario 2

Form **5471**

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01**, 20 **08**, and ending **12/31**, 20 **08**

Attachment
Sequence No. **121**

| | |
|---|--|
| Name of person filing this return Hide 'N Seek Foods, Inc. | A Identifying number 11-0000002 |
| Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 32 Any Street | B Category of filer (See instructions. Check applicable box(es): 1 (repealed) 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> |
| City or town, state, and ZIP code Anytown, TX 78621 | C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100 % |
| Filer's tax year beginning 01/01 , 20 08 , and ending 12/31 , 20 08 | |

D Person(s) on whose behalf this information return is filed:

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|----------|-------------|------------------------|------------------------------|---------|----------|
| | | | Shareholder | Officer | Director |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

| | | | | |
|--|--|---|--|--|
| 1a Name and address of foreign corporation Foreign Corp. #3 66 Any Street, Anytown, Uruguay | b Employer identification number, if any c Country under whose laws incorporated Canada | | | |
| d Date of incorporation 09/30/2004 | e Principal place of business Canada | f Principal business activity code number 522110 | g Principal business activity Financing | h Functional currency Canadian Dollar |

2 Provide the following information for the foreign corporation's accounting period stated above.

| | | | | | |
|--|--|------------------------------|---|--|--|
| a Name, address, and identifying number of branch office or agent (if any) in the United States | b If a U.S. income tax return was filed, enter: <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">(i) Taxable income or (loss)</td> <td style="width:50%; text-align: center;">(ii) U.S. income tax paid (after all credits)</td> </tr> <tr> <td> </td> <td> </td> </tr> </table> | (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) | | |
| (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) | | | | |
| | | | | | |
| c Name and address of foreign corporation's statutory or resident agent in country of incorporation | d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different | | | | |

Schedule A Stock of the Foreign Corporation

| (a) Description of each class of stock | (b) Number of shares issued and outstanding | |
|--|---|--------------------------------------|
| | (i) Beginning of annual accounting period | (ii) End of annual accounting period |
| Common | 0 | 1,000 |
| | | |
| | | |

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 49958V

Form **5471** (Rev. 12-2007)

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

| (a) Name, address, and identifying number of shareholder | (b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a). | (c) Number of shares held at beginning of annual accounting period | (d) Number of shares held at end of annual accounting period | (e) Pro rata share of subpart F income (enter as a percentage) |
|--|---|--|--|--|
| Hide 'N Seek Foods, Inc 32 Any Street, Anytown, TX 78621 11-0000002 | Common | 0 | 640 | 64 |
| Shareholder Company #1 67 Anystreet Anytown, TX 78621 11-0000048 | Common | 0 | 360 | 36 |
| | | | | |
| | | | | |
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| | | | | |

Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

| | | | Functional Currency | U.S. Dollars |
|---|---|----------------|---------------------|------------------|
| Income | 1a Gross receipts or sales | 1a | | |
| | b Returns and allowances | 1b | | |
| | c Subtract line 1b from line 1a | 1c | | |
| | 2 Cost of goods sold | 2 | | |
| | 3 Gross profit (subtract line 2 from line 1c) | 3 | | |
| | 4 Dividends | 4 | | |
| | 5 Interest | 5 | | |
| | 6a Gross rents | 6a | | |
| | b Gross royalties and license fees | 6b | | |
| 7 Net gain or (loss) on sale of capital assets | 7 | | | |
| 8 Other income (attach schedule) | 8 | | | |
| 9 Total income (add lines 3 through 8) | 9 | | | |
| Deductions | 10 Compensation not deducted elsewhere | 10 | 114,663 | 80,264 |
| | 11a Rents | 11a | 35,714 | 25,000 |
| | b Royalties and license fees | 11b | | |
| | 12 Interest | 12 | | |
| | 13 Depreciation not deducted elsewhere | 13 | | |
| | 14 Depletion | 14 | | |
| | 15 Taxes (exclude provision for income, war profits, and excess profits taxes) | 15 | | |
| | 16 Other deductions (attach schedule—exclude provision for income, war profits, and excess profits taxes) | 16 | | |
| 17 Total deductions (add lines 10 through 16) | 17 | 150,377 | 105,264 | |
| Net Income | 18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) | 18 | (150,377) | (105,264) |
| | 19 Extraordinary items and prior period adjustments (see instructions) | 19 | | |
| | 20 Provision for income, war profits, and excess profits taxes (see instructions) | 20 | | |
| | 21 Current year net income or (loss) per books (combine lines 18 through 20) | 21 | (150,377) | (105,264) |

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

| | (a) Name of country or U.S. possession | Amount of tax | | |
|---|---|----------------------------|------------------------|------------------------|
| | | (b) In foreign currency | (c) Conversion rate | (d) In U.S. dollars |
| 1 | U.S. | | | |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | Total | | | |

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

| Assets | | (a) Beginning of annual accounting period | (b) End of annual accounting period |
|---|---|---|---|
| 1 | Cash | | 498 |
| 2a | Trade notes and accounts receivable | | |
| 2b | Less allowance for bad debts | () | () |
| 3 | Inventories | | |
| 4 | Other current assets (attach schedule) | | |
| 5 | Loans to shareholders and other related persons | | |
| 6 | Investment in subsidiaries (attach schedule) | | |
| 7 | Other investments (attach schedule) | | |
| 8a | Buildings and other depreciable assets | | |
| 8b | Less accumulated depreciation | () | () |
| 9a | Depletable assets | | |
| 9b | Less accumulated depletion | () | () |
| 10 | Land (net of any amortization) | | |
| 11 | Intangible assets: | | |
| 11a | a Goodwill | | |
| 11b | b Organization costs | | |
| 11c | c Patents, trademarks, and other intangible assets | | |
| 11d | d Less accumulated amortization for lines 11a, b, and c | () | () |
| 12 | Other assets (attach schedule) | | |
| 13 | Total assets | | 498 |
| Liabilities and Shareholders' Equity | | | |
| 14 | Accounts payable | | 297 |
| 15 | Other current liabilities (attach schedule) | | |
| 16 | Loans from shareholders and other related persons | | 105,165 |
| 17 | Other liabilities (attach schedule) | | |
| 18 | Capital stock: | | |
| 18a | a Preferred stock | | |
| 18b | b Common stock | | 300 |
| 19 | Paid-in or capital surplus (attach reconciliation) | | |
| 20 | Retained earnings | | |
| 21 | Less cost of treasury stock | () | (105,264) |
| 22 | Total liabilities and shareholders' equity | | 498 |

Schedule G Other Information

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes No
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes No
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).
- 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? Yes No
- 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? Yes No

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

| | | | | | |
|----|--|----------------------|-------------------------|-----------|------------------|
| 1 | Current year net income or (loss) per foreign books of account | | | 1 | (150,377) |
| 2 | Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions): | | | | |
| | | Net Additions | Net Subtractions | | |
| a | Capital gains or losses | | | | |
| b | Depreciation and amortization | | | | |
| c | Depletion | | | | |
| d | Investment or incentive allowance | | | | |
| e | Charges to statutory reserves | | | | |
| f | Inventory adjustments | | | | |
| g | Taxes | | | | |
| h | Other (attach schedule) | | | | |
| 3 | Total net additions | | | | |
| 4 | Total net subtractions | | | | |
| 5a | Current earnings and profits (line 1 plus line 3 minus line 4) | | | 5a | (150,377) |
| b | DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) | | | 5b | |
| c | Combine lines 5a and 5b | | | 5c | (150,377) |
| d | Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) | | | 5d | (105,264) |

Enter exchange rate used for line 5d ► **1.42857**

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

| | | | |
|---|---|----------|--|
| 1 | Subpart F income (line 38b, Worksheet A in the instructions) | 1 | |
| 2 | Earnings invested in U.S. property (line 17, Worksheet B in the instructions) | 2 | |
| 3 | Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) | 3 | |
| 4 | Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) | 4 | |
| 5 | Factoring income | 5 | |
| 6 | Total of lines 1 through 5. Enter here and on your income tax return. See instructions. | 6 | |
| 7 | Dividends received (translated at spot rate on payment date under section 989(b)(1)) | 7 | |
| 8 | Exchange gain or (loss) on a distribution of previously taxed income | 8 | |

Yes No

- Was any income of the foreign corporation blocked? Yes No
 - Did any such income become unblocked during the tax year (see section 964(b))?. Yes No
- If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Hide 'N Seek Foods, Inc.

Identifying number

11-0000002

Name of foreign corporation

Foreign Corporation #1

| Important: Enter amounts in functional currency. | (a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance) | (b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance) | (c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances) | | | (d) Total Section 964(a) E&P (combine columns (a), (b), and (c)) |
|---|--|--|---|---|------------------------|--|
| | | | (i) Earnings Invested in U.S. Property | (ii) Earnings Invested in Excess Passive Assets | (iii) Subpart F Income | |
| 1 Balance at beginning of year | 7,137,000 | | | | 7,137,000 | 14,274,000 |
| 2a Current year E&P | 17,179,569 | | | | | |
| b Current year deficit in E&P | | | | | | |
| 3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b) | 24,316,569 | | | | | |
| 4 Amounts included under section 951(a) or reclassified under section 959(c) in current year | 24,316,569 | | | | 24,316,569 | |
| 5a Actual distributions or reclassifications of previously taxed E&P | | | | | | |
| b Actual distributions of nonpreviously taxed E&P | | | | | | |
| 6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a) | | | | | 31,453,569 | |
| b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b) | | | | | | |
| 7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.) | | | | | 31,453,569 | 31,453,569 |

**SCHEDULE J
(Form 5471)**(Rev. December 2005)
Department of the Treasury
Internal Revenue Service**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Hide 'N Seek Foods, Inc.

Identifying number

11-0000002

Name of foreign corporation

Foreign Corporation #2

| Important: Enter amounts in functional currency. | (a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance) | (b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance) | (c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances) | | | (d) Total Section 964(a) E&P (combine columns (a), (b), and (c)) |
|---|--|--|---|---|------------------------|--|
| | | | (i) Earnings Invested in U.S. Property | (ii) Earnings Invested in Excess Passive Assets | (iii) Subpart F Income | |
| 1 Balance at beginning of year | 9,127,986 | | | | | 9,127,986 |
| 2a Current year E&P | 2,766,400 | | | | | |
| b Current year deficit in E&P | | | | | | |
| 3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b) | 11,894,386 | | | | | |
| 4 Amounts included under section 951(a) or reclassified under section 959(c) in current year | 2,766,400 | | | | 2,766,400 | |
| 5a Actual distributions or reclassifications of previously taxed E&P | | | | | | |
| b Actual distributions of nonpreviously taxed E&P | | | | | | |
| 6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a) | | | | | 2,766,400 | |
| b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b) | 9,127,986 | | | | | |
| 7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.) | 9,127,986 | | | | 2,766,400 | 11,894,386 |

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Hide 'N Seek Foods, Inc.

Identifying number

11-0000002

Name of foreign corporation

Foreign Corporation #3

| Important: Enter amounts in functional currency. | (a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance) | (b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance) | (c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances) | | | (d) Total Section 964(a) E&P (combine columns (a), (b), and (c)) |
|---|--|--|---|---|------------------------|--|
| | | | (i) Earnings Invested in U.S. Property | (ii) Earnings Invested in Excess Passive Assets | (iii) Subpart F Income | |
| 1 Balance at beginning of year | | | | | | |
| 2a Current year E&P | | | | | | |
| b Current year deficit in E&P | 150,377 | | | | | |
| 3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b) | (150,377) | | | | | |
| 4 Amounts included under section 951(a) or reclassified under section 959(c) in current year | | | | | | |
| 5a Actual distributions or reclassifications of previously taxed E&P | | | | | | |
| b Actual distributions of nonpreviously taxed E&P | | | | | | |
| 6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a) | | | | | | |
| b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b) | (150,377) | | | | | |
| 7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.) | (150,377) | | | | | (150,377) |

**SCHEDULE M
(Form 5471)**

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471 **Hide 'N Seek Foods, Inc.** Identifying number **11-0000002**

Name of foreign corporation **Foreign Corporation #1**

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **US 9.000**

| (a) Transactions of foreign corporation | (b) U.S. person filing this return | (c) Any domestic corporation or partnership controlled by U.S. person filing this return | (d) Any other foreign corporation or partnership controlled by U.S. person filing this return | (e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return) | (f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation |
|--|------------------------------------|--|---|--|---|
| 1 Sales of stock in trade (inventory) | | | | | |
| 2 Sales of tangible property other than stock in trade | | | | | |
| 3 Sales of property rights (patents, trademarks, etc.) | | | | | |
| 4 Buy-in payments received | | | | | |
| 5 Cost sharing payments received | | | | | |
| 6 Compensation received for technical, managerial, engineering, construction, or like services | | | | | |
| 7 Commissions received | | | | | |
| 8 Rents, royalties, and license fees received | | | | | |
| 9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) | | | | | |
| 10 Interest received | | | | | |
| 11 Premiums received for insurance or reinsurance | | | | | |
| 12 Add lines 1 through 11 | | | | | |
| 13 Purchases of stock in trade (inventory) | | | | | |
| 14 Purchases of tangible property other than stock in trade | | | | | |
| 15 Purchases of property rights (patents, trademarks, etc.) | | | | | |
| 16 Buy-in payments paid | | | | | |
| 17 Cost sharing payments paid | | | | | |
| 18 Compensation paid for technical, managerial, engineering, construction, or like services | 1,448,935 | | | | |
| 19 Commissions paid | | | | | |
| 20 Rents, royalties, and license fees paid | | | | | |
| 21 Dividends paid | | | | | |
| 22 Interest paid | | | | | |
| 23 Premiums paid for insurance or reinsurance | | | | | |
| 24 Add lines 13 through 23 | 1,448,935 | | | | |
| 25 Amounts borrowed (enter the maximum loan balance during the year) — see instructions | | | | | |
| 26 Amounts loaned (enter the maximum loan balance during the year) — see instructions | | | | | |

**SCHEDULE M
(Form 5471)**

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471 **Hide 'N Seek Foods, Inc.** Identifying number **11-0000002**

Name of foreign corporation **Foreign Corporation #2**

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **US 7.000**

| (a) Transactions of foreign corporation | (b) U.S. person filing this return | (c) Any domestic corporation or partnership controlled by U.S. person filing this return | (d) Any other foreign corporation or partnership controlled by U.S. person filing this return | (e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return) | (f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation |
|--|------------------------------------|--|---|--|---|
| 1 Sales of stock in trade (inventory) | | | | | |
| 2 Sales of tangible property other than stock in trade | | | | | |
| 3 Sales of property rights (patents, trademarks, etc.) | | | | | |
| 4 Buy-in payments received | | | | | |
| 5 Cost sharing payments received. | | | | | |
| 6 Compensation received for technical, managerial, engineering, construction, or like services | | | | | |
| 7 Commissions received | | | | | |
| 8 Rents, royalties, and license fees received | | | | | |
| 9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) | | | | | |
| 10 Interest received | 395,200 | | | | |
| 11 Premiums received for insurance or reinsurance | | | | | |
| 12 Add lines 1 through 11 | 395,200 | | | | |
| 13 Purchases of stock in trade (inventory) | | | | | |
| 14 Purchases of tangible property other than stock in trade | | | | | |
| 15 Purchases of property rights (patents, trademarks, etc.) | | | | | |
| 16 Buy-in payments paid | | | | | |
| 17 Cost sharing payments paid | | | | | |
| 18 Compensation paid for technical, managerial, engineering, construction, or like services | | | | | |
| 19 Commissions paid | | | | | |
| 20 Rents, royalties, and license fees paid | | | | | |
| 21 Dividends paid | | | | | |
| 22 Interest paid | | | | | |
| 23 Premiums paid for insurance or reinsurance | | | | | |
| 24 Add lines 13 through 23 | | | | | |
| 25 Amounts borrowed (enter the maximum loan balance during the year) — see instructions | | | | | |
| 26 Amounts loaned (enter the maximum loan balance during the year) — see instructions | | | | | |

**SCHEDULE M
(Form 5471)**

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471 **Hide 'N Seek Foods, Inc.** Identifying number **11-0000002**

Name of foreign corporation **Foreign Corporation #3**

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **US 1.42857**

| (a) Transactions of foreign corporation | (b) U.S. person filing this return | (c) Any domestic corporation or partnership controlled by U.S. person filing this return | (d) Any other foreign corporation or partnership controlled by U.S. person filing this return | (e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return) | (f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation |
|--|------------------------------------|--|---|--|---|
| 1 Sales of stock in trade (inventory) | | | | | |
| 2 Sales of tangible property other than stock in trade | | | | | |
| 3 Sales of property rights (patents, trademarks, etc.) | | | | | |
| 4 Buy-in payments received | | | | | |
| 5 Cost sharing payments received. | | | | | |
| 6 Compensation received for technical, managerial, engineering, construction, or like services | | | | | |
| 7 Commissions received | | | | | |
| 8 Rents, royalties, and license fees received | | | | | |
| 9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) | | | | | |
| 10 Interest received | | | | | |
| 11 Premiums received for insurance or reinsurance | | | | | |
| 12 Add lines 1 through 11 | | | | | |
| 13 Purchases of stock in trade (inventory) | | | | | |
| 14 Purchases of tangible property other than stock in trade | | | | | |
| 15 Purchases of property rights (patents, trademarks, etc.) | | | | | |
| 16 Buy-in payments paid | | | | | |
| 17 Cost sharing payments paid | | | | | |
| 18 Compensation paid for technical, managerial, engineering, construction, or like services | | | | | |
| 19 Commissions paid | | | | | |
| 20 Rents, royalties, and license fees paid | | | | | |
| 21 Dividends paid | | | | | |
| 22 Interest paid | | | | | |
| 23 Premiums paid for insurance or reinsurance | | | | | |
| 24 Add lines 13 through 23 | | | | | |
| 25 Amounts borrowed (enter the maximum loan balance during the year) — see instructions | 105,165 | | | | |
| 26 Amounts loaned (enter the maximum loan balance during the year) — see instructions | | | | | |

**SCHEDULE O
(Form 5471)**

(Rev. December 2005)

Department of the Treasury
Internal Revenue Service

Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

Hide 'N Seek Foods, Inc.

Identifying number

11-0000002

Name of foreign corporation

Foreign Corporation #3

Important: Complete a *separate* Schedule O for each foreign corporation for which information must be reported.

Part I To Be Completed by U.S. Officers and Directors

| (a) Name of shareholder for whom acquisition information is reported | (b) Address of shareholder | (c) Identifying number of shareholder | (d) Date of original 10% acquisition | (e) Date of additional 10% acquisition |
|---|-------------------------------|--|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Part II To Be Completed by U.S. Shareholders

Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.

Section A—General Shareholder Information

| (a) Name, address, and identifying number of shareholder(s) filing this schedule | (b) For shareholder's latest U.S. income tax return filed, indicate: | | | (c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation |
|---|---|--------------------------|--|---|
| | (1) Type of return (enter form number) | (2) Date return filed | (3) Internal Revenue Service Center where filed | |
| Hide 'N Seek Foods, Inc. 32 Any Street Anytown, TX 75232 11-0000002 | 1120 | 09/15/2009 | OSPC | |
| | | | | |
| | | | | |

Section B—U.S. Persons Who Are Officers or Directors of the Foreign Corporation

| (a) Name of U.S. officer or director | (b) Address | (c) Social security number | (d) Check appropriate box(es) | |
|---|----------------|-------------------------------|----------------------------------|----------|
| | | | Officer | Director |
| | | | | |
| | | | | |
| | | | | |

Section C—Acquisition of Stock

| (a) Name of shareholder(s) filing this schedule | (b) Class of stock acquired | (c) Date of acquisition | (d) Method of acquisition | (e) Number of shares acquired | | |
|--|--------------------------------|----------------------------|------------------------------|----------------------------------|-------------------|-----------------------|
| | | | | (1) Directly | (2) Indirectly | (3) Constructively |
| Hide 'N Seek Foods, Inc. | Common | 10/16/2008 | Stock Purchase | 640 | | |
| | | | | | | |
| | | | | | | |

Form 1120 Test Scenario 2

| (f) Amount paid or value given | (g) Name and address of person from whom shares were acquired |
|-----------------------------------|--|
| 192 | Sue Doe, 68 Any Street, Anytown, TX 75232 |
| | |
| | |

Section D—Disposition of Stock

| (a) Name of shareholder disposing of stock | (b) Class of stock | (c) Date of disposition | (d) Method of disposition | (e) Number of shares disposed of | | |
|---|-----------------------|----------------------------|------------------------------|-------------------------------------|-------------------|-----------------------|
| | | | | (1) Directly | (2) Indirectly | (3) Constructively |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| (f) Amount received | (g) Name and address of person to whom disposition of stock was made |
|------------------------|---|
| | |
| | |
| | |

Section E—Organization or Reorganization of Foreign Corporation

| (a) Name and address of transferor | (b) Identifying number (if any) | (c) Date of transfer |
|---------------------------------------|------------------------------------|-------------------------|
| | | |
| | | |
| | | |

| (d) Assets transferred to foreign corporation | | | (e) Description of assets transferred by, or notes or securities issued by, foreign corporation |
|--|--------------------------|---|--|
| (1) Description of assets | (2) Fair market value | (3) Adjusted basis (if transferor was U.S. person) | |
| | | | |
| | | | |
| | | | |

Section F—Additional Information

(a) If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).

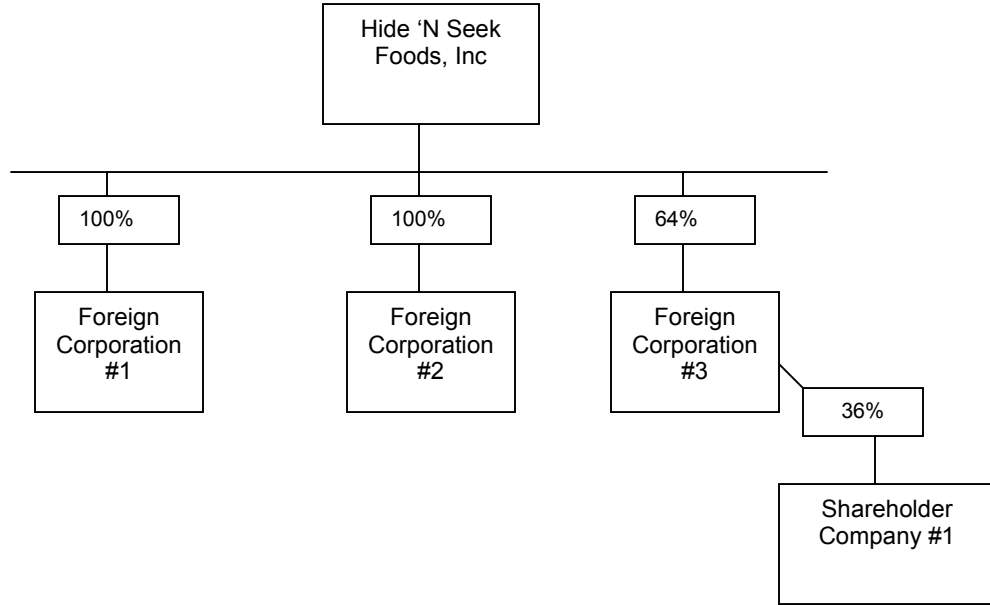
(b) List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►

(c) If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

Form 1120 Test Scenario 2

Hide 'N Seek Foods, Inc. 11-0000002
Foreign Corporation #3

Form 5471, Schedule O
Part II, Schedule F – Additional Information (c)



Direct Deposit of Corporate Tax Refund

▶ Attach to Form 1120, 1120-A, or 1120S.

OMB No. 1545-1762

| | |
|--|---|
| Name of corporation (as shown on tax return) Hide 'N Seek Foods, Inc | Employer identification number 11 ; 0000002 |
| Phone number (optional) (301) 555-1212 | |

1. Routing number (must be nine digits). The first two digits must be between 01 and 12 or 21 through 32.

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 0 | 1 | 2 | 4 | 5 | 6 | 7 | 7 | 8 |
|---|---|---|---|---|---|---|---|---|

2. Account number (include hyphens but omit spaces and special symbols):

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|--|
| 1 | 1 | 1 | 1 | - | 2 | 3 | - | 3 | 4 | 5 | 6 | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|--|

3. Type of account (one box must be checked):

Checking Savings

General Instructions

Purpose of Form

File Form 8050 to request that the IRS deposit a corporate income tax refund (including a refund of \$1 million or more) directly into an account at any U.S. bank or other financial institution (such as a mutual fund or brokerage firm) that accepts direct deposits.

The benefits of a direct deposit include a faster refund, the added security of a paperless payment, and the savings of tax dollars associated with the reduced processing costs.

Who May File

Only corporations requesting a direct deposit of refund with its original Form 1120, 1120-A, or 1120S may file Form 8050.

The corporation is not eligible to request a direct deposit if:

- The receiving financial institution is a foreign bank or a foreign branch of a U.S. bank or
- The corporation has applied for an employer identification number but is filing its tax return before receiving one.

Note. For other corporate tax returns, including Form 1120X, Amended U.S. Corporation Income Tax Return, and Form 1139, Corporation Application for Tentative Refund, a corporation may request a direct deposit of refunds of \$1 million or more by filing Form 8302, Direct Deposit of Tax Refund of \$1 Million or More.

Conditions Resulting in a Refund by Check

If the IRS is unable to process this request for a direct deposit, a refund by check will be generated instead. Reasons for not processing a request include:

- The name of the corporation on the tax return does not match the name on the account.
- The financial institution rejects the direct deposit because of an incorrect routing or account number.
- The corporation fails to indicate the type of account the deposit is to be made to (i.e., checking or savings).

How To File

Attach Form 8050 to the corporation's Form 1120, 1120-A, or 1120S after Schedule N (Form 1120) (if applicable). To ensure that the corporation's tax return is correctly processed, see **Assembling the Return** in the instructions for Form 1120, 1120-A, or 1120S.

Specific Instructions

Line 1. Enter the financial institution's routing number and verify that the institution will accept a direct deposit. See the sample check below for an example of where the routing number may be shown.

For accounts payable through a financial institution other than the one at which the account is located, check with your financial institution for the correct routing number. Do not use a deposit slip to verify the routing number.

Line 2. Enter the corporation's account number. Enter the number from left to right and leave any unused boxes blank. See the sample check below for an example of where the account number may be shown.

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us

the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average times are: **Recordkeeping**, 1 hr., 25 min.; **Learning about the law or the form**, 6 min.; **Preparing, copying, assembling, and sending the form to the IRS**, 7 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the IRS at the address listed in the instructions of the tax return with which this form is filed.

Sample Check

Note. The routing and account numbers may be in different places on the corporation's check.



▶ Attach to the corporation's tax return.

| Name | Employer identification number |
|--|--------------------------------|
| Hide 'N Seek Foods, Inc. | 11 0000002 |
| 1 Alternative minimum tax (AMT) for 2007. Enter the amount from line 14 of the 2007 Form 4626 | 1 9,485,794 |
| 2 Minimum tax credit carryforward from 2007. Enter the amount from line 9 of the 2007 Form 8827 | 2 5,390,162 |
| 3 Enter any 2007 unallowed qualified electric vehicle credit (see instructions) | 3 |
| 4 Add lines 1, 2, and 3 | 4 14,875,956 |
| 5 Enter the corporation's 2008 regular income tax liability minus allowable tax credits (see instructions) | 5 29,077,544 |
| 6 Is the corporation a "small corporation" exempt from the AMT for 2008 (see instructions)? • Yes. Enter 25% of the excess of line 5 over \$25,000. If line 5 is \$25,000 or less, enter -0- • No. Complete Form 4626 for 2008 and enter the tentative minimum tax from line 12 | 6 17,867,507 |
| 7 Subtract line 6 from line 5. If zero or less, enter -0- | 7 11,210,037 |
| 8 Minimum tax credit. Enter the smaller of line 4 or line 7 here and on Form 1120, Schedule J, line 5d or the appropriate line of the corporation's income tax return. If the corporation had a post-1986 ownership change or has pre-acquisition excess credits, see instructions | 8 11,210,037 |
| 9 Minimum tax credit carryforward to 2009. Subtract line 8 from line 4. Keep a record of this amount to carry forward and use in future years | 9 3,665,919 |

Instructions

Section references are to the Internal Revenue Code unless otherwise noted. Year references are to the corporation's tax year beginning during that year.

Purpose of Form

Corporations use Form 8827 to figure the minimum tax credit, if any, for AMT incurred in prior tax years and to figure any minimum tax credit carryforward.

Who Should File

Form 8827 should be filed by corporations that had:

- An AMT liability in 2007,
- A minimum tax credit carryforward from 2007 to 2008, or
- A qualified electric vehicle credit not allowed for 2007 (see the instructions for line 3).

Line 3

Enter any qualified electric vehicle credit not allowed for 2007 solely because of the tentative minimum tax limitations under section 30(b)(3)(B).

Line 5

Enter the corporation's 2008 regular income tax liability (as defined in section 26(b)) minus any credits allowed under Chapter 1, Subchapter A, Part IV, subparts B, D, E, and F of the Internal Revenue Code (for example, if you are filing Form 1120, subtract any credits on Schedule J, lines 5a through 5c, from the amount on Schedule J, line 2).

Line 6

See the 2008 Instructions for Form 4626 to find out if the corporation is treated as a "small corporation" exempt from the AMT for 2008. If the corporation is a "small corporation" exempt from the AMT, see section 30(c)(5) before

completing line 6 for special rules that apply to controlled corporate groups, regulated investment companies, and real estate investment trusts.

Line 8

If the corporation had a post-1986 ownership change (as defined in section 382(g)), there may be a limit on the amount of pre-change minimum tax credits that can be applied against the corporation's tax for any tax year ending after the ownership change. See section 383 and the related regulations. To figure the amount of the pre-change credit, the corporation must allocate the credit for the change year between the pre-change period and the post-change period. The corporation must use the same method of allocation (ratable allocation or closing-of-the-books) for purposes of sections 382 and 383. See Regulations section 1.382-6 for details.

Also, there may be a limit on the use of pre-acquisition excess credits of one corporation to offset the tax attributable to recognized built-in gains of another corporation. See section 384 for details.

If either limit applies, attach a computation of the minimum tax credit allowed. Enter that amount on line 8. Write "Sec. 383" or "Sec. 384" on the dotted line to the left of the line 8 entry space.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is 1 hour.

If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, we would be happy to hear from you. See the instructions for the tax return with which this form is filed.

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

| | |
|---|--|
| Name of common parent Hide 'N Seek Foods, Inc.-Consolidated | Employer identification number 11 000002 |
| Name of subsidiary | Employer identification number |

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|---|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions . . . | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Section 198 environmental remediation costs | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | (17,936,732) | | | (17,936,732) |
| m Corporate owned life insurance premiums | | | | |
| n Other section 263A costs | | 122,798 | | 122,798 |
| 3 Inventory shrinkage accruals | | (380,164) | | (380,164) |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | 9,181,241 | (9,181,241) | | |
| 6 Other items with differences (attach schedule) | | | | |
| 7 Other items with no differences | (269,246,365) | | | (269,246,365) |
| 8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d | (278,001,856) | (9,438,607) | | (287,440,463) |

Part II Interest Income

| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|----|---|--|--------------------------------|--------------------------------|--|
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income — From outside tax affiliated group | | | | |
| 4b | Intercompany interest income — From tax affiliated group | | | | |
| 5 | Other interest income | 1,032,236 | 1,916,545 | | 2,948,781 |
| 6 | Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11. | 1,032,236 | 1,916,545 | | 2,948,781 |

Part III Interest Expense

| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|----|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense — Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense — Paid to tax affiliated group | | | | |
| 4 | Other interest expense | 21,363,522 | 71,196 | | 21,434,718 |
| 5 | Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26. | 21,363,522 | 71,196 | | 21,434,718 |

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

| | |
|--|--|
| Name of common parent Hide 'N Seek Foods, Inc. | Employer identification number 11 000002 |
| Name of subsidiary Hide 'N Seek Foods, Inc. | Employer identification number 11 000002 |

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|---|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions . . . | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Section 198 environmental remediation costs | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | (15,593,967) | | | (15,593,967) |
| m Corporate owned life insurance premiums | | | | |
| n Other section 263A costs | | 20,000 | | 20,000 |
| 3 Inventory shrinkage accruals | | | | |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | 9,181,241 | (9,181,241) | | |
| 6 Other items with differences (attach schedule) | | | | |
| 7 Other items with no differences | (250,338,683) | | | (250,338,683) |
| 8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d | (256,751,409) | (9,161,241) | | (265,912,650) |

| Part II Interest Income | | | | | |
|--------------------------------|---|--|--------------------------------|--------------------------------|--|
| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income — From outside tax affiliated group | | | | |
| 4b | Intercompany interest income — From tax affiliated group | | | | |
| 5 | Other interest income | 1,221,456 | | | 1,221,456 |
| 6 | Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11. | 1,221,456 | | | 1,221,456 |

| Part III Interest Expense | | | | | |
|----------------------------------|---|--|--------------------------------|--------------------------------|------------------------------------|
| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense — Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense — Paid to tax affiliated group | | | | |
| 4 | Other interest expense | 21,342,118 | 71,196 | | 21,413,314 |
| 5 | Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26. | 21,342,118 | 71,196 | | 21,413,314 |

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

| | |
|--|--|
| Name of common parent Hide 'N Seek Foods, Inc. | Employer identification number 11 000002 |
| Name of subsidiary Greek Playhouse | Employer identification number 11 000012 |

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|---|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions . . . | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Section 198 environmental remediation costs | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | | | | |
| m Corporate owned life insurance premiums | | | | |
| n Other section 263A costs | | | | |
| 3 Inventory shrinkage accruals | | | | |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | | | | |
| 6 Other items with differences (attach schedule) | | | | |
| 7 Other items with no differences | (315,431) | | | (315,431) |
| 8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d | (315,431) | | | (315,431) |

| Part II Interest Income | | | | | |
|--------------------------------|---|--|--------------------------------|--------------------------------|--|
| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income — From outside tax affiliated group | | | | |
| 4b | Intercompany interest income — From tax affiliated group | | | | |
| 5 | Other interest income | (664,423) | 664,423 | | |
| 6 | Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11. | (664,423) | 664,423 | | |

| Part III Interest Expense | | | | | |
|----------------------------------|---|--|--------------------------------|--------------------------------|------------------------------------|
| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense — Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense — Paid to tax affiliated group | | | | |
| 4 | Other interest expense | 2,142 | | | 2,142 |
| 5 | Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26. | 2,142 | | | 2,142 |

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

| | |
|--|--|
| Name of common parent Hide 'N Seek Foods, Inc. | Employer identification number 11 000002 |
| Name of subsidiary Acme Foods | Employer identification number 11 000013 |

Part I Cost of Goods Sold

| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|---|---|--------------------------------|--------------------------------|------------------------------------|
| 1 Amounts attributable to cost flow assumptions . . . | | | | |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | | | | |
| i Section 198 environmental remediation costs | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | (2,342,765) | | | (2,342,765) |
| m Corporate owned life insurance premiums | | | | |
| n Other section 263A costs | | 102,798 | | 102,798 |
| 3 Inventory shrinkage accruals | | (380,164) | | (380,164) |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | | | | |
| 6 Other items with differences (attach schedule) | | | | |
| 7 Other items with no differences | (18,592,251) | | | (18,592,251) |
| 8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d | (20,935,016) | (277,366) | | (21,212,382) |

| Part II Interest Income | | | | | |
|--------------------------------|---|--|--------------------------------|--------------------------------|--|
| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income — From outside tax affiliated group | | | | |
| 4b | Intercompany interest income — From tax affiliated group | | | | |
| 5 | Other interest income | 475,203 | 1,252,122 | | 1,727,325 |
| 6 | Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11. | 475,203 | 1,252,122 | | 1,727,325 |

| Part III Interest Expense | | | | | |
|----------------------------------|---|--|--------------------------------|--------------------------------|------------------------------------|
| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
| 1 | Interest expense from hybrid securities | | | | |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense — Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense — Paid to tax affiliated group | | | | |
| 4 | Other interest expense | 19,262 | | | 19,262 |
| 5 | Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26. | 19,262 | | | 19,262 |

Form 1120 Test Scenario 3

FORM 1120 TEST SCENARIO 3

FORMS REQUIRED: 1120, Sch M-3 (F1120), Sch N (F1120), 926, 1118, Sch J (F1118), 5471, Sch J (F5471), Sch M (F5471), Sch O (F5471), 8832, 8858

ATTACHMENTS:

ItemizedOtherDeductionsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
OtherIncludibleEntitiesSchedule
OtherIncomeLossItemsWithDifferencesSchedule
OtherExpenseDeductionItemsWithDifferencesSchedule
Post1986UndistributedEarningsSchedule
Category3FilerStatement
ItemizedOtherDeductionsSchedule2
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedOtherLiabilitiesSchedule
EarningsAndProfitsOtherAdjStmt

BINARY ATTACHMENTS: Organizational Chart for Form 5471 Sch O

HEADER INFO:

MultipleSoftwarePackagesUsed: Yes or No

Originator: **EFIN:** Self-select
 Type: ERO
 Practitioner PIN:
 EFIN: Self-select
 PIN: Self-select
 PIN Entered by – ERO

Signature Option: PIN Number

Officer: **Name:** Poppy Seed
 Title: Chief Executive Officer
 Taxpayer PIN: Self-Select
 Phone: 888-555-1212
 Email Address:
 DateSigned: 03/15/09

Preparer: **Name:** Johnny Appleseed
 Date Prepared: 02/15/09

IRS PAYMENT: **N/A**

Name Control: **INTE**

Details for attachments to Form 1120, 5471, Sch M-3, 1118**Attachment 1, Form 1120, Line 26, Other Deductions** (*ItemizedOtherDeductionsSchedule*)

| | |
|------------------------------|-----------------------|
| Audit Fees | 68,160 |
| Professional Services | 31,227 |
| Financial Service Costs | <u>21,000</u> |
| Total (not in schema) | <u>120,387</u> |

Attachment 2, Form 1120, Sch L, Line 6(b) & (d), Other Current Assets (*ItemizedOtherCurrentAssetsSchedule*)

| | Beginning | Ending |
|-------------------------------------|----------------------|----------------------|
| Prepaid Expenses & Special Deposits | <u>35,726</u> | <u>35,726</u> |
| Total (not in schema) | <u>35,726</u> | <u>35,726</u> |

Attachment 3, Form 1120, Sch L, Line 9(b) & (d), Other investments (*ItemizedOtherInvestmentsSchedule*)

| | Beginning | Ending |
|------------------------------|---------------------------|---------------------------|
| Investments in Subsidiaries | <u>139,197,191</u> | <u>250,072,971</u> |
| Total (not in schema) | <u>139,197,191</u> | <u>250,072,971</u> |

Attachment 4, Sch M-3 (Form 1120), Part I, Line 7c, Net income (loss) of other includible entities (*OtherIncludibleEntititesSchedule*)

Net income (loss) amount 135,879

Attachment 5, Sch M-3 (Form 1120), Part II, Line 25, Other Income (Loss) Items With Differences (*OtherIncomeLossItemsWithDifferencesSchedule*)

| | Per Statement | Temp. Difference | Perm. Difference | Per Tax Return |
|------------------------------|-----------------------|-------------------------|---------------------|-------------------|
| Recovery of Expense | 512,526 | (512,526) | 0 | 0 |
| Total (not in schema) | <u>512,526</u> | <u>(512,526)</u> | 0 | 0 |

Attachment 6, Sch M-3 (Form 1120), Part III, Line 35, Other Expense/Deduction Items With Differences (*OtherExpenseDeductionItemsWithDifferencesSchedule*)

| | Per Statement | Temp. Difference | Perm. Difference | Per Tax Return |
|------------------------------|-------------------------|-----------------------|---------------------|-------------------|
| Prior Year Adjustments | (256,260) | 256,260 | 0 | 0 |
| Total (not in schema) | <u>(256,260)</u> | <u>256,260</u> | 0 | 0 |

Attachment 7, Form 1118, Sch C, Part I, Col 4, Post 1986 Undistributed Earnings
(*Post1986UndistributedEarningsSchedule*)

| | | |
|---------------------------------------|---------------------------|--|
| Post 1986 E&P Beginning 20,546,204 | Current E&P 29,524,354 | Post 1986 E&P Ending <u>50,070,558</u> |
|---------------------------------------|---------------------------|--|

Attachment 8, Form 5471, Box B(3), Category of filer checkboxes (*Category3FilerStatement*)

| | |
|------------------------|---------------------------------|
| Amount of indebtedness | 0 |
| Type of indebtedness | New acquisition |
| Name | Foreign Finance Corporation |
| Address | 75 Any Street, Austin, TX 78737 |
| Identifying Number | none |
| Number of shares | 1,000 |

Attachment 9, Form 5471, Sch C, Line 16, Other deductions (*ItemizedOtherDeductionsSchedule2*)

| | Functional Currency | US Dollar |
|------------------------------|-----------------------|-----------------------|
| Miscellaneous deductions | 199,936 | 295,720 |
| Operating supplies | <u>356,382</u> | <u>527,114</u> |
| Total (not in schema) | <u>556,318</u> | <u>822,834</u> |

Attachment 10, Form 5471, Sch F, Line 4(a) & (b), Other current assets
(*ItemizedOtherCurrentAssetsSchedule*)

| | Beginning | Ending |
|------------------------------|-----------------------|-----------------------|
| Miscellaneous | <u>255,108</u> | <u>243,012</u> |
| Total (not in schema) | <u>255,108</u> | <u>243,012</u> |

Attachment 11, Form 5471, Sch F, Line 7(a) & (b), Other investments (*ItemizedOtherInvestmentSchedule*)

| | Beginning | Ending |
|---------------------------------------|----------------------|--------------------------|
| Investments in Stock (Non-affiliated) | <u>57,437</u> | <u>36,820,277</u> |
| Total (not in schema) | <u>57,437</u> | <u>36,820,277</u> |

Attachment 12, Form 5471, Sch F, Line 15(a) & (b), Other current liabilities
(*ItemizedOtherCurrentLiabilitiesSchedule*)

| | Beginning | Ending |
|------------------------------|-------------------------|-------------------------|
| Other accrued liabilities | <u>4,001,670</u> | <u>5,080,202</u> |
| Total (not in schema) | <u>4,001,670</u> | <u>5,080,202</u> |

Attachment 13, Form 5471, Sch F, Line 17(a) & (b), Other liabilities (*ItemizedOtherLiabilitiesSchedule*)

| | Beginning | Ending |
|-------------------------------|-------------------------|-------------------------|
| Deferred Federal Income Taxes | <u>2,016,428</u> | <u>1,247,422</u> |
| Total (not in schema) | <u>2,016,428</u> | <u>1,247,422</u> |

Attachment 14, Form 5471, Sch H, Line 2h, Other (*EarningsAndProfitsOtherAdjStmt*)

| | Increase | Decrease |
|----------------------------------|-------------------------|-----------------------|
| Recognize Exchange Gain on Note | 1,848,728 | 0 |
| Reverse Stock Write-down | 86,410 | 0 |
| Reverse Book Remediation Reserve | 11,146 | 0 |
| Reverse Book Exchange Gain | <u>0</u> | <u>515,184</u> |
| Total (not in schema) | <u>1,946,284</u> | <u>515,184</u> |

Form **1120**
Department of the Treasury
Internal Revenue Service (77)

U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 2008 or tax year beginning _____, 2008, ending _____, 20 _____
▶ See separate instructions.

2008

| | | | |
|---|--|---|--|
| A Check if: 1a Consolidated return (attach Form 851) <input type="checkbox"/> b Life/nonlife consolidated return <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (see instructions) <input type="checkbox"/> 4 Schedule M-3 attached <input checked="" type="checkbox"/> | | Use IRS label. Otherwise, print or type. Name International Finance Incorporated Number, street, and room or suite no. If a P.O. box, see instructions. 35 Any Street City or town, state, and ZIP code Anytown, NY 10006 | B Employer identification number 11 0000005 |
| E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change | | | C Date incorporated 08/01/1985 D Total assets (see instructions) \$ 250,306,361 |

| | | | | | | | | | | |
|--|---|--|-----|------------|-----------------------------|--|---|-------|-----------|------------|
| Income | 1a | Gross receipts or sales | | b | Less returns and allowances | | c | Bal ▶ | 1c | |
| | 2 | Cost of goods sold (Schedule A, line 8) | | | | | | | 2 | |
| | 3 | Gross profit. Subtract line 2 from line 1c | | | | | | | 3 | |
| | 4 | Dividends (Schedule C, line 19) | | | | | | | 4 | 43,834,479 |
| | 5 | Interest | | | | | | | 5 | |
| | 6 | Gross rents | | | | | | | 6 | |
| | 7 | Gross royalties | | | | | | | 7 | |
| | 8 | Capital gain net income (attach Schedule D (Form 1120)) | | | | | | | 8 | |
| | 9 | Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | | | | | 9 | |
| | 10 | Other income (see instructions—attach schedule) | | | | | | | 10 | |
| | 11 | Total income. Add lines 3 through 10 | | | | | | | 11 | 43,834,479 |
| Deductions (See instructions for limitations on deductions.) | 12 | Compensation of officers (Schedule E, line 4) | | | | | | | 12 | |
| | 13 | Salaries and wages (less employment credits) | | | | | | | 13 | |
| | 14 | Repairs and maintenance | | | | | | | 14 | |
| | 15 | Bad debts | | | | | | | 15 | |
| | 16 | Rents | | | | | | | 16 | |
| | 17 | Taxes and licenses | | | | | | | 17 | |
| | 18 | Interest | | | | | | | 18 | |
| | 19 | Charitable contributions | | | | | | | 19 | |
| | 20 | Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | | | | | 20 | |
| | 21 | Depletion | | | | | | | 21 | |
| | 22 | Advertising | | | | | | | 22 | |
| | 23 | Pension, profit-sharing, etc., plan | | | | | | | 23 | |
| | 24 | Employee benefit programs | | | | | | | 24 | |
| | 25 | Domestic production activities deduction (attach Form 8903) | | | | | | | 25 | |
| | 26 | Other deductions (attach schedule) | | | | | | | 26 | 120,387 |
| | 27 | Total deductions. Add lines 12 through 26 | | | | | | | 27 | 120,387 |
| | 28 | Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 | | | | | | | 28 | 43,714,092 |
| 29 | Less: a Net operating loss deduction (see instructions) | | 29a | | | | | 29c | | |
| | b Special deductions (Schedule C, line 20) | | 29b | | | | | | | |
| Tax and Payments | 30 | Taxable income. Subtract line 29c from line 28 (see instructions) | | | | | | | 30 | 43,714,092 |
| | 31 | Total tax (Schedule J, line 10) | | | | | | | 31 | 15,134,073 |
| | 32a | 2007 overpayment credited to 2008 | 32a | 1,678,103 | | | | | | |
| | b | 2008 estimated tax payments | 32b | 15,000,000 | | | | | | |
| | c | 2008 refund applied for on Form 4466 | 32c | () | | | | | | |
| | d | d Bal ▶ | 32d | 16,678,103 | | | | | | |
| | e | Tax deposited with Form 7004 | 32e | | | | | | | |
| | f | Credits: (1) Form 2439 (2) Form 4136 | 32f | | | | | | 32g | 16,678,103 |
| 33 | Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | | | | | | | 33 | | |
| 34 | Amount owed. If line 32g is smaller than the total of lines 31 and 33, enter amount owed | | | | | | | 34 | | |
| 35 | Overpayment. If line 32g is larger than the total of lines 31 and 33, enter amount overpaid | | | | | | | 35 | 1,544,030 | |
| 36 | Enter amount from line 35 you want: Credited to 2009 estimated tax ▶ 1,544,030 Refunded ▶ | | | | | | | 36 | | |

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Signature of officer _____ Date _____ Title **Chief Executive Officer**

May the IRS discuss this return with the preparer shown below (see instructions)? **Yes** **No**

Paid Preparer's Use Only
 Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN **999-06-0007**
 Firm's name (or yours if self-employed), address, and ZIP code **Electronic Tax Filers, Inc.** EIN **11 000011**
100 Efile Drive Anytown, TX 78621 Phone no. (**512**) **555-1212**

Schedule A Cost of Goods Sold (see instructions)

| | | | | |
|---|--|---|--|--|
| 1 | Inventory at beginning of year | 1 | | |
| 2 | Purchases | 2 | | |
| 3 | Cost of labor | 3 | | |
| 4 | Additional section 263A costs (attach schedule) | 4 | | |
| 5 | Other costs (attach schedule) | 5 | | |
| 6 | Total. Add lines 1 through 5 | 6 | | |
| 7 | Inventory at end of year | 7 | | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | | |

9a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation Yes No

Schedule C Dividends and Special Deductions (see instructions)

| | (a) Dividends received | (b) % | (c) Special deductions (a) × (b) |
|----|--|---------------------------------------|----------------------------------|
| 1 | Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) | 70 | |
| 2 | Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) | 80 <small>see instructions</small> | |
| 3 | Dividends on debt-financed stock of domestic and foreign corporations | 42 | |
| 4 | Dividends on certain preferred stock of less-than-20%-owned public utilities | 48 | |
| 5 | Dividends on certain preferred stock of 20%-or-more-owned public utilities | 70 | |
| 6 | Dividends from less-than-20%-owned foreign corporations and certain FSCs | 80 | |
| 7 | Dividends from 20%-or-more-owned foreign corporations and certain FSCs | 100 | |
| 8 | Dividends from wholly owned foreign subsidiaries | | |
| 9 | Total. Add lines 1 through 8. See instructions for limitation | | |
| 10 | Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 | 100 | |
| 11 | Dividends from affiliated group members | 100 | |
| 12 | Dividends from certain FSCs | 100 | |
| 13 | Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12 | | |
| 14 | Income from controlled foreign corporations under subpart F (attach Form(s) 5471) | | |
| 15 | Foreign dividend gross-up | | |
| 16 | IC-DISC and former DISC dividends not included on lines 1, 2, or 3 | | |
| 17 | Other dividends | | |
| 18 | Deduction for dividends paid on certain preferred stock of public utilities | | |
| 19 | Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4 | 43,668,620 | |
| 20 | Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b | 165,859 | |
| | | | 43,834,479 |

Schedule E Compensation of Officers (see instructions for page 1, line 12)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

| (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned | | (f) Amount of compensation |
|---------------------|---|---|------------------------------------|---------------|----------------------------|
| | | | (d) Common | (e) Preferred | |
| 1 | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| | | % | % | % | |
| 2 | Total compensation of officers | | | | |
| 3 | Compensation of officers claimed on Schedule A and elsewhere on return | | | | |
| 4 | Subtract line 3 from line 2. Enter the result here and on page 1, line 12 | | | | |

Schedule J Tax Computation (see instructions)

| | | | | |
|----|--|----|------------|------------|
| 1 | Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) | | | |
| 2 | Income tax. Check if a qualified personal service corporation (see instructions) | | 2 | 15,299,932 |
| 3 | Alternative minimum tax (attach Form 4626) | | 3 | |
| 4 | Add lines 2 and 3 | | 4 | 15,299,932 |
| 5a | Foreign tax credit (attach Form 1118) | 5a | 165,859 | |
| b | Credit from Form 8834 | 5b | | |
| c | General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 8846 | 5c | | |
| d | Credit for prior year minimum tax (attach Form 8827) | 5d | | |
| e | Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 | 5e | | |
| 6 | Total credits. Add lines 5a through 5e | 6 | 165,859 | |
| 7 | Subtract line 6 from line 4 | 7 | 15,134,073 | |
| 8 | Personal holding company tax (attach Schedule PH (Form 1120)) | 8 | | |
| 9 | Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule) | 9 | | |
| 10 | Total tax. Add lines 7 through 9. Enter here and on page 1, line 31 | 10 | 15,134,073 | |

Schedule K Other Information (see instructions)

| | | | |
|---|--|-----|----|
| 1 | Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ | Yes | No |
| 2 | See the instructions and enter the: | | |
| a | Business activity code no. ▶ 522293 | | |
| b | Business activity ▶ International Finance | | |
| c | Product or service ▶ International Finance | | |
| 3 | Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶ ABC Finance (ABCF) 11-0000021 | ✓ | |
| 4 | At the end of the tax year: | | |
| a | Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v). | ✓ | |

| (i) Name of Entity | (ii) Employee Identification Number (if any) | (iii) Type of Entity / Organization | (iv) Country of Organization | (v) Percentage Owned in Voting Stock |
|------------------------|--|-------------------------------------|------------------------------|--------------------------------------|
| ABC Energy Corporation | 11-0000015 | Corporation | UK | 100 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | | | |
|---|---|--|---|
| b | Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv). | | ✓ |
|---|---|--|---|

| (i) Name of Individual or Estate | (ii) Identifying Number (if any) | (iii) Country of Citizenship (see instructions) | (iv) Percentage Owned in Voting Stock |
|----------------------------------|----------------------------------|---|---------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

Schedule K *Continued*

5 At the end of the tax year, did the corporation:

a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851? For rules of constructive ownership, see instructions

If "Yes," complete (i) through (iv).

| Yes | No |
|-----|----|
| | ✓ |

| (i) Name of Corporation | (ii) Employer Identification Number (if any) | (iii) Country of Incorporation | (iv) Percentage Owned in Voting Stock |
|-------------------------|--|--------------------------------|---------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions

If "Yes," complete (i) through (iv).

| Yes | No |
|-----|----|
| | ✓ |

| (i) Name of Entity | (ii) Employer Identification Number (if any) | (iii) Country of Organization | (iv) Percentage Owned in Profit, Loss, or Capital |
|--------------------|--|-------------------------------|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.)

7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of **(a)** the total voting power of all classes of the corporation's stock entitled to vote or **(b)** the total value of all classes of the corporation's stock?

For rules of attribution, see section 318. If "Yes," enter:

(i) Percentage owned ▶ and **(ii)** Owner's country ▶

(c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶

8 Check this box if the corporation issued publicly offered debt instruments with original issue discount

If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$

10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶

11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here

12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$

13 Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000?

If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$

| Yes | No |
|-----|----|
| | ✓ |
| | ✓ |
| | ✓ |

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|---|---|-----------------------|--------------------|-----------------|--------------------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 250,328 | | 197,664 |
| 2a | Trade notes and accounts receivable | | | | |
| b | Less allowance for bad debts | () | | () | |
| 3 | Inventories | | | | |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets (attach schedule) | | 35,726 | | 35,726 |
| 7 | Loans to shareholders | | 5,000 | | 0 |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (attach schedule) | | 139,197,191 | | 250,072,971 |
| 10a | Buildings and other depreciable assets | | | | |
| b | Less accumulated depreciation | () | | () | |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | | | |
| 13a | Intangible assets (amortizable only) | | | | |
| b | Less accumulated amortization | () | | () | |
| 14 | Other assets (attach schedule) | | | | |
| 15 | Total assets | | 139,488,245 | | 250,306,361 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | | | |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities (attach schedule) | | | | |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | | | |
| 21 | Other liabilities (attach schedule) | | | | |
| 22 | Capital stock: a Preferred stock | | | 5,000 | 5,000 |
| | b Common stock | 5,000 | 5,000 | | 5,000 |
| 23 | Additional paid-in capital | | 139,231,622 | | 249,913,859 |
| 24 | Retained earnings—Appropriated (attach schedule) | | | | |
| 25 | Retained earnings—Unappropriated | | 251,623 | | 387,502 |
| 26 | Adjustments to shareholders' equity (attach schedule) | | | | |
| 27 | Less cost of treasury stock | () | | () | |
| 28 | Total liabilities and shareholders' equity | | 139,488,245 | | 250,306,361 |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

| | | | | | |
|---|---|--|----|--|--|
| 1 | Net income (loss) per books | | 7 | Income recorded on books this year not included on this return (itemize): | |
| 2 | Federal income tax per books | | | Tax-exempt interest \$ | |
| 3 | Excess of capital losses over capital gains | | | | |
| 4 | Income subject to tax not recorded on books this year (itemize): | | | | |
| 5 | Expenses recorded on books this year not deducted on this return (itemize): | | 8 | Deductions on this return not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | |
| b | Charitable contributions \$ | | b | Charitable contributions \$ | |
| c | Travel and entertainment \$ | | | | |
| 6 | Add lines 1 through 5 | | 9 | Add lines 7 and 8 | |
| | | | 10 | Income (page 1, line 28)—line 6 less line 9 | |

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

| | | | | | |
|---|--|---------|---|---|---------|
| 1 | Balance at beginning of year | 251,623 | 5 | Distributions: a Cash | |
| 2 | Net income (loss) per books | 135,879 | | b Stock | |
| 3 | Other increases (itemize): | | | c Property | |
| | | | 6 | Other decreases (itemize): | |
| | | | 7 | Add lines 5 and 6 | |
| 4 | Add lines 1, 2, and 3 | 387,502 | 8 | Balance at end of year (line 4 less line 7) | 387,502 |

**SCHEDULE M-3
(Form 1120)**

**Net Income (Loss) Reconciliation for Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0123

2008

Department of the Treasury
Internal Revenue Service

© Attach to Form 1120 or 1120-C.
© See separate instructions.

Name of corporation (common parent, if consolidated return)
International Finance Incorporated

Employer identification number
11-0000005

- Check applicable box(es):
- (1) Non-consolidated return
 - (2) Consolidated return (Form 1120 only)
 - (3) Mixed 1120/L/PC group
 - (4) Dormant subsidiaries schedule attached

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a** Did the corporation file SEC Form 10-K for its income statement period ending with or within this tax year?
 Yes. Skip lines 1b and 1c and complete lines 2a through 11 with respect to that SEC Form 10-K.
 No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared.
- b** Did the corporation prepare a certified audited non-tax-basis income statement for that period?
 Yes. Skip line 1c and complete lines 2a through 11 with respect to that income statement.
 No. Go to line 1c.
- c** Did the corporation prepare a non-tax-basis income statement for that period?
 Yes. Complete lines 2a through 11 with respect to that income statement.
 No. Skip lines 2a through 3c and enter the corporation's net income (loss) per its books and records on line 4a.
- 2a** Enter the income statement period: Beginning Jan 1, 2008 Ending Dec 31, 2008
- b** Has the corporation's income statement been restated for the income statement period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- c** Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2a?
 Yes. (If "Yes," attach an explanation and the amount of each item restated.)
 No.
- 3a** Is any of the corporation's voting common stock publicly traded?
 Yes.
 No. If "No," go to line 4a.

b Enter the symbol of the corporation's primary U.S. publicly traded voting common stock

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

c Enter the nine-digit CUSIP number of the corporation's primary publicly traded voting common stock

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

| | | |
|--|------------|----------------|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Statutory (4) <input type="checkbox"/> Tax-basis (5) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | () |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other includible foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (attach schedule) | 7b | |
| c Net income (loss) of other includible entities (attach schedule) | 7c | 135,879 |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10a Intercompany dividend adjustments to reconcile to line 11 (attach schedule) | 10a | |
| b Other statutory accounting adjustments to reconcile to line 11 (attach schedule) | 10b | |
| c Other adjustments to reconcile to amount on line 11 (attach schedule) | 10c | |
| 11 Net income (loss) per income statement of includible corporations. Combine lines 4 through 10 Note. Part I, line 11, must equal the amount on Part II, line 30, column (a), and Schedule M-2, line 2. | 11 | 135,879 |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines.

| | Total Assets | Total Liabilities |
|--|---------------|-------------------|
| a Included on Part I, line 4 © | | |
| b Removed on Part I, line 5 © | | |
| c Removed on Part I, line 6 © | | |
| d Included on Part I, line 7 © | 88,253 | 43,768 |

| | |
|---|--|
| Name of corporation (common parent, if consolidated return) International Finance Incorporated | Employer identification number 11-000005 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |
| Name of subsidiary (if consolidated return) | Employer identification number |

Part II Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return (see instructions)

| | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| Income (Loss) Items (Attach schedules for lines 1 through 11) | | | | |
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | 43,668,620 | | 43,668,620 |
| 4 Section 78 gross-up | | | 165,859 | |
| 5 Gross foreign distributions previously taxed | | | | |
| 6 Income (loss) from equity method U.S. corporations | | | | |
| 7 U.S. dividends not eliminated in tax consolidation | | | | |
| 8 Minority interest for includible corporations | | | | |
| 9 Income (loss) from U.S. partnerships | | | | |
| 10 Income (loss) from foreign partnerships | | | | |
| 11 Income (loss) from other pass-through entities | | | | |
| 12 | | | | |
| Items relating to reportable transactions (attach details) | | | | |
| 13 Interest income (attach Form 8916-A) | | | | |
| 14 Total accrual to cash adjustment | | | | |
| 15 Hedging transactions | | | | |
| 16 Mark-to-market income (loss) | | | | |
| 17 Cost of goods sold (attach Form 8916-A) | (_____) | | | (_____) |
| 18 Sale versus lease (for sellers and/or lessors) | | | | |
| 19 Section 481(a) adjustments | | | | |
| 20 Unearned/deferred revenue | | | | |
| 21 Income recognition from long-term contracts | | | | |
| 22 Original issue discount and other imputed interest | | | | |
| 23a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 24 Capital loss limitation and carryforward used | | | | |
| 25 Other income (loss) items with differences (attach schedule) | 512,526 | (512,526) | | |
| 26 Total income (loss) items. Combine lines 1 through 25 | 512,526 | 43,156,094 | 165,859 | 43,834,479 |
| 27 Total expense/deduction items (from Part III, line 36) | (256,260) | 256,260 | | 0 |
| 28 Other items with no differences | (120,387) | | | (120,387) |
| 29a Mixed groups, see instructions. All others, combine lines 26 through 28 | 135,879 | 43,412,354 | 165,859 | 43,714,092 |
| b PC insurance subgroup reconciliation totals | | | | |
| c Life insurance subgroup reconciliation totals | | | | |
| 30 Reconciliation totals. Combine lines 29a through 29c | 135,879 | 43,412,354 | 165,859 | 43,714,092 |

Note. Line 30, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120, page 1, line 28.

| | |
|---|--|
| Name of corporation (common parent, if consolidated return) International Finance Incorporated | Employer identification number 11-000005 |
| Check applicable box(es): (1) <input type="checkbox"/> Consolidated group (2) <input type="checkbox"/> Parent corp (3) <input type="checkbox"/> Consolidated eliminations (4) <input type="checkbox"/> Subsidiary corp (5) <input type="checkbox"/> Mixed 1120/L/PC group | |
| Check if a sub-consolidated: (6) <input type="checkbox"/> 1120 group (7) <input type="checkbox"/> 1120 eliminations | |
| Name of subsidiary (if consolidated return) | Employer identification number |

Part III Reconciliation of Net Income (Loss) per Income Statement of Includible Corporations With Taxable Income per Return—Expense/Deduction Items (see instructions)

| | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Foreign withholding taxes | | | | |
| 8 Interest expense (attach Form 8916-A) | | | | |
| 9 Stock option expense | | | | |
| 10 Other equity-based compensation | | | | |
| 11 Meals and entertainment | | | | |
| 12 Fines and penalties | | | | |
| 13 Judgments, damages, awards, and similar costs | | | | |
| 14 Parachute payments | | | | |
| 15 Compensation with section 162(m) limitation | | | | |
| 16 Pension and profit-sharing | | | | |
| 17 Other post-retirement benefits | | | | |
| 18 Deferred compensation | | | | |
| 19 | | | | |
| Charitable contribution of cash and tangible property | | | | |
| 20 Charitable contribution of intangible property | | | | |
| 21 Charitable contribution limitation/carryforward | | | | |
| 22 Domestic production activities deduction | | | | |
| 23 Current year acquisition or reorganization investment banking fees | | | | |
| 24 Current year acquisition or reorganization legal and accounting fees | | | | |
| 25 Current year acquisition/reorganization other costs | | | | |
| 26 Amortization/impairment of goodwill | | | | |
| 27 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 28 Other amortization or impairment write-offs | | | | |
| 29 Section 198 environmental remediation costs | | | | |
| 30 Depletion | | | | |
| 31 Depreciation | | | | |
| 32 Bad debt expense | | | | |
| 33 Corporate owned life insurance premiums | | | | |
| 34 | | | | |
| Purchase versus lease (for purchasers and/or lessees) | | | | |
| 35 Other expense/deduction items with differences (attach schedule) | 256,260 | (256,260) | | 0 |
| 36 Total expense/deduction items. Combine lines 1 through 35. Enter here and on Part II, line 27, reporting positive amounts as negative and negative amounts as positive | 256,260 | (256,260) | | 0 |

**SCHEDULE N
(Form 1120)**

Department of the Treasury
Internal Revenue Service

Foreign Operations of U.S. Corporations

▶ Attach to Form 1120, 1120-C, 1120-IC-DISC, 1120-L,
1120-PC, 1120-REIT, 1120-RIC, or 1120S.

OMB No. 1545-0123

2008

| | |
|---|---|
| Name International Finance Incorporated | Employer identification number (EIN) 11 0000005 |
|---|---|

Foreign Operations Information

| | Yes | No |
|---|-----|----|
| 1a During the tax year, did the corporation own (directly or indirectly) any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 , Information Return of U.S. Persons With Respect to Foreign Disregarded Entities, for each foreign disregarded entity (see instructions). | ✓ | |
| b Enter the number of Forms 8858 attached to the tax return ▶ <u>1</u> | | |
| 2 Enter the number of Forms 8865 , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to the corporation's income tax return ▶ | | |
| 3 Excluding any partnership for which a Form 8865 is attached to the tax return, did the corporation own at least a 10% interest, directly or indirectly, in any other foreign partnership (including an entity treated as a foreign partnership under Regulations section 301.7701-2 or 301.7701-3)? If "Yes," see instructions for required attachment. | | ✓ |
| 4a Was the corporation a U.S. shareholder of any controlled foreign corporation (CFC)? (See sections 951 and 957.) If "Yes," attach Form 5471 , Information Return of U.S. Persons With Respect to Certain Foreign Corporations, for each CFC. | ✓ | |
| b Enter the number of Forms 5471 attached to the tax return ▶ <u>1</u> | | |
| 5 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520 , Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. | | ✓ |
| 6a At any time during the 2008 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts. | ✓ | |
| b If "Yes," enter the name of the foreign country ▶ <u>UK</u> | | |
| 7a Is the corporation claiming the extraterritorial income exclusion? If "Yes," attach a separate Form 8873 , Extraterritorial Income Exclusion, for each transaction or group of transactions. | | ✓ |
| b Enter the number of Forms 8873 attached to the tax return ▶ | | |
| c Enter the total of the amounts from line 52 (extraterritorial income exclusion (net of disallowed deductions)) of all Forms 8873 attached to the tax return ▶ \$ | | |

Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Who Must File

Corporations that, at any time during the tax year, had assets in or operated a business in a foreign country or a U.S. possession may have to file Schedule N. If the corporation answers "Yes" to any of the questions above, attach Schedule N and the applicable forms and schedules to the corporation's income tax return.

Question 1a

Check the "Yes" box if the corporation is the "tax owner" (defined below) of a foreign disregarded entity (FDE) or it is

required to file Form 5471 or Form 8865 with respect to a CFC or a CFP that is the tax owner of an FDE.

Tax owner of an FDE. The tax owner of an FDE is the person that is treated as owning the assets and liabilities of the FDE for purposes of U.S. income tax law.

A corporation that is the tax owner of an FDE is generally required to attach Form 8858 to its return. However, if the **Exception** below applies, the corporation should attach a statement (described below) in lieu of Form 8858.

Exception. In certain cases where a corporation owns an FDE indirectly or constructively through a foreign entity, the corporation may not be required to attach Form 8858. See **Who Must File** on page 1 of the Instructions for Form 8858.

**Return by a U.S. Transferor of Property
to a Foreign Corporation**

▶ Attach to your income tax return.

Part I U.S. Transferor Information (see instructions)

| | |
|---|--|
| Name of transferor International Finance Incorporated | Identifying number (see instructions) 11-0000005 |
|---|--|

- 1 If the transferor was a corporation, complete questions 1a through 1d.
- a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? Yes No
- b Did the transferor remain in existence after the transfer? Yes No
If not, list the controlling shareholder(s) and their identifying number(s):

| Controlling shareholder | Identifying number |
|-------------------------|--------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

- c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? Yes No
If not, list the name and employer identification number (EIN) of the parent corporation:

| Name of parent corporation | EIN of parent corporation |
|----------------------------|---------------------------|
| ABC Finance | 11-0000021 |

- d Have basis adjustments under section 367(a)(5) been made? Yes No

- 2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.
- a List the name and EIN of the transferor's partnership:

| Name of partnership | EIN of partnership |
|----------------------------|--------------------|
| Country Partnership | 11-0000014 |

- b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? Yes No
- c Is the partner disposing of its **entire** interest in the partnership? Yes No
- d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? Yes No

Part II Transferee Foreign Corporation Information (see instructions)

| | |
|---|------------------------------|
| 3 Name of transferee (foreign corporation) Foreign Finance Corp | 4 Identifying number, if any |
|---|------------------------------|

5 Address (including country)
75 Any Street Birmingham England 126375

6 Country code of country of incorporation or organization (see instructions)
UK

7 Foreign law characterization (see instructions)
Corporation

8 Is the transferee foreign corporation a controlled foreign corporation? Yes No

Part III Information Regarding Transfer of Property (see instructions)

| Type of property | (a) Date of transfer | (b) Description of property | (c) Fair market value on date of transfer | (d) Cost or other basis | (e) Gain recognized on transfer |
|--|-------------------------|--------------------------------|--|----------------------------|------------------------------------|
| Cash | 9-30-2008 | | 100,333 | | |
| Stock and securities | 8-25-2008 | IDD Stock | 35,452 | 25,752 | 9,700 |
| Installment obligations, account receivables or similar property | | | | | |
| Foreign currency or other property denominated in foreign currency | | | | | |
| Inventory | | | | | |
| Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b)) | | | | | |
| Tangible property used in trade or business not listed under another category | | | | | |
| Intangible property | | | | | |
| Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c)) | | | | | |
| Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d)) | | | | | |
| Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e)) | | | | | |
| Other property | | | | | |

Supplemental Information Required To Be Reported (see instructions):

Part IV Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 05 % (b) After 07 %

10 Type of nonrecognition transaction (see instructions) ▶ **Section 356**

11 Indicate whether any transfer reported on this schedule is subject to any of the following:

- a Gain recognition under section 904(f)(3) Yes No
- b Gain recognition under section 904(f)(5)(F) Yes No
- c Recapture under section 1503(d) Yes No
- d Exchange gain under section 987 Yes No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? Yes No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

- a Tainted property Yes No
- b Depreciation recapture Yes No
- c Branch loss recapture Yes No
- d Any other income recognition provision contained in the above-referenced regulations Yes No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? Yes No

15a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? Yes No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ \$ _____

16 Was cash the only property transferred? Yes No

17a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? Yes No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

Form **1118**
(Rev. December 2008)

Foreign Tax Credit—Corporations

▶ **Attach to the corporation's tax return.**
▶ **See separate instructions.**

OMB No. 1545-0122

Internal Revenue Service
Department of the Treasury

For calendar year 20____, or other tax year beginning____, 20____, and ending____, 20____

Name of corporation
International Finance Incorporated

Employer identification number
11 0000005

Use a **separate** Form 1118 for each applicable category of income listed below. See **Categories of Income** on page 1 of instructions. Also, see **Specific Instructions** on page 5. Check only one box on each form.

- Passive Category Income** Section 901(j) Income: Name of Sanctioned Country ▶ _____
 General Category Income Income Re-sourced by Treaty: Name of Country ▶ _____

Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See page 5 of instructions.)

| | 1. Foreign Country or U.S. Possession (Enter two-letter code from list beginning on page 11 of instructions. Use a separate line for each.)* | Gross Income or (Loss) From Sources Outside the United States (INCLUDE Foreign Branch Gross Income here and on Schedule F) | | | | | | 8. Total (add columns 2(a) through 7) | | |
|---------------------------------------|--|--|------------------------|----------------------|------------------------|-------------|---|---------------------------------------|--|----------------------------|
| | | 2. Deemed Dividends (see instructions) | | 3. Other Dividends | | 4. Interest | 5. Gross Rents, Royalties, and License Fees | | 6. Gross Income From Performance of Services | 7. Other (attach schedule) |
| | | (a) Exclude gross-up | (b) Gross-up (sec. 78) | (a) Exclude gross-up | (b) Gross-up (sec. 78) | | | | | |
| A | UK | 43,668,620 | 165,859 | | | | | | 43,834,479 | |
| B | | | | | | | | | | |
| C | | | | | | | | | | |
| D | | | | | | | | | | |
| E | | | | | | | | | | |
| F | | | | | | | | | | |
| Totals (add lines A through F) | | 43,668,620 | 165,859 | | | | | | 43,834,479 | |

* For section 863(b) income, NOLs, income from RICs, and high-taxed income, use a single line (see **Schedule A** on page 5 of the instructions).

Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)

| | 9. Definitely Allocable Deductions | | | | 10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part II, column (d)) | 11. Net Operating Loss Deduction | 12. Total Deductions (add columns 9(e) through 11) | 13. Total Income or (Loss) Before Adjustments (subtract column 12 from column 8) |
|---------------|---|--------------------|---|---|---|----------------------------------|--|--|
| | Rental, Royalty, and Licensing Expenses | | (c) Expenses Related to Gross Income From Performance of Services | (d) Other Definitely Allocable Deductions | | | | |
| | (a) Depreciation, Depletion, and Amortization | (b) Other Expenses | | | | | | |
| A | | | | 120,387 | 120,387 | | 120,387 | 43,714,092 |
| B | | | | | | | | |
| C | | | | | | | | |
| D | | | | | | | | |
| E | | | | | | | | |
| F | | | | | | | | |
| Totals | | | | 120,387 | 120,387 | | 120,387 | 43,714,092 |

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 10900F

Form **1118** (Rev. 12-2008)

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)

Part I—Foreign Taxes Paid, Accrued, and Deemed Paid (see page 6 of instructions)

| | 1. Credit is Claimed for Taxes: <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | | 2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used) | | | | | | 3. Tax Deemed Paid (from Schedule C—Part I, column 10, Part II, column 8(b), and Part III, column 8) | |
|---------------------------------------|---|--------------|--|--------------|--|---|---------------------------|---------------------|--|----------------|
| | | | Tax Withheld at Source on: | | | Other Foreign Taxes Paid or Accrued on: | | | | |
| | Date Paid | Date Accrued | (a) Dividends | (b) Interest | (c) Rents, Royalties, and License Fees | (d) Section 863(b) Income | (e) Foreign Branch Income | (f) Services Income | | (g) Other |
| A | | | | | | | | | | |
| B | | | | | | | | | | |
| C | | | | | | | | | | |
| D | | | | | | | | | | |
| E | | | | | | | | | | |
| F | | | | | | | | | | |
| Totals (add lines A through F) | | | | | | | | | | 165,859 |

Part II—Separate Foreign Tax Credit (Complete a separate Part II for each applicable category of income.)

| | | |
|-----------|--|------------|
| 1 | Total foreign taxes paid or accrued (total from Part I, column 2(h)) | 165,859 |
| 2 | Total taxes deemed paid (total from Part I, column 3) | () |
| 3 | Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G) | |
| 4 | Taxes reclassified under high-tax kickout | |
| 5 | Total carryover of foreign taxes (attach schedule showing computation in detail—see page 6 of the instructions) | |
| 6 | Total foreign taxes (combine lines 1 through 5) | 165,859 |
| 7 | Enter the amount from the applicable column of Schedule J, Part I, line 11 (see page 6 of instructions). If Schedule J is not required to be completed, enter the result from the “Totals” line of column 13 of the applicable Schedule A | 43,714,092 |
| 8a | Total taxable income from all sources (enter taxable income from the corporation’s tax return) | 43,714,092 |
| b | Adjustments to line 8a (see page 6 of instructions) | |
| c | Subtract line 8b from line 8a | 43,714,092 |
| 9 | Divide line 7 by line 8c. Enter the resulting fraction as a decimal (see instructions). If line 7 is greater than line 8c, enter 1 | 1.000000 |
| 10 | Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus American Samoa economic development credit) | 15,299,932 |
| 11 | Credit limitation (multiply line 9 by line 10) (see page 6 of instructions) | 15,299,932 |
| 12 | Separate foreign tax credit (enter the smaller of line 6 or line 11 here and on the appropriate line of Part III) | 165,859 |

Part III—Summary of Separate Credits (Enter amounts from Part II, line 11 for each applicable category of income. **Do not** include taxes paid to sanctioned countries.)

| | | |
|----------|---|---------|
| 1 | Credit for taxes on passive category income | 165,859 |
| 2 | Credit for taxes on general category income | |
| 3 | Credit for taxes on income re-sourced by treaty (combine all such credits on this line) | |
| 4 | Total (add lines 1 through 3) | 165,859 |
| 5 | Reduction in credit for international boycott operations (see page 6 of instructions) | |
| 6 | Total foreign tax credit (subtract line 5 from line 4). Enter here and on the appropriate line of the corporation’s tax return | 165,859 |

Schedule C Tax Deemed Paid by Domestic Corporation Filing Return

Use this schedule to figure the tax deemed paid by the corporation with respect to dividends from a first-tier foreign corporation under section 902(a), and deemed inclusions of earnings from a first- or lower-tier foreign corporation under section 960(a). Report all amounts in U.S. dollars unless otherwise specified.

Part I—Dividends and Deemed Inclusions From Post-1986 Undistributed Earnings

| 1. Name of Foreign Corporation (identify DISCs and former DISCs) | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends and Deemed Inclusions | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|--|--|--|--|--|--|--|---|------------------------------------|------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Schedule D, Part I—see instructions) | | (a) Functional Currency | (b) U.S. Dollars | | |
| Foreign Finance Corp | 2008-12 | UK | 50,070,558 | 0 | 277,263 | | 277,263 | 29,954,584 | 9,679,489 | .5982 | 165,859 |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Total (Add amounts in column 10. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3.) | | | | | | | | | | | 165,859 |

Part II—Dividends Paid Out of Pre-1987 Accumulated Profits

| 1. Name of Foreign Corporation (identify DISCs and former DISCs) | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Accumulated Profits for Tax Year Indicated (in functional currency computed under section 902) (attach schedule) | 5. Foreign Taxes Paid and Deemed Paid on Earnings and Profits (E&P) for Tax Year Indicated (in functional currency) (see instructions) | 6. Dividends Paid | | 7. Divide Column 6(a) by Column 4 | 8. Tax Deemed Paid (see instructions) | |
|--|--|--|---|--|-------------------------|------------------|-----------------------------------|---------------------------------------|------------------|
| | | | | | (a) Functional Currency | (b) U.S. Dollars | | (a) Functional Currency | (b) U.S. Dollars |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total (Add amounts in column 8b. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3.) | | | | | | | | | |

Part III—Deemed Inclusions From Pre-1987 Earnings and Profits

| 1. Name of Foreign Corporation (identify DISCs and former DISCs) | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. E&P for Tax Year Indicated (in functional currency translated from U.S. dollars, computed under section 964) (attach schedule) | 5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (see instructions) | 6. Deemed Inclusions | | 7. Divide Column 6(a) by Column 4 | 8. Tax Deemed Paid (multiply column 5 by column 7) |
|---|--|--|---|---|-------------------------|------------------|-----------------------------------|--|
| | | | | | (a) Functional Currency | (b) U.S. Dollars | | |
| | | | | | | | | |
| | | | | | | | | |
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| | | | | | | | | |
| | | | | | | | | |
| Total (Add amounts in column 8. Enter the result here and include on "Totals" line of Schedule B, Part I, column 3.) | | | | | | | | |

Schedule D Tax Deemed Paid by First- and Second-Tier Foreign Corporations under Section 902(b)

Use Part I to compute the tax deemed paid by a first-tier foreign corporation with respect to dividends from a second-tier foreign corporation. Use Part II to compute the tax deemed paid by a second-tier foreign corporation with respect to dividends from a third-tier foreign corporation. **Report all amounts in U.S. dollars unless otherwise specified.**

Part I—Tax Deemed Paid by First-Tier Foreign Corporations

Section A—Dividends Paid Out of Post-1986 Undistributed Earnings (Include the column 10 results in Schedule C, Part I, column 6(b).)

| 1. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|--|---|--|-------------------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (see instructions) | | (a) of Second-tier Corporation | (b) of First-tier Corporation | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Section B—Dividends Paid Out of Pre-1987 Accumulated Profits (Include the column 8(b) results in Schedule C, Part I, column 6(b).)

| 1. Name of Second-Tier Foreign Corporation and Its Related First-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Accumulated Profits for Tax Year Indicated (in functional currency—attach schedule) | 5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (in functional currency—see instructions) | 6. Dividends Paid (in functional currency) | | 7. Divide Column 6(a) by Column 4 | 8. Tax Deemed Paid (see instructions) | |
|---|--|--|--|--|--|-------------------------------|-----------------------------------|--|------------------|
| | | | | | (a) of Second-tier Corporation | (b) of First-tier Corporation | | (a) Functional Currency of Second-tier Corporation | (b) U.S. Dollars |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Part II—Tax Deemed Paid by Second-Tier Foreign Corporations

Section A—Dividends Paid Out of Post-1986 Undistributed Earnings (Include the column 10 results in Section A, column 6(b), of Part I above.)

| 1. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|--|---|--|--------------------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Schedule E, Part I, column 10) | | (a) of Third-tier Corporation | (b) of Second-tier Corporation | | |
| | | | | | | | | | | | |
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Section B—Dividends Paid Out of Pre-1987 Accumulated Profits (Include the column 8(b) results in Section A, column 6(b), of Part I above.)

| 1. Name of Third-Tier Foreign Corporation and Its Related Second-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Accumulated Profits for Tax Year Indicated (in functional currency—attach schedule) | 5. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated (in functional currency—see instructions) | 6. Dividends Paid (in functional currency) | | 7. Divide Column 6(a) by Column 4 | 8. Tax Deemed Paid (see instructions) | |
|---|--|--|--|--|--|--------------------------------|-----------------------------------|--|------------------|
| | | | | | (a) of Third-tier Corporation | (b) of Second-tier Corporation | | (a) In Functional Currency of Third-tier Corporation | (b) U.S. Dollars |
| | | | | | | | | | |
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Schedule E Tax Deemed Paid by Certain Third-, Fourth-, and Fifth-Tier Foreign Corporations Under Section 902(b)

Use this schedule to report taxes deemed paid with respect to dividends from eligible post-1986 undistributed earnings of fourth-, fifth- and sixth-tier controlled foreign corporations. **Report all amounts in U.S. dollars unless otherwise specified.**

Part I—Tax Deemed Paid by Third-Tier Foreign Corporations (Include the column 10 results in Schedule D, Part II, Section A, column 6(b).)

| 1. Name of Fourth-Tier Foreign Corporation and Its Related Third-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|---|---|--|-----------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Part II, column 10) | | (a) Of Fourth-tier CFC | (b) Of Third-tier CFC | | |
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Part II—Tax Deemed Paid by Fourth-Tier Foreign Corporations (Include the column 10 results in column 6(b) of Part I above.)

| 1. Name of Fifth-Tier Foreign Corporation and Its Related Fourth-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid and Deemed Paid for Tax Year Indicated | | 7. Post-1986 Foreign Income Taxes (add columns 5, 6(a), and 6(b)) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|---|--|--|--|--|--|--|---|--|------------------------|-----------------------------------|---|
| | | | | | (a) Taxes Paid | (b) Taxes Deemed Paid (from Part III, column 10) | | (a) Of Fifth-tier CFC | (b) Of Fourth-tier CFC | | |
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Part III—Tax Deemed Paid by Fifth-Tier Foreign Corporations (Include the column 10 results in column 6(b) of Part II above.)

| 1. Name of Sixth-Tier Foreign Corporation and Its Related Fifth-Tier Foreign Corporation | 2. Tax Year End (Yr-Mo) (see instructions) | 3. Country of Incorporation (enter country code from instructions) | 4. Post-1986 Undistributed Earnings (in functional currency—attach schedule) | 5. Opening Balance in Post-1986 Foreign Income Taxes | 6. Foreign Taxes Paid For Tax Year Indicated | 7. Post-1986 Foreign Income Taxes (add columns 5 and 6) | 8. Dividends Paid (in functional currency) | | 9. Divide Column 8(a) by Column 4 | 10. Tax Deemed Paid (multiply column 7 by column 9) |
|--|--|--|--|--|--|---|--|-----------------------|-----------------------------------|---|
| | | | | | | | (a) Of Sixth-tier CFC | (b) Of Fifth-tier CFC | | |
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| Schedule F Gross Income and Definitely Allocable Deductions for Foreign Branches | | | Schedule G Reductions of Taxes Paid, Accrued, or Deemed Paid | |
|--|-----------------|------------------------------------|---|---|
| 1. Foreign Country or U.S. Possession (Enter two-letter code from Schedule A, column 1. Use a separate line for each.) | 2. Gross Income | 3. Definitely Allocable Deductions | | |
| A | | | A | Reduction of Taxes Under Section 901(e)—Attach separate schedule |
| B | | | B | Reduction of Oil and Gas Extraction Taxes—Enter amount from Schedule I, Part II, line 6 |
| C | | | C | Reduction of Taxes Due to International Boycott Provisions—Enter appropriate portion of Schedule C (Form 5713), line 2b. Important: Enter only “specifically attributable taxes” here. |
| D | | | D | Reduction of Taxes for Section 6038(c) Penalty—Attach separate schedule |
| E | | | E | Other Reductions of Taxes—Attach schedule(s) |
| F | | | | |
| Totals (add lines A through F)* ▶ | | | Total (add lines A through E). Enter here and on Schedule B, Part II, line 3 ▶ | |

* **Note:** The Schedule F totals are not carried over to any other Form 1118 Schedule. (These totals were already included in Schedule A.) However, the IRS requires the corporation to complete Schedule F under the authority of section 905(b).

Schedule H Apportionment of Deductions Not Definitely Allocable (complete only once)

Part I—Research and Development Deductions

| | (a) Sales Method | | | | (b) Gross Income Method—Check method used: <small>(See page 9 of instructions.)</small> | | (c) Total R&D Deductions Not Definitely Allocable (enter all amounts from column (a)(v) or all amounts from column (b)(vii)) |
|---|-------------------------------|---------------------|-------------------------------|---------------------|--|-----------------------------------|--|
| | Product line #1 (SIC Code:)* | | Product line #2 (SIC Code:)* | | <input type="checkbox"/> Option 1 | <input type="checkbox"/> Option 2 | |
| | (i) Gross Sales | (ii) R&D Deductions | (iii) Gross Sales | (iv) R&D Deductions | (v) Total R&D Deductions Under Sales Method (add columns (ii) and (iv)) | (vi) Gross Income | |
| 1 Totals (see page 9 of instructions) | | | | | | | |
| 2 Total to be apportioned | | | | | | | |
| 3 Apportionment among statutory groupings: | | | | | | | |
| a General category income | | | | | | | |
| b Passive category income | | | | | | | |
| c Section 901(j) income* | | | | | | | |
| d Income re-sourced by treaty* | | | | | | | |
| 4 Total foreign (add lines 3a through 3d) | | | | | | | |

Draft 06/16/2008

*Important: See **Computer-Generated Schedule H** in instructions.

Schedule H Apportionment of Deductions Not Definitely Allocable (continued)

Part II—Interest Deductions, All Other Deductions, and Total Deductions

| | (a) Average Value of Assets—Check method used: <input type="checkbox"/> Fair market value <input type="checkbox"/> Tax book value <input type="checkbox"/> Alternative tax book value | | (b) Interest Deductions | | (c) All Other Deductions Not Definitely Allocable | (d) Totals (add the corresponding amounts from column (c), Part I; columns (b)(iii) and (b)(iv), Part II; and column (c), Part II). Enter each amount from lines 3a through 3d below in column 10 of the corresponding Schedule A. |
|--|---|-----------------------------|---------------------------------|-----------------------------|---|--|
| | (i) Nonfinancial Corporations | (ii) Financial Corporations | (iii) Nonfinancial Corporations | (iv) Financial Corporations | | |
| 1a Totals (see pages 9 and 10 of instructions) | | | | | | |
| b Amounts specifically allocable under Temp. Regs. 1.861-10T(e) | | | | | | |
| c Other specific allocations under Temp. Regs. 1.861-10T | | | | | | |
| d Assets excluded from apportionment formula | | | | | | |
| 2 Total to be apportioned (subtract the sum of lines 1b, 1c, and 1d from line 1a) | | | | | | |
| 3 Apportionment among statutory groupings: | | | | | | |
| a General category income | | | | | | |
| b Passive category income | | | | | | |
| c Section 901(j) income* | | | | | | |
| d Income re-sourced by treaty* | | | | | | |
| 4 Total foreign (add lines 3a through 3d) | | | | | | |

* Important: See **Computer-Generated Schedule H** in instructions.



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**Schedule J
(Form 1118)**

(Rev. December 2007)

**Adjustments to Separate Limitation Income (Loss) Categories for
Determining Numerators of Limitation Fractions, Year-End
Recharacterization Balances, and Overall Foreign and Domestic
Loss Account Balances**

OMB No. 1545-0122

For calendar year 20 **08**, or other tax year beginning _____, 20 _____,
and ending _____, 20 _____

▶ Attach to Form 1118. For Paperwork Reduction Act Notice, see the Instructions for Form 1118.

Department of the Treasury
Internal Revenue Service

Name of corporation

International Finance Incorporated

Employer identification number

11 0000005

Part I Adjustments to Separate Limitation Income or (Losses) in Determining Numerators of Limitation Fractions (see instructions)

| | (i) General category income | (ii) Passive category income | (iii) Other income* | (iv) U.S. income |
|---|--------------------------------|---------------------------------|------------------------|---------------------|
| 1 Income or (loss) before adjustments | | 43,714,092 | | |
| 2 Allocation of separate limitation losses: | | | | |
| a General category income | () | () | () | |
| b Passive category income | () | () | () | |
| c Other income* | () | () | () | |
| 3 Subtotal —Combine lines 1 through 2c. | | 43,714,092 | | |
| 4 Allocation of overall foreign losses | | | | () |
| 5 Allocation of domestic losses | () | () | () | () |
| 6 Subtotal —Combine lines 3 through 5. | | 43,714,092 | | |
| 7 Recapture of overall foreign losses | () | () | () | |
| 8 Subtotal —Combine lines 6 and 7. | | 43,714,092 | | |
| 9 Recharacterization of separate limitation income: | | | | |
| a General category income | () | () | () | |
| b Passive category income | () | () | () | |
| c Other income* | () | () | () | |
| 10 Recapture of overall domestic losses | | | | () |
| 11 Numerator of Limitation Fraction — Combine lines 8 through 10. Enter each result here and on Part II, line 6, of corresponding Schedule B. | | 43,714,092 | | |

Part II Year-End Balances of Future Separate Limitation Income That Must Be Recharacterized (section 904(f)(5)(C))

| | | | | |
|----------------------------------|--|--|--|--|
| a General category income | | | | |
| b Passive category income | | | | |
| c Other income* | | | | |

Part III Overall Foreign Loss Account Balances (section 904(f)(1))
Complete for *each* separate limitation income category.

| | | | | |
|--|-----|-----|-----|--|
| 1 Beginning balance | | | | |
| 2 Current year additions | | | | |
| 3 Current year reductions (other than recapture) | () | () | () | |
| 4 Current year recapture (from Part I, line 7) | () | () | () | |
| 5 Ending balance —Combine lines 1 through 4. | | | | |

Part IV Overall Domestic Loss Account Balances (section 904(g)(1))

| | | | | |
|--|-----|-----|-----|--|
| 1 Beginning balance | | | | |
| 2 Current year additions | | | | |
| 3 Current year reductions (other than recapture) | () | () | () | |
| 4 Subtotal —Combine lines 1 through 3. | | | | |
| 5 Current year recapture (from Part I, line 10) | | | | |
| 6 Ending balance —Subtract line 5 from line 4. | | | | |

* Important: See *Computer-Generated Schedule J* in instructions.

Form 1120 Test Scenario 3

Form **5471**

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01**, 20 **08**, and ending **12/31**, 20 **08**

Attachment
Sequence No. **121**

| | |
|---|---|
| Name of person filing this return International Finance Incorporated | A Identifying number 11-0000005 |
| Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 35 Any Street | B Category of filer (See instructions. Check applicable box(es): 1 (repealed) 2 <input checked="" type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> |
| City or town, state, and ZIP code Anytown, NY 10006 | C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100 % |
| Filer's tax year beginning 01/01 , 20 08 , and ending 12/31 , 20 08 | |

D Person(s) on whose behalf this information return is filed:

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|----------|-------------|------------------------|------------------------------|---------|----------|
| | | | Shareholder | Officer | Director |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

| | | | | | |
|--|--|---|--|---|--|
| 1a Name and address of foreign corporation Foreign Finance Corporation 75 Any Street, Birmingham England 126375 | | | | b Employer identification number, if any _____ | |
| d Date of incorporation 01/01/1990 | | | | c Country under whose laws incorporated UK | |
| e Principal place of business United Kingdom | | f Principal business activity code number 523900 | | g Principal business activity Other Financial Investment | |
| h Functional currency British Pound | | | | | |

2 Provide the following information for the foreign corporation's accounting period stated above.

| | | |
|---|--|--|
| a Name, address, and identifying number of branch office or agent (if any) in the United States _____ | b If a U.S. income tax return was filed, enter: | |
| | (i) Taxable income or (loss) _____ | (ii) U.S. income tax paid (after all credits) _____ |
| c Name and address of foreign corporation's statutory or resident agent in country of incorporation Samual Addams 75 Any Street, Birmingham England 126375 | d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different _____ | |

| Schedule A Stock of the Foreign Corporation | | |
|--|---|--------------------------------------|
| (a) Description of each class of stock | (b) Number of shares issued and outstanding | |
| | (i) Beginning of annual accounting period | (ii) End of annual accounting period |
| Common | 1,000 | 1,000 |
| Preferred | 258,280 | 258,280 |
| | | |
| | | |

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

| (a) Name, address, and identifying number of shareholder | (b) Description of each class of stock held by shareholder. Note: This description should match the corresponding description entered in Schedule A, column (a). | (c) Number of shares held at beginning of annual accounting period | (d) Number of shares held at end of annual accounting period | (e) Pro rata share of subpart F income (enter as a percentage) |
|---|---|--|--|--|
| International Finance Incorporated 35 Any Street Anytown, NY 10006 11-0000005 | common | 1,000 | 1,000 | 100 |
| | | | | |
| | | | | |
| International Finance Incorporated 35 Any Street Anytown, NY 10006 11-0000005 | Class B Preferred | 258,280 | 258,280 | 100 |
| | | | | |
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Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

| | | Functional Currency | U.S. Dollars | |
|---|--|---------------------|--------------|------------|
| Income | 1a Gross receipts or sales | 1a | | |
| | b Returns and allowances | 1b | | |
| | c Subtract line 1b from line 1a | 1c | | |
| | 2 Cost of goods sold | 2 | | |
| | 3 Gross profit (subtract line 2 from line 1c) | 3 | | |
| | 4 Dividends | 4 | | |
| | 5 Interest | 5 | 8,224,411 | 12,164,489 |
| | 6a Gross rents | 6a | 14,988,962 | 22,169,741 |
| | b Gross royalties and license fees | 6b | | |
| 7 Net gain or (loss) on sale of capital assets | 7 | | | |
| 8 Other income (attach schedule) | 8 | | | |
| 9 Total income (add lines 3 through 8) | 9 | 23,213,373 | 34,334,230 | |
| Deductions | 10 Compensation not deducted elsewhere | 10 | | |
| | 11a Rents | 11a | 2,588,175 | 3,828,095 |
| | b Royalties and license fees | 11b | | |
| | 12 Interest | 12 | 36,977 | 54,692 |
| | 13 Depreciation not deducted elsewhere | 13 | | |
| | 14 Depletion | 14 | | |
| | 15 Taxes (exclude provision for income, war profits, and excess profits taxes) | 15 | 121 | 179 |
| 16 Other deductions (attach schedule—exclude provision for income, war profits, and excess profits taxes) | 16 | 556,318 | 822,834 | |
| 17 Total deductions (add lines 10 through 16) | 17 | 3,181,591 | 4,705,800 | |
| Net Income | 18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) | 18 | 20,031,782 | 29,628,430 |
| | 19 Extraordinary items and prior period adjustments (see instructions) | 19 | | |
| | 20 Provision for income, war profits, and excess profits taxes (see instructions) | 20 | 7,818,965 | 11,564,806 |
| | 21 Current year net income or (loss) per books (combine lines 18 through 20) | 21 | 27,850,747 | 41,193,236 |

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

| | (a) Name of country or U.S. possession | Amount of tax | | |
|---|---|----------------------------|------------------------|------------------------|
| | | (b) In foreign currency | (c) Conversion rate | (d) In U.S. dollars |
| 1 | U.S. | | | |
| 2 | United Kingdom | 7,969,922 | 0.6761 | 11,788,082 |
| 3 | | | | |
| 4 | | | | |
| 5 | | | | |
| 6 | | | | |
| 7 | | | | |
| 8 | Total | | | 11,788,082 |

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

| Assets | | (a) Beginning of annual accounting period | (b) End of annual accounting period |
|--------------------------------------|---|---|---|
| 1 | Cash | 8,557,500 | 3,281,502 |
| 2a | Trade notes and accounts receivable | 855,858 | 15,006,554 |
| b | Less allowance for bad debts | () | () |
| 3 | Inventories | | |
| 4 | Other current assets (attach schedule) | 255,108 | 243,012 |
| 5 | Loans to shareholders and other related persons | 46,001,741 | |
| 6 | Investment in subsidiaries (attach schedule) | | |
| 7 | Other investments (attach schedule) | 57,437 | 36,820,277 |
| 8a | Buildings and other depreciable assets | | |
| b | Less accumulated depreciation | () | () |
| 9a | Depletable assets | | |
| b | Less accumulated depletion | () | () |
| 10 | Land (net of any amortization) | | |
| 11 | Intangible assets: | | |
| a | Goodwill | | |
| b | Organization costs | | |
| c | Patents, trademarks, and other intangible assets | 11,727,492 | 21,085,517 |
| d | Less accumulated amortization for lines 11a, b, and c | () | () |
| 12 | Other assets (attach schedule) | | |
| 13 | Total assets | 67,455,136 | 76,436,862 |
| Liabilities and Shareholders' Equity | | | |
| 14 | Accounts payable | | 68,312 |
| 15 | Other current liabilities (attach schedule) | 4,001,670 | 5,080,202 |
| 16 | Loans from shareholders and other related persons | | |
| 17 | Other liabilities (attach schedule) | 2,016,428 | 1,247,422 |
| 18 | Capital stock: | | |
| a | Preferred stock | 76,727,110 | 76,727,110 |
| b | Common stock | 1,000,000 | 1,000,000 |
| 19 | Paid-in or capital surplus (attach reconciliation) | | |
| 20 | Retained earnings | (16,290,072) | (7,686,184) |
| 21 | Less cost of treasury stock | () | () |
| 22 | Total liabilities and shareholders' equity | 67,455,136 | 76,436,862 |

Schedule G Other Information

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust?
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)?
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).
- 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement?
- 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

| | | | | | |
|----|--|----------------------|-------------------------|-----------|-------------------|
| 1 | Current year net income or (loss) per foreign books of account | | | 1 | 27,850,747 |
| 2 | Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions): | | | | |
| | | Net Additions | Net Subtractions | | |
| a | Capital gains or losses | | | | |
| b | Depreciation and amortization | | | | |
| c | Depletion | | | | |
| d | Investment or incentive allowance | 355,647 | | | |
| e | Charges to statutory reserves | | | | |
| f | Inventory adjustments | | | | |
| g | Taxes | | 113,140 | | |
| h | Other (attach schedule) | 1,946,284 | 515,184 | | |
| 3 | Total net additions | 2,301,931 | | | |
| 4 | Total net subtractions | | 628,324 | | |
| 5a | Current earnings and profits (line 1 plus line 3 minus line 4) | | | 5a | 29,524,354 |
| b | DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) | | | 5b | |
| c | Combine lines 5a and 5b | | | 5c | 29,524,354 |
| d | Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)). Enter exchange rate used for line 5d ▶ .6761 | | | 5d | 43,668,620 |

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

| | | | |
|---|---|----------|-------------------|
| 1 | Subpart F income (line 38b, Worksheet A in the instructions) | 1 | 43,668,620 |
| 2 | Earnings invested in U.S. property (line 17, Worksheet B in the instructions) | 2 | |
| 3 | Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) | 3 | |
| 4 | Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) | 4 | |
| 5 | Factoring income | 5 | |
| 6 | Total of lines 1 through 5. Enter here and on your income tax return. See instructions. | 6 | 43,668,620 |
| 7 | Dividends received (translated at spot rate on payment date under section 989(b)(1)) | 7 | |
| 8 | Exchange gain or (loss) on a distribution of previously taxed income | 8 | |

Yes No

- Was any income of the foreign corporation blocked?
 - Did any such income become unblocked during the tax year (see section 964(b))?.
- If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

International Finance Corporation

Identifying number

11-0000005

Name of foreign corporation

Foreign Finance Corporation

| Important: Enter amounts in functional currency. | (a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance) | (b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance) | (c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances) | | | (d) Total Section 964(a) E&P (combine columns (a), (b), and (c)) |
|---|--|--|---|---|------------------------|--|
| | | | (i) Earnings Invested in U.S. Property | (ii) Earnings Invested in Excess Passive Assets | (iii) Subpart F Income | |
| 1 Balance at beginning of year | 20,546,204 | 69,100,775 | | | 430,230 | 90,077,209 |
| 2a Current year E&P | 29,524,354 | | | | | |
| b Current year deficit in E&P | | | | | | |
| 3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b) | 50,070,558 | 69,100,775 | | | | |
| 4 Amounts included under section 951(a) or reclassified under section 959(c) in current year | 29,524,354 | | | | 29,524,354 | |
| 5a Actual distributions or reclassifications of previously taxed E&P | | | | | | |
| b Actual distributions of nonpreviously taxed E&P | | | | | | |
| 6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a) | | | | | 29,954,584 | |
| b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b) | 20,546,204 | 69,100,775 | | | | |
| 7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.) | 20,546,204 | 69,100,575 | | | 29,954,584 | 119,601,563 |

**SCHEDULE M
(Form 5471)**

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

▶ **Attach to Form 5471. See Instructions for Form 5471.**

| | |
|--|---|
| Name of person filing Form 5471 International Finance Incorporated | Identifying number 11-0000005 |
|--|---|

Name of foreign corporation
Foreign Finance Corporation

Important: Complete a *separate* Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶

| (a) Transactions of foreign corporation | (b) U.S. person filing this return | (c) Any domestic corporation or partnership controlled by U.S. person filing this return | (d) Any other foreign corporation or partnership controlled by U.S. person filing this return | (e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return) | (f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation |
|--|------------------------------------|--|---|--|---|
| 1 Sales of stock in trade (inventory) | | | | | |
| 2 Sales of tangible property other than stock in trade | | | | | |
| 3 Sales of property rights (patents, trademarks, etc.) | | | | | |
| 4 Buy-in payments received | | | | | |
| 5 Cost sharing payments received. | | | | | |
| 6 Compensation received for technical, managerial, engineering, construction, or like services | | | | | |
| 7 Commissions received | | | | | |
| 8 Rents, royalties, and license fees received | | | 10,134,038 | | |
| 9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) | | | | | |
| 10 Interest received | | | 5,560,524 | | |
| 11 Premiums received for insurance or reinsurance | | | | | |
| 12 Add lines 1 through 11 | | | 15,694,562 | | |
| 13 Purchases of stock in trade (inventory) | | | | | |
| 14 Purchases of tangible property other than stock in trade | | | | | |
| 15 Purchases of property rights (patents, trademarks, etc.) | | | | | |
| 16 Buy-in payments paid | | | | | |
| 17 Cost sharing payments paid | | | | | |
| 18 Compensation paid for technical, managerial, engineering, construction, or like services | | | | | |
| 19 Commissions paid | | | | | |
| 20 Rents, royalties, and license fees paid | | | | | |
| 21 Dividends paid | | | | | |
| 22 Interest paid | | | | | |
| 23 Premiums paid for insurance or reinsurance | | | | | |
| 24 Add lines 13 through 23 | | | | | |
| 25 Amounts borrowed (enter the maximum loan balance during the year) — see instructions | | | | | |
| 26 Amounts loaned (enter the maximum loan balance during the year) — see instructions | | | | | |

**SCHEDULE O
(Form 5471)**

(Rev. December 2005)

Department of the Treasury
Internal Revenue Service

Organization or Reorganization of Foreign Corporation, and Acquisitions and Dispositions of its Stock

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

International Finance Incorporated

Identifying number

11-0000005

Name of foreign corporation

Foreign Finance Corporation

Important: Complete a *separate* Schedule O for each foreign corporation for which information must be reported.

Part I To Be Completed by U.S. Officers and Directors

| (a) Name of shareholder for whom acquisition information is reported | (b) Address of shareholder | (c) Identifying number of shareholder | (d) Date of original 10% acquisition | (e) Date of additional 10% acquisition |
|---|---|--|---|---|
| International Finance Incorporated | 35 Any Street, Anytown, NY 10006 | 11-0000005 | 01/01/1990 | |
| | | | | |
| | | | | |
| | | | | |

Part II To Be Completed by U.S. Shareholders

Note: If this return is required because one or more shareholders became U.S. persons, attach a list showing the names of such persons and the date each became a U.S. person.

Section A—General Shareholder Information

| (a) Name, address, and identifying number of shareholder(s) filing this schedule | (b) For shareholder's latest U.S. income tax return filed, indicate: | | | (c) Date (if any) shareholder last filed information return under section 6046 for the foreign corporation |
|---|---|--------------------------|--|---|
| | (1) Type of return (enter form number) | (2) Date return filed | (3) Internal Revenue Service Center where filed | |
| International Finance Incorporated | 1120 | 09/15/2009 | Ogden | |
| | | | | |
| | | | | |

Section B—U.S. Persons Who Are Officers or Directors of the Foreign Corporation

| (a) Name of U.S. officer or director | (b) Address | (c) Social security number | (d) Check appropriate box(es) | |
|---|----------------|-------------------------------|----------------------------------|----------|
| | | | Officer | Director |
| | | | | |
| | | | | |
| | | | | |

Section C—Acquisition of Stock

| (a) Name of shareholder(s) filing this schedule | (b) Class of stock acquired | (c) Date of acquisition | (d) Method of acquisition | (e) Number of shares acquired | | |
|--|--------------------------------|----------------------------|------------------------------|----------------------------------|-------------------|-----------------------|
| | | | | (1) Directly | (2) Indirectly | (3) Constructively |
| Foreign Finance Corporation | Common | 12/31/2008 | Purchase | 1,000 | | |
| | | | | | | |
| | | | | | | |

| (f) Amount paid or value given | (g) Name and address of person from whom shares were acquired |
|-----------------------------------|--|
| 9,000,000 | |
| | |
| | |

Section D—Disposition of Stock

| (a) Name of shareholder disposing of stock | (b) Class of stock | (c) Date of disposition | (d) Method of disposition | (e) Number of shares disposed of | | |
|---|-----------------------|----------------------------|------------------------------|-------------------------------------|-------------------|-----------------------|
| | | | | (1) Directly | (2) Indirectly | (3) Constructively |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| (f) Amount received | (g) Name and address of person to whom disposition of stock was made |
|------------------------|---|
| | |
| | |
| | |

Section E—Organization or Reorganization of Foreign Corporation

| (a) Name and address of transferor | (b) Identifying number (if any) | (c) Date of transfer |
|---------------------------------------|------------------------------------|-------------------------|
| | | |
| | | |
| | | |

| (d) Assets transferred to foreign corporation | | | (e) Description of assets transferred by, or notes or securities issued by, foreign corporation |
|--|--------------------------|---|--|
| (1) Description of assets | (2) Fair market value | (3) Adjusted basis (if transferor was U.S. person) | |
| | | | |
| | | | |
| | | | |

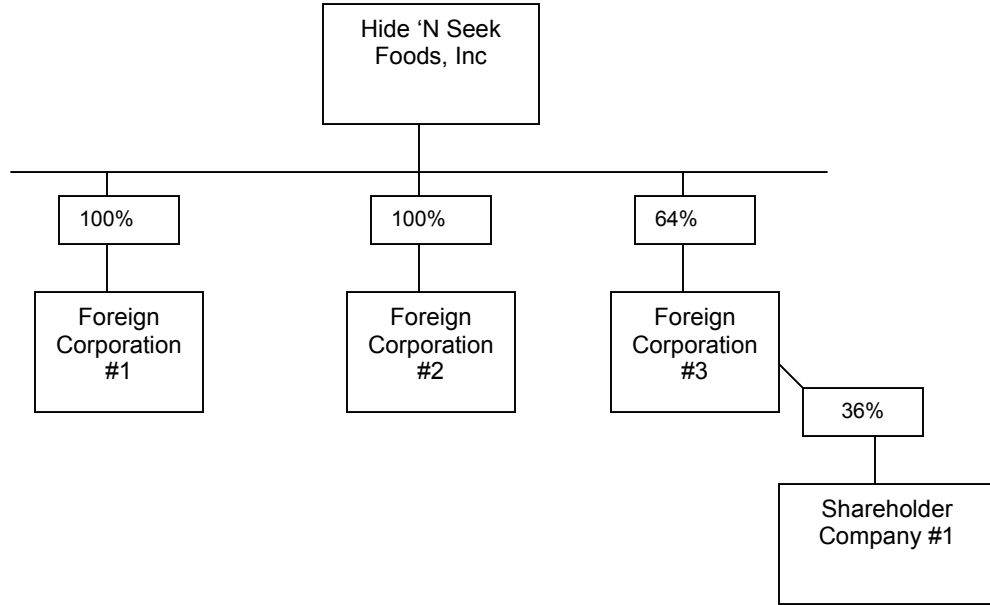
Section F—Additional Information

- (a)** If the foreign corporation or a predecessor U.S. corporation filed (or joined with a consolidated group in filing) a U.S. income tax return for any of the last 3 years, attach a statement indicating the year for which a return was filed (and, if applicable, the name of the corporation filing the consolidated return), the taxable income or loss, and the U.S. income tax paid (after all credits).
- (b)** List the date of any reorganization of the foreign corporation that occurred during the last 4 years while any U.S. person held 10% or more in value or vote (directly or indirectly) of the corporation's stock ►
- (c)** If the foreign corporation is a member of a group constituting a chain of ownership, attach a chart, for each unit of which a shareholder owns 10% or more in value or voting power of the outstanding stock. The chart must indicate the corporation's position in the chain of ownership and the percentages of stock ownership (see instructions for an example).

Form 1120 Test Scenario 3

Hide 'N Seek Foods, Inc. 11-0000002
Foreign Corporation #3

Form 5471, Schedule O
Part II, Schedule F – Additional Information (c)



Entity Classification Election

| | | |
|------------------------------|---|--|
| Type or Print | Name of eligible entity making election DEF International Finance | Employer identification number 11 : 000017 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. 100 Helmstraat | |
| | City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. Follow the country's practice for entering the postal code. Maastricht Netherlands | |

▶ Check if: Address change

1 Type of election (see instructions):

- a** Initial classification by a newly-formed entity. Skip lines 2a and 2b and go to line 3.
- b** Change in current classification. Go to line 2a.

2a Has the eligible entity previously filed an entity election that had an effective date within the last 60 months?

- Yes.** Go to line 2b.
- No.** Skip line 2b and go to line 3.

2b Was the eligible entity's prior election for initial classification by a newly formed entity effective on the date of formation?

- Yes.** Go to line 3.
- No.** Stop here. You generally are not currently eligible to make the election (see instructions).

3 Does the eligible entity have more than one owner?

- Yes.** You can elect to be classified as a partnership or an association taxable as a corporation. Skip line 4 and go to line 5.
- No.** You can elect to be classified as an association taxable as a corporation or disregarded as a separate entity. Go to line 4.

4 If the eligible entity has only one owner, provide the following information:

- a** Name of owner ▶ International Finance
- b** Identifying number of owner ▶ 11-000005

5 If the eligible entity is owned by one or more affiliated corporations that file a consolidated return, provide the name and employer identification number of the parent corporation:

- a** Name of parent corporation ▶
- b** Employer identification number ▶

Form **8858**

Information Return of U.S. Persons With Respect To Foreign Disregarded Entities

OMB No. 1545-1910

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign disregarded entity's annual accounting period (see instructions) beginning . . . **01/01** , 20 **08** , and ending **12/31** , 20 **08**

Attachment
Sequence No. **140**

Name of person filing this return **Sam Shade** Filer's identifying number **999-06-0010**

Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) **35 Any Street**

City or town, state, and ZIP code **Anytown, NY 10006**

Filer's tax year beginning , 20 , and ending , 20

Important: Fill in all applicable lines and schedules. All information must be in English. All amounts must be stated in U.S. dollars unless otherwise indicated.

| | | | |
|---|--|---|--|
| 1a Name and address of foreign disregarded entity DEF International Finance 100 Helmstraat, Masstricht, Netherlands | | b U.S. identifying number, if any 11-0000017 | |
| c Country(ies) under whose laws organized and entity type under local tax law Netherlands Foreign Entity | | d Date(s) of organization 12/30/2008 | e Effective date as foreign disregarded entity 12/31/2008 |
| f If benefits under a U.S. tax treaty were claimed with respect to income of the foreign disregarded entity, enter the treaty and article number | g Country in which principal business activity is conducted Netherlands | h Principal business activity | i Functional currency |

2 Provide the following information for the foreign disregarded entity's accounting period stated above.

| | |
|--|--|
| a Name, address, and identifying number of branch office or agent (if any) in the United States | b Name and address (including corporate department, if applicable) of person(s) with custody of the books and records of the foreign disregarded entity, and the location of such books and records, if different |
|--|--|

3 For the **tax owner** of the foreign disregarded entity (if different from the filer) provide the following:

| | | |
|---------------------------|--|--|
| a Name and address | b Annual accounting period covered by the return (see instructions) | c U.S. identifying number, if any |
| | d Country under whose laws organized | e Functional currency |

4 For the **direct owner** of the foreign disregarded entity (if different from the tax owner) provide the following:

| | | |
|---------------------------|---|--|
| a Name and address | b Country under whose laws organized | c U.S. identifying number, if any |
| | | d Functional currency |

5 Attach an organizational chart that identifies the name, placement, percentage of ownership, tax classification, and country of organization of all entities in the chain of ownership between the tax owner and the foreign disregarded entity, and the chain of ownership between the foreign disregarded entity and each entity in which the foreign disregarded entity has a 10% or more direct or indirect interest. See instructions.

Schedule C Income Statement (see instructions)

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules or the average exchange rate determined under section 989(b)). If the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for foreign disregarded entities that use DASTM.

If you are using the average exchange rate (determined under section 989(b)), check the following box

| | Functional Currency | U.S. Dollars |
|--|---------------------|--------------|
| 1 Gross receipts or sales (net of returns and allowances) | 1 | |
| 2 Cost of goods sold | 2 | |
| 3 Gross profit (subtract line 2 from line 1) | 3 | |
| 4 Other income | 4 | |
| 5 Total income (add lines 3 and 4) | 5 | |
| 6 Total deductions | 6 | |
| 7 Other adjustments | 7 | |
| 8 Net income (loss) per books | 8 | |

Schedule C-1 Section 987 Gain or Loss Information

| | (a) Amount stated in functional currency of foreign disregarded entity | (b) Amount stated in functional currency of recipient | |
|---|---|--|----|
| 1 | Remittances from the foreign disregarded entity | | |
| 2 | Section 987 gain (loss) of recipient | | |
| 3 | Were all remittances from the foreign disregarded entity treated as made to the direct owner? | Yes | No |
| 4 | Did the tax owner change its method of accounting for section 987 gain or loss with respect to remittances from the foreign disregarded entity during the tax year? | | |

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars computed in functional currency and translated into U.S. dollars in accordance with U.S. GAAP. See instructions for an exception for foreign disregarded entities that use DASTM.

| Assets | | (a) Beginning of annual accounting period | (b) End of annual accounting period |
|--------------------------------|--|---|---|
| 1 | Cash and other current assets | | |
| 2 | Other assets | | |
| 3 | Total assets | | |
| Liabilities and Owner's Equity | | | |
| 4 | Liabilities | | |
| 5 | Owner's equity | | |
| 6 | Total liabilities and owner's equity | | |

Schedule G Other Information

| | Yes | No | |
|---|---|----|--|
| 1 | During the tax year, did the foreign disregarded entity own an interest in any trust? | | |
| 2 | During the tax year, did the foreign disregarded entity own at least a 10% interest, directly or indirectly, in any foreign partnership? | | |
| 3 | Answer the following question only if the foreign disregarded entity made its election to be treated as disregarded from its owner during the tax year: Did the tax owner claim a loss with respect to stock or debt of the foreign disregarded entity as a result of the election? | | |
| 4 | Answer the following question only if the foreign disregarded entity is owned directly or indirectly by a domestic corporation and the foreign disregarded entity incurred a net operating loss for the tax year: Is the foreign disregarded entity a separate unit as defined in Regulations sections 1.1503-2(c)(3) and (4) or 1.1503(d)-1(b)(4)? (If "Yes," see the instructions). | | |
| 5 | Answer the following question only if the tax owner of the foreign disregarded entity is a controlled foreign corporation (CFC): Were there any intracompany transactions between the foreign disregarded entity and the CFC or any other branch of the CFC during the tax year, in which the foreign disregarded entity acted as a manufacturing, selling, or purchasing branch? | | |

Schedule H Current Earnings and Profits or Taxable Income (see instructions)

Important: Enter the amounts on lines 1 through 6 in functional currency.

| | | |
|---|---|---|
| 1 | Current year net income or (loss) per foreign books of account | 1 |
| 2 | Total net additions | 2 |
| 3 | Total net subtractions | 3 |
| 4 | Current earnings and profits (or taxable income—see instructions) (line 1 plus line 2 minus line 3) | 4 |
| 5 | DASTM gain or loss (if applicable) | 5 |
| 6 | Combine lines 4 and 5 | 6 |
| 7 | Current earnings and profits (or taxable income) in U.S. dollars (line 6 translated at the average exchange rate determined under section 989(b) and the related regulations (see instructions)) Enter exchange rate used for line 7 ► | 7 |

EXHIBIT 5 – Tax Year 2008 Form 1120S Test Scenarios

Form 1120S Test Scenario 4

Form 1120S Test Scenario 5

Form 1120S Test Scenario 6

Form 1120S Test Scenario 4

FORM 1120S TEST SCENARIO 4

FORMS REQUIRED: 1120S, Sch K-1(2), 4562, 4797, 8453-S

ATTACHMENTS:

ItemizedOtherIncomeSchedule2
ItemizedOtherDeductionsSchedule2
ItemizedOtherCostsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentSchedule
ItemizedOtherAssetsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedIncomeNotRecordedonBooksSchedule2
ItemizedDeductionsNotChargedAgainstBooksSchedule2
AccumulatedAdjustmentsAccountOtherAdditionsSchedule
AccumulatedAdjustmentsAccountOtherReductionsSchedule
DispositionOfPropWithSect179DeductionsStatement (2)

BINARY ATTACHMENTS: Scanned 8453-S (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2008

MultipleSoftwarePackagesUsed: No

Preparer Firm: Electronic Tax Filers, Inc. 11-0000011
100 Efile Drive
Anytown, TX 78621

Originator: **EFIN:** Use your EFIN
Type: ERO
PractitionerPIN: None
PIN Entered by – N/A

Officer: **Name:** Carmen Sandiego,
Title: President
Taxpayer PIN: N/A
Email Address:
Date Signed: 01/25/09

Signature Option: Binary Attachment 8453-S Signature Document

Preparer: **Name:** Johnny Appleseed
SSN: 999-06-0007, 11-0000011
Phone: 512-555-1212
Email Address: N/A
Date Prepared: 01/20/09
Self Employed: No

Name Controls:

Form 1120 Great Atomic Pyrotechnics & Designs, Inc – GREA
Sch K-1 Shareholder Issa Salesbury – SALE
Sch K-1 Shareholder Mak A Decision - DESI

Details for attachments to Forms 1120S, Sch K-1(2), 4562, 4797

Attachment 1, Form 1120S, Line 5: Other Income (Loss) (*ItemizedOtherIncomeSchedule2*)

| | |
|----------------------|---------------------|
| Miscellaneous Income | <u>4,860</u> |
|----------------------|---------------------|

Attachment 2, Form 1120S, Line 19: Other Deductions (*ItemizedOtherDeductionsSchedule2*)

| | |
|------------------------------|------------|
| Vehicle Expenses | 19,567 |
| Charges – Bank & Financial | 415 |
| Dues & Subscriptions | 200 |
| Insurance | 22,232 |
| Miscellaneous | 255 |
| Office Supplies | 1,220 |
| Postage & Delivery | 207 |
| Printing & Reproduction | 158 |
| Professional Fees | 620 |
| Repairs to Equipment | 679 |
| Small Tools | 3,247 |
| Utilities | 4,551 |
| Amortization | 18 |
| 50% of Meals & Entertainment | <u>487</u> |

| | |
|--------------------------------------|----------------------|
| Total (element not in schema) | <u>53,856</u> |
|--------------------------------------|----------------------|

Attachment 3, Form 1120S, Sch A, Line 5: *Other Costs* (*ItemizedOtherCostsSchedule*)

| | |
|--------------------------------------|-----------------------|
| Subcontractors | <u>334,099</u> |
| Total (element not in schema) | <u>334,099</u> |

Attachment 4, Form 1120S, Sch L Balance Sheets per Books, Line 6(d): Other current assets at end of tax year (*ItemizedOtherCurrentAssetsSchedule*)

| | | |
|------------------|---------------|----------------|
| Employee Loans | Ending | 2,950 |
| Spec House Costs | Ending | <u>275,026</u> |

| | |
|--------------------------------------|-----------------------|
| Total (element not in schema) | <u>277,976</u> |
|--------------------------------------|-----------------------|

Attachment 5, Form 1120S, Sch L Balance Sheets per Books, Line 9(b): Other investments at beginning of tax year (*ItemizedOtherInvestmentsSchedule*)

| | | |
|-------------------|------------------|--------------|
| Other Investments | Beginning | <u>1,000</u> |
|-------------------|------------------|--------------|

Attachment 6, Form 1120S, Page 4, Sch L Balance Sheets per Books, Line 14 (b): Other assets at beginning of tax year (*ItemizedOtherAssetsSchedule*)

| | | |
|------------|------------------|-----|
| Spec House | Beginning | 913 |
|------------|------------------|-----|

| | |
|--------------------------------------|-------------------|
| Total (element not in schema) | <u>913</u> |
|--------------------------------------|-------------------|

Form 1120S Test Scenario 4

Attachment 7, Form 1120S, Sch L Balance Sheets per Books, Line 18(b) & (d): Other current Liabilities at beginning and end of tax year (*ItemizedOtherCurrentLiabilitiesSchedule*)

| | Beginning | Ending |
|--------------------------------------|---------------------|-----------------------|
| Spec House Loans | | 232,240 |
| Payroll Tax Liabilities | 2,975 | 4,533 |
| Credit Card Liability | <u>6,661</u> | <u>15,043</u> |
| Total (element not in schema) | <u>9,636</u> | <u>251,816</u> |

Attachment 8, Form 1120S, Sch M-1, Line 2: Total Income Not Recorded on Books
(*ItemizedIncomeNotRecordedOnBooksSchedule2*)

| | |
|--------------------------------------|---------------------|
| Form 4797 Book/Tax Diff | 2,885 |
| Total (element not in schema) | <u>2,885</u> |

Attachment 9, Form 1120S, Sch M-1, Line 6: Total deductions (depreciation and itemized deductions) on this return not charged against book income this year (*ItemizedDeductionsNotChargedAgainstBookSchedule2*)

| | |
|--------------------------------------|---------------------|
| Miscellaneous | 6,768 |
| Total (Element not in schema) | <u>6,768</u> |

Attachment 10, Form 1120S, Page 5, Sch M-2, Line 3: Other Additions, (Total of all other additions)
(*AccumulatedAdjustmentsAccountOtherAdditionsSchedule*)

| | |
|--------------------------------------|---------------------|
| Gain on Sale Sec 179 Assets | <u>2,800</u> |
| Total (Element not in schema) | <u>2,800</u> |

Attachment 11, Form 1120S, Sch M-2, Line 5a: Total of itemized other reductions
(*AccumulatedAdjustmentsAccountOtherReductionsSchedule*)

| | |
|--------------------------------------|----------------------|
| Disallowed Entertainment Exp | 486 |
| Miscellaneous | <u>17,545</u> |
| Total (Element not in schema) | <u>18,031</u> |

Attachment 12, Schedule K-1 (999-06-0005) Line 17: Other Information
(DispositionOfPropWithSect179DeductionsStatement)

| | | |
|-----------------------------|-----------------------------|------------|
| Description of Property: | Dodge 1977 Red Pickup Truck | |
| Gross Sales Price: | | 1,400 |
| Cost or Expense of Sale: | | 1,000 |
| Date Property was Acquired: | | 07/29/2004 |
| Date Property was Sold: | | 06/13/2008 |
| Section 179 Deduction: | | 1,000 |

Attachment 13, Schedule K-1 (999-06-0001) Line 17: Other Information
(DispositionOfPropWithSect179DeductionsStatement)

| | | |
|-----------------------------|-----------------------------|------------|
| Description of Property: | Dodge 1977 Red Pickup Truck | |
| Gross Sales Price: | | 1,400 |
| Cost or Expense of Sale: | | 1,000 |
| Date Property was Acquired: | | 07/29/2004 |
| Date Property was Sold: | | 06/13/2008 |
| Section 179 Deduction: | | 1,000 |

U.S. Income Tax Return for an S Corporation

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
 ▶ See separate instructions.

2008

For calendar year 2008 or tax year beginning , 2008, ending , 20

| | | | |
|--|---|--|---|
| A S election effective date 01/01/1990 | Use IRS label. Otherwise, print or type. | Name Great Atomic Pyrotechnics & Designs, Inc | D Employer identification number 11 000006 |
| B Business activity code number (see instructions) 325100 | | Number, street, and room or suite no. If a P.O. box, see instructions. 36 Any Street | E Date incorporated 01/01/1990 |
| C Check if Sch. M-3 attached <input type="checkbox"/> | | City or town, state, and ZIP code Boomtown, CA 90062 | F Total assets (see instructions) \$ 498,034 |

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
 (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **2**

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| | | | | | |
|---|---|--------------------------------------|----------------|------------|------------------|
| Income | 1a Gross receipts or sales 1,124,560 | b Less returns and allowances | c Bal ▶ | 1c | 1,124,560 |
| | 2 Cost of goods sold (Schedule A, line 8) | | | 2 | 669,365 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | 3 | 455,195 |
| | 4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | 4 | 5,179 |
| | 5 Other income (loss) (see instructions—attach statement) | | | 5 | 4,860 |
| | 6 Total income (loss). Add lines 3 through 5. ▶ | | | 6 | 465,234 |
| Deductions (see instructions for limitations) | 7 Compensation of officers | | | 7 | 34,973 |
| | 8 Salaries and wages (less employment credits) | | | 8 | 100,531 |
| | 9 Repairs and maintenance | | | 9 | |
| | 10 Bad debts | | | 10 | |
| | 11 Rents | | | 11 | 156,855 |
| | 12 Taxes and licenses | | | 12 | 13,685 |
| | 13 Interest | | | 13 | 13,220 |
| | 14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | 14 | 1,019 |
| | 15 Depletion (Do not deduct oil and gas depletion.) | | | 15 | |
| | 16 Advertising | | | 16 | 4,093 |
| | 17 Pension, profit-sharing, etc., plans | | | 17 | |
| | 18 Employee benefit programs | | | 18 | |
| | 19 Other deductions (attach statement) | | | 19 | 53,856 |
| | 20 Total deductions. Add lines 7 through 19. ▶ | | | 20 | 378,232 |
| | 21 Ordinary business income (loss). Subtract line 20 from line 6 | | | 21 | 87,002 |
| Tax and Payments | 22a Excess net passive income or LIFO recapture tax (see instructions) | 22a | | | |
| | b Tax from Schedule D (Form 1120S) | 22b | | | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | | | 22c | |
| | 23a 2008 estimated tax payments and 2007 overpayment credited to 2008 | 23a | | | |
| | b Tax deposited with Form 7004 | 23b | | | |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23c | | | |
| | d Add lines 23a through 23c | | | 23d | |
| | 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | | | 24 | |
| | 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | | | 25 | |
| | 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | | | 26 | |
| 27 Enter amount from line 26 Credited to 2009 estimated tax ▶ Refunded ▶ | | | 27 | | |

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: **President**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

| | | | | |
|---------------------------------|--|------|---|--|
| Paid Preparer's Use Only | Preparer's signature Firm's name (or yours if self-employed), address, and ZIP code | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN 999-06-0007 |
| | Electronic Tax Filers, Inc. 100 Efile Drive Anytown, TX 78621 | | EIN 11 0000011 | Phone no. (512) 555-1212 |

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|---|--|---|---------|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | 335,266 |
| 3 | Cost of labor | 3 | |
| 4 | Additional section 263A costs (attach statement) | 4 | |
| 5 | Other costs (attach statement) | 5 | 334,099 |
| 6 | Total. Add lines 1 through 5 | 6 | 669,365 |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 669,365 |

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

| | Yes | No |
|---|-----|-------------------------------------|
| 1 Check accounting method: a <input type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input checked="" type="checkbox"/> Other (specify) Hybrid | | |
| 2 See the instructions and enter the: a Business activity Construction b Product or service Pyrotechnics | | |
| 3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made? | | <input checked="" type="checkbox"/> |
| 4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction? | | <input checked="" type="checkbox"/> |
| 5 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | |
| 6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years \$ _____ | | |
| 7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | | |
| 8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1 | | <input checked="" type="checkbox"/> |

Schedule K Shareholders' Pro Rata Share Items

| | Total amount |
|---|--------------|
| 1 Ordinary business income (loss) (page 1, line 21) | 1 87,002 |
| 2 Net rental real estate income (loss) (attach Form 8825) | 2 |
| 3a Other gross rental income (loss) | 3a |
| b Expenses from other rental activities (attach statement) | 3b |
| c Other net rental income (loss). Subtract line 3b from line 3a | 3c |
| 4 Interest income | 4 |
| 5 Dividends: a Ordinary dividends | 5a |
| b Qualified dividends | 5b |
| 6 Royalties | 6 |
| 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 |
| 8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8a |
| b Collectibles (28%) gain (loss) | 8b |
| c Unrecaptured section 1250 gain (attach statement) | 8c |
| 9 Net section 1231 gain (loss) (attach Form 4797) | 9 |
| 10 Other income (loss) (see instructions) Type | 10 |

Form 1120S Test Scenario 4

| | | Shareholders' Pro Rata Share Items (continued) | Total amount | |
|-------------------------------------|------------|--|---------------|--------|
| Deductions | 11 | Section 179 deduction (attach Form 4562) | 11 | 11,463 |
| | 12a | Contributions | 12a | |
| | b | Investment interest expense | 12b | |
| | c | Section 59(e)(2) expenditures (1) Type (2) Amount | 12c(2) | |
| | d | Other deductions (see instructions) Type | 12d | |
| Credits | 13a | Low-income housing credit (section 42(j)(5)) | 13a | |
| | b | Low-income housing credit (other) | 13b | |
| | c | Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) | 13c | |
| | d | Other rental real estate credits (see instructions) Type | 13d | |
| | e | Other rental credits (see instructions) Type | 13e | |
| | f | Alcohol and cellulosic biofuel fuels credit (attach Form 6478) | 13f | |
| | g | Other credits (see instructions) Type | 13g | |
| Foreign Transactions | 14a | Name of country or U.S. possession | | |
| | b | Gross income from all sources | 14b | |
| | c | Gross income sourced at shareholder level Foreign gross income sourced at corporate level | 14c | |
| | d | Passive category | 14d | |
| | e | General category | 14e | |
| | f | Other (attach statement) Deductions allocated and apportioned at shareholder level | 14f | |
| | g | Interest expense | 14g | |
| | h | Other Deductions allocated and apportioned at corporate level to foreign source income | 14h | |
| | i | Passive category | 14i | |
| | j | General category | 14j | |
| | k | Other (attach statement) Other information | 14k | |
| | l | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14l | |
| | m | Reduction in taxes available for credit (attach statement) | 14m | |
| | n | Other foreign tax information (attach statement) | | |
| Alternative Minimum Tax (AMT) Items | 15a | Post-1986 depreciation adjustment | 15a | -354 |
| | b | Adjusted gain or loss | 15b | |
| | c | Depletion (other than oil and gas) | 15c | |
| | d | Oil, gas, and geothermal properties—gross income | 15d | |
| | e | Oil, gas, and geothermal properties—deductions | 15e | |
| | f | Other AMT items (attach statement) | 15f | |
| Items Affecting Shareholder Basis | 16a | Tax-exempt interest income | 16a | 486 |
| | b | Other tax-exempt income | 16b | |
| | c | Nondeductible expenses | 16c | 486 |
| | d | Property distributions | 16d | 35,987 |
| | e | Repayment of loans from shareholders | 16e | |
| Other Information | 17a | Investment income | 17a | |
| | b | Investment expenses | 17b | |
| | c | Dividend distributions paid from accumulated earnings and profits | 17c | |
| | d | Other items and amounts (attach statement) | | |
| Reconciliation | 18 | Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l | 18 | 75,539 |

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|---|--|-----------------------|---------|-----------------|---------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 37,504 | | 9,214 |
| 2a | Trade notes and accounts receivable | 73,320 | | 164,008 | |
| b | Less allowance for bad debts | () | 73,320 | () | 164,008 |
| 3 | Inventories | | | | |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets (attach statement) | | | | 277,976 |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (attach statement) | | 1,000 | | |
| 10a | Buildings and other depreciable assets | 69,032 | | 69,395 | |
| b | Less accumulated depreciation | (18,478) | 50,554 | (22,583) | 46,812 |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | | | |
| 13a | Intangible assets (amortizable only) | 90 | | 90 | |
| b | Less accumulated amortization | (48) | 42 | (66) | 24 |
| 14 | Other assets (attach statement) | | 913 | | |
| 15 | Total assets | | 163,333 | | 498,034 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 8,891 | | 75,087 |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities (attach statement) | | 9,636 | | 251,816 |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | 47,999 | | 36,971 |
| 21 | Other liabilities (attach statement) | | | | |
| 22 | Capital stock | | 1,325 | | 1,325 |
| 23 | Additional paid-in capital | | 95,482 | | 132,835 |
| 24 | Retained earnings | | | | |
| 25 | Adjustments to shareholders' equity (attach statement) | | | | |
| 26 | Less cost of treasury stock | () | | () | |
| 27 | Total liabilities and shareholders' equity | | 163,333 | | 498,034 |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

| | | | | | |
|---|---|--------|---|---|--------|
| 1 | Net income (loss) per books | 85,504 | 5 | Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): | |
| 2 | Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): | 2,885 | a | Tax-exempt interest \$ | 486 |
| 3 | Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize): | | 6 | Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | 6,082 |
| b | Travel and entertainment \$ | 486 | | | 12,850 |
| 4 | Add lines 1 through 3 | 88,875 | 7 | Add lines 5 and 6 | 13,336 |
| | | | 8 | Income (loss) (Schedule K, line 18). Line 4 less line 7 | 75,539 |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|---|-------------------------------|---|
| 1 | Balance at beginning of tax year | 30,238 | |
| 2 | Ordinary income from page 1, line 21 | 87,002 | |
| 3 | Other additions | 2,800 | 486 |
| 4 | Loss from page 1, line 21 | () | |
| 5 | Other reductions | 18,031 | () |
| 6 | Combine lines 1 through 5 | 102,009 | 486 |
| 7 | Distributions other than dividend distributions | 35,987 | |
| 8 | Balance at end of tax year. Subtract line 7 from line 6 | 66,022 | 486 |

Final K-1

Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2008

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

**Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

| | | | |
|----|--------------------------------------|----------|-------------------------------------|
| 1 | Ordinary business income (loss) | 13 | Credits |
| | 43,501 | | |
| 2 | Net rental real estate income (loss) | | |
| 3 | Other net rental income (loss) | | |
| 4 | Interest income | | |
| 5a | Ordinary dividends | | |
| 5b | Qualified dividends | 14 | Foreign transactions |
| 6 | Royalties | | |
| 7 | Net short-term capital gain (loss) | | |
| 8a | Net long-term capital gain (loss) | | |
| 8b | Collectibles (28%) gain (loss) | | |
| 8c | Unrecaptured section 1250 gain | | |
| 9 | Net section 1231 gain (loss) | | |
| 10 | Other income (loss) | 15 | Alternative minimum tax (AMT) items |
| | | A | (177) |
| 11 | Section 179 deduction | 16 | Items affecting shareholder basis |
| | 5,731 | C | 243 |
| 12 | Other deductions | D | 17,994 |
| | | A | 243 |
| | | 17 | Other information |
| | | K | 1,000 |

Part I Information About the Corporation

A Corporation's employer identification number
11-000006

B Corporation's name, address, city, state, and ZIP code
Great Atomic Pyrotechnics & Designs, Inc.
36 Any Street
Boomtown, CA 90062

C IRS Center where corporation filed return
OSPC

Part II Information About the Shareholder

D Shareholder's identifying number
999-06-0005

E Shareholder's name, address, city, state, and ZIP code
Issa Salesbury
49 Any Street
Anytown, PA 19561

F Shareholder's percentage of stock ownership for tax year _____ **50** %

For IRS Use Only

* See attached statement for additional information.

Final K-1

Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2008

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

**Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

| | | | |
|----|--------------------------------------|----------|-------------------------------------|
| 1 | Ordinary business income (loss) | 13 | Credits |
| | 43,501 | | |
| 2 | Net rental real estate income (loss) | | |
| 3 | Other net rental income (loss) | | |
| 4 | Interest income | | |
| 5a | Ordinary dividends | | |
| 5b | Qualified dividends | 14 | Foreign transactions |
| 6 | Royalties | | |
| 7 | Net short-term capital gain (loss) | | |
| 8a | Net long-term capital gain (loss) | | |
| 8b | Collectibles (28%) gain (loss) | | |
| 8c | Unrecaptured section 1250 gain | | |
| 9 | Net section 1231 gain (loss) | | |
| 10 | Other income (loss) | 15 | Alternative minimum tax (AMT) items |
| | | A | (177) |
| 11 | Section 179 deduction | 16 | Items affecting shareholder basis |
| | 5,732 | C | 243 |
| 12 | Other deductions | D | 17,993 |
| | | A | 243 |
| | | 17 | Other information |
| | | K | 1,000 |

Part I Information About the Corporation

A Corporation's employer identification number
11-0000006

B Corporation's name, address, city, state, and ZIP code
Great Atomic Pyrotechnics & Designs, Inc
36 Any Street
Boomtown, CA 90062

C IRS Center where corporation filed return
OSPC

Part II Information About the Shareholder

D Shareholder's identifying number
999-06-0001

E Shareholder's name, address, city, state, and ZIP code
Mak A Desision
45 Any Street
Anytown, NY 10005

F Shareholder's percentage of stock ownership for tax year _____ **50** %

For IRS Use Only

* See attached statement for additional information.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|---|---|---|
| Name(s) shown on return Great Atomic Pyrotechnics & Designs, Inc. | Business or activity to which this form relates Pyrotechnics Design and Display | Identifying number 11-0000006 |
|---|---|---|

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|------------------------------------|---|-------------------------------------|-----------------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | 11,463 |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | 0 |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | 250,000 |
| (a) Description of property | | (b) Cost (business use only) | (c) Elected cost |
| 6 | Level Compressor | 550 10,449 | 550 10,449 |
| 7 | Listed property. Enter the amount from line 29 | 7 | 464 |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | 11,463 |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | 11,463 |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | 87,002 |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | 11,463 |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|--|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

| | | | |
|----|---|----|--------------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 1,019 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a | 3-year property | | | | | |
| b | 5-year property | | | | | |
| c | 7-year property | | | | | |
| d | 10-year property | | | | | |
| e | 15-year property | | | | | |
| f | 20-year property | | | | | |
| g | 25-year property | | 25 yrs. | | S/L | |
| h | Residential rental property | | 27.5 yrs. | MM | S/L | |
| i | Nonresidential real property | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|-----|------------|--|---------|----|-----|--|
| 20a | Class life | | | | S/L | |
| b | 12-year | | 12 yrs. | | S/L | |
| c | 40-year | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|--------------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 1,019 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost | |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|-----|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | | | | | | | | |
| Computer | 01/15/2008 | 80 % | 580 | | 5 | 200 DB-HY | | 464 | |
| | | % | | | | | | | |
| | | % | | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | | | | | | | | |
| | | % | | | S/L - | | | | |
| | | % | | | S/L - | | | | |
| | | % | | | S/L - | | | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. | | | | | | | | 28 | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. | | | | | | | | 29 | 464 |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | | (b) Vehicle 2 | | (c) Vehicle 3 | | (d) Vehicle 4 | | (e) Vehicle 5 | | (f) Vehicle 6 | |
|---|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
| | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | | | | | | | | | | | | |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year | |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|----|
| 42 Amortization of costs that begins during your 2008 tax year (see instructions): | | | | | | |
| | | | | | | |
| 43 Amortization of costs that began before your 2008 tax year. | | | | | 43 | 18 |
| 44 Total. Add amounts in column (f). See the instructions for where to report. | | | | | 44 | 18 |

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.▶ See separate instructions.

Name(s) shown on return: **Great Atomic Pyrotechnics & Designs, Inc.** Identifying number: **11-0000006**

1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 | | | | | | |

3 Gain, if any, from Form 4684, line 39 **3**
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**
6 Gain, if any, from line 32, from other than casualty or theft **6**
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: **7**
Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.
Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.
8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**
9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). **9**

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
| | | | | | | |
| | | | | | | |

11 Loss, if any, from line 7. **11** ()
12 Gain, if any, from line 7 or amount from line 8, if applicable **12**
13 Gain, if any, from line 31 **13** **5,179**
14 Net gain or (loss) from Form 4684, lines 31 and 38a **14**
15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**
17 Combine lines 10 through 16 **17** **5,179**
18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:
a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions **18a**
b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14. **18b**

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|---|-----------------------------------|-------------------------------|
| A 1996 Chevy Truck | Various | 01/19/2008 |
| B | | |
| C | | |
| D | | |

| These columns relate to the properties on lines 19A through 19D. ▶ | | Property A | Property B | Property C | Property D |
|---|--|-------------------|------------|------------|------------|
| 20 | Gross sales price (Note: See line 1 before completing.) | 20 9,000 | | | |
| 21 | Cost or other basis plus expense of sale | 21 15,307 | | | |
| 22 | Depreciation (or depletion) allowed or allowable | 22 11,486 | | | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 23 3,821 | | | |
| 24 | Total gain. Subtract line 23 from line 20 | 24 5,179 | | | |
| 25 If section 1245 property: | | | | | |
| a | Depreciation allowed or allowable from line 22 | 25a 11,486 | | | |
| b | Enter the smaller of line 24 or 25a | 25b 5,179 | | | |
| 26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | | | |
| a | Additional depreciation after 1975 (see instructions) | 26a | | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | 26b | | | |
| c | Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e | 26c | | | |
| d | Additional depreciation after 1969 and before 1976 | 26d | | | |
| e | Enter the smaller of line 26c or 26d | 26e | | | |
| f | Section 291 amount (corporations only) | 26f | | | |
| g | Add lines 26b, 26e, and 26f | 26g | | | |
| 27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). | | | | | |
| a | Soil, water, and land clearing expenses | 27a | | | |
| b | Line 27a multiplied by applicable percentage (see instructions) | 27b | | | |
| c | Enter the smaller of line 24 or 27b | 27c | | | |
| 28 If section 1254 property: | | | | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | 28a | | | |
| b | Enter the smaller of line 24 or 28a | 28b | | | |
| 29 If section 1255 property: | | | | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | 29a | | | |
| b | Enter the smaller of line 24 or 29a (see instructions) | 29b | | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | |
|----|---|-----------------|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 5,179 |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 5,179 |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 Recomputed depreciation (see instructions) | 34 | |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 | |

Form **8453-S**

**U.S. S Corporation Income Tax Declaration
for an IRS e-file Return**

OMB No. 1545-1867

2008

Department of the Treasury
Internal Revenue Service

File electronically with the corporation's tax return. Do not file paper copies.

For calendar year 2008, or tax year beginning _____, 2008, ending _____, 20

| | |
|---|---|
| Name of corporation Great Atomic Pyrotechnics & Designs, Inc. | Employer identification number 11 ; 0000006 |
|---|---|

| Part I Tax Return Information (Whole dollars only) | |
|---|------------------|
| 1 Gross receipts or sales less returns and allowances (Form 1120S, line 1c) | 1,124,560 |
| 2 Gross profit (Form 1120S, line 3) | 455,195 |
| 3 Ordinary business income (loss) (Form 1120S, line 21) | 87,002 |
| 4 Net rental real estate income (loss) (Form 1120S, Schedule K, line 2) | 0 |
| 5 Income (loss) reconciliation (Form 1120S, Schedule K, line 18) | 75,539 |

Part II Declaration of Officer (see instructions) Be sure to keep a copy of the corporation's tax return.

- 6a I consent that the corporation's refund be directly deposited as designated on the **Form 8050**, Direct Deposit of Corporate Tax Refund, that will be electronically transmitted with the corporation's 2008 federal income tax return.
- b I do not want direct deposit of the corporation's refund or the corporation is not receiving a refund.
- c I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If the corporation is filing a balance due return, I understand that if the IRS does not receive full and timely payment of its tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties.

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2008 federal income tax return. To the best of my knowledge and belief, the corporation's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the corporation's return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO, transmitter, and/or ISP an acknowledgement of receipt of transmission and an indication of whether or not the corporation's return is accepted, any indication of a refund offset, and, if rejected, the reason(s) for the rejection. If the processing of the corporation's return or refund is delayed, I authorize the IRS to disclose to my ERO, transmitter, and/or ISP the reason(s) for the delay, or when the refund was sent.

Sign Here _____ **President**
Signature of officer Date Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above corporation's return and that the entries on Form 8453-S are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The corporate officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers and Large Taxpayers (Corporations, Partnerships, and Tax Exempt Organizations). If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

| | | | | | |
|-----------------------|--|---|---|---|--|
| ERO's Use Only | ERO's signature | Date | Check if also paid preparer <input checked="" type="checkbox"/> | Check if self-employed <input type="checkbox"/> | ERO's SSN or PTIN 999-06-0006 |
| | Firm's name (or yours if self-employed), address, and ZIP code | Electronic Tax Filers, Inc. 100 Efile Drive, Anytown, TX 78621 | | EIN 11 ; 0000011 | Phone no. (512) 555-1212 |

Under penalties of perjury, I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

| | | | | |
|---------------------------------|--|------|---|------------------------|
| Paid Preparer's Use Only | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | | EIN ; Phone no. () |

Form 1120S Test Scenario 5

FORM 1120S TEST SCENARIO 5

FORMS REQUIRED: 1120S, Sch D (1120S), Sch K-1(2), 4562, 4797, 8824

ATTACHMENTS:

ItemizedOtherDeductionsSchedule2
ItemizedOtherCostsSchedule
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherAssetsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedExpensesRecordedOnBooksSchedule2
AccumulatedAdjustmentsAccountOtherAdditionsSchedule
AccumulatedAdjustmentsAccountOtherReductionsSchedule

BINARY ATTACHMENTS: None

HEADER INFO not on actual forms:

MultipleSoftwarePackagesUsed: No

Originator: **EFIN:** Use your EFIN
 Type: ERO
 Practioner PIN: PIN entered by ERO
 EFIN: Use your EFIN
 PIN: Enter a PIN

Signature Option: PIN

Officer: **Name:** Khiry U Farr
 Title: Chief Executive Officer
 Taxpayer PIN: Enter PIN
 Phone: 301-555-1212
 Email Address: N/A
 DateSigned: 01/25/09
 Authorized Third Party: Yes

Preparer: **Name:** Johnny Appleseed
 SSN: 999-06-0007
 Phone: 512-555-1212
 Email Address:
 Date Prepared: 01/20/09
 Self Employed: Yes
 Firm Name: Johnny Appleseed Accounting
 Firm EIN: 11-0000011
 Firm Address: 100 EFile Drive, Anytown, TX 78621

Name Controls:
Form 1120S WorkNAIIDay, Inc. – WORK
Sch K-1 shareholder Carrie Ortiz – ORTI
Sch K-1 shareholder Bin Xempt - XEMP

Form 1120S Test Scenario 5

Attachment 1, Form 1120S, Lines 19: Other deductions (*ItemizedOtherDeductionsSchedule2*)

| | |
|--|-----------------------|
| Dues and Subscriptions | 899 |
| Fuel | 21,123 |
| Insurance | 143,673 |
| Accounting and Legal | 123,384 |
| License | 1,766 |
| Miscellaneous | 3,074 |
| Supplies, Computer | 11,283 |
| Supplies, Office | 5,351 |
| Postage | 1,262 |
| Plan Expense / Reproduction | 5,770 |
| Small Tools and Supplies | 6,381 |
| Telephone | 23,545 |
| Travel | 10,583 |
| Utilities | 7,109 |
| 50% of Meals % Entertainment | <u>2,124</u> |
| Total (element not in schema do not need to input ... info purposes only) | <u>367,327</u> |

Attachment 2, Form 1120S, Sch A: Line 5: Other costs, (*ItemizedOtherCostsSchedule*)

| | |
|--|-------------------------|
| Union Benefits | 91,608 |
| Union Pension Expense | 77,549 |
| Temporary Utilities | 17,118 |
| Messenger | 414 |
| Misc Expense | 4,423 |
| Sub-Contracts | 8,216,719 |
| Permits | 30,950 |
| Workers Compensation | 71,713 |
| Purchases Discounts | (7,721) |
| Payroll Taxes | 64,587 |
| Pm Assistant Program | 54,345 |
| Travel | <u>6,291</u> |
| Total (element not in schema do not need to input ... info purposes only) | <u>8,627,996</u> |

Attachment 3, Form 1120S, Sch L Balance Sheets per Books, Line 6(b) & (d): Other current assets at beginning and end of tax year (*ItemizedOtherCurrentAssetsSchedule*)

| | Beginning | Ending |
|---|----------------------|----------------------|
| Notes Receivable | | 1,800 |
| Escrow | 9,900 | 4,900 |
| Accrued Interest Receivable | 8,351 | 45,791 |
| Work In Process | <u>38,003</u> | |
| Total | <u>56,254</u> | <u>52,491</u> |
| (element not in schema do not need to input ... info purposes only) | | |

Form 1120S Test Scenario 5

Attachment 4, Form 1120S, Sch L Balance Sheets per Books, Line 14(b): Other assets at beginning of tax year
(*ItemizedOtherAssetsSchedule*)

| | Beginning | Ending |
|------------------|------------------|---------------|
| Notes Receivable | <u>41,754</u> | |

Attachment 5, 1120S, Sch L Balance Sheets per Books, 18(b) & (d): Other current Liabilities at beginning and end of tax year
(*ItemizedOtherCurrentLiabilitiesSchedule*)

| | Beginning | Ending |
|--|----------------------|----------------------|
| Billings in Excess | 19,400 | |
| Union Benefits Payable | | 231 |
| Accrued Pension Contribution | 400 | |
| Payroll Taxes Payable | 2,316 | 760 |
| Accrued Workers Compensation | (11,758) | 10,388 |
| Accrued Payroll | <u>12,473</u> | <u>21,701</u> |
| Total (element not in schema do not need to input ... info purposes only) | <u>22,831</u> | <u>33,080</u> |

Attachment 6, Form 1120S, Schedule M-1, Line 3: Total expenses not deducted recorded on books this year
(*ItemizedExpensesRecordedOnBooksSchedule2*)

| | |
|---------------------------------|--------|
| Officer Life Insurance Premiums | 17,328 |
| Travel & entertainment | 2,124 |

Attachment 7, Form 1120S, Sch M-2, Line 3a: Other Additions, (Total of all other additions)
(*AccumulatedAdjustmentsAccountOtherAdditionsSchedule*)

| | |
|--|-----------------------|
| Interest Income | 71,147 |
| Short-Term Cap Gain | <u>78,649</u> |
| Total (element not in schema do not need to input ... info purposes only) | <u>149,796</u> |

Attachment 8, Form 1120S, Sch M-2, Line 5a: Total of itemized other reductions
(*AccumulatedAdjustmentsAccountOtherReductionsSchedule*)

| | |
|--|-----------------------|
| Disallowed Entertainment Exp | 2,124 |
| Sec 179 Expense | 62,935 |
| Officer Life Insurance Premiums | 17,328 |
| Other Deductions | <u>504,493</u> |
| Total (element not in schema do not need to input ... info purposes only) | <u>586,880</u> |

Form 1120S Test Scenario 5

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service (77)

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

2008

▶ See separate instructions.

For calendar year 2008 or tax year beginning , 2008, ending , 20

| | | | |
|--|---|--|---|
| A S election effective date 03/08/1992 | Use IRS label. Otherwise, print or type. | Name WorkNAIIDay, Inc. | D Employer identification number 11 : 0000007 |
| B Business activity code number (see instructions) 321900 | | Number, street, and room or suite no. If a P.O. box, see instructions. 37 Any Street | E Date incorporated 03/08/1992 |
| C Check if Sch. M-3 attached <input type="checkbox"/> | | City or town, state, and ZIP code Anytown, NC 28041 0280 | F Total assets (see instructions) \$ 3,605,885 |

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change
(4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **2**

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| | | | | | |
|---|---|--------------------------------------|----------------|------------|-------------------|
| Income | 1a Gross receipts or sales 11,468,259 | b Less returns and allowances | c Bal ▶ | 1c | 11,468,259 |
| | 2 Cost of goods sold (Schedule A, line 8) | | | 2 | 10,061,879 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | 3 | 1,406,380 |
| | 4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | 4 | 14,433 |
| | 5 Other income (loss) (see instructions—attach statement) | | | 5 | |
| | 6 Total income (loss). Add lines 3 through 5. ▶ | | | 6 | 1,420,813 |
| Deductions (see instructions for limitations) | 7 Compensation of officers | | | 7 | 161,698 |
| | 8 Salaries and wages (less employment credits) | | | 8 | 196,941 |
| | 9 Repairs and maintenance | | | 9 | 17,760 |
| | 10 Bad debts | | | 10 | |
| | 11 Rents | | | 11 | 160,574 |
| | 12 Taxes and licenses | | | 12 | 36,594 |
| | 13 Interest | | | 13 | 26,103 |
| | 14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | 14 | 6,726 |
| | 15 Depletion (Do not deduct oil and gas depletion.) | | | 15 | |
| | 16 Advertising | | | 16 | 8,257 |
| | 17 Pension, profit-sharing, etc., plans | | | 17 | 14,715 |
| | 18 Employee benefit programs | | | 18 | |
| | 19 Other deductions (attach statement) | | | 19 | 367,327 |
| | 20 Total deductions. Add lines 7 through 19. ▶ | | | 20 | 996,695 |
| | 21 Ordinary business income (loss). Subtract line 20 from line 6 | | | 21 | 424,118 |
| Tax and Payments | 22a Excess net passive income or LIFO recapture tax (see instructions) | 22a | | 22c | |
| | b Tax from Schedule D (Form 1120S) | 22b | | | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | | | | |
| | 23a 2008 estimated tax payments and 2007 overpayment credited to 2008 | 23a | | 23d | |
| | b Tax deposited with Form 7004 | 23b | | | |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23c | | | |
| | d Add lines 23a through 23c | | | | |
| | 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | | | 24 | |
| | 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | | | 25 | |
| | 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | | | 26 | |
| 27 Enter amount from line 26 Credited to 2009 estimated tax ▶ Refunded ▶ | | | 27 | | |

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer _____ Date _____ Title **Chief Executive Officer**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

| | | | | |
|---------------------------------|--|-------------------------|--|--|
| Paid Preparer's Use Only | Preparer's signature Johnny Appleseed Accounting | Date | Check if self-employed <input checked="" type="checkbox"/> | Preparer's SSN or PTIN 999-06-0007 |
| | Firm's name (or yours if self-employed), address, and ZIP code 100 Efile Drive Anytown, TX 78621 | EIN 11 : 0000011 | Phone no. (512) 555-1212 | |

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|---|--|---|------------|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | 890,846 |
| 3 | Cost of labor | 3 | 543,037 |
| 4 | Additional section 263A costs (attach statement) | 4 | |
| 5 | Other costs (attach statement) | 5 | 8,627,996 |
| 6 | Total. Add lines 1 through 5 | 6 | 10,061,879 |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 10,061,879 |

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

| | Yes | No |
|--|-----|-------------------------------------|
| 1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ | | |
| 2 See the instructions and enter the: a Business activity ▶ Manufacturing b Product or service ▶ Building Supplies | | |
| 3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made? | | <input checked="" type="checkbox"/> |
| 4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction? | | <input checked="" type="checkbox"/> |
| 5 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | |
| 6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ _____ | | |
| 7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | | |
| 8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1 | | <input checked="" type="checkbox"/> |

Schedule K Shareholders' Pro Rata Share Items

| | Total amount |
|---|--------------|
| 1 Ordinary business income (loss) (page 1, line 21) | 1 424,118 |
| 2 Net rental real estate income (loss) (attach Form 8825) | 2 |
| 3a Other gross rental income (loss) | 3a |
| b Expenses from other rental activities (attach statement) | 3b |
| c Other net rental income (loss). Subtract line 3b from line 3a | 3c |
| 4 Interest income | 4 71,147 |
| 5 Dividends: a Ordinary dividends | 5a |
| b Qualified dividends | 5b |
| 6 Royalties | 6 |
| 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 78,649 |
| 8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8a |
| b Collectibles (28%) gain (loss) | 8b |
| c Unrecaptured section 1250 gain (attach statement) | 8c |
| 9 Net section 1231 gain (loss) (attach Form 4797) | 9 |
| 10 Other income (loss) (see instructions) Type ▶ | 10 |

Form 1120S Test Scenario 5

| | | Shareholders' Pro Rata Share Items (continued) | Total amount | |
|--|------------|--|---------------|----------------|
| Deductions | 11 | Section 179 deduction (attach Form 4562) | 11 | 62,935 |
| | 12a | Contributions | 12a | |
| | b | Investment interest expense | 12b | |
| | c | Section 59(e)(2) expenditures (1) Type (2) Amount | 12c(2) | |
| | d | Other deductions (see instructions) Type R | 12d | 502,369 |
| Credits | 13a | Low-income housing credit (section 42(j)(5)) | 13a | |
| | b | Low-income housing credit (other) | 13b | |
| | c | Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) | 13c | |
| | d | Other rental real estate credits (see instructions) Type | 13d | |
| | e | Other rental credits (see instructions) Type | 13e | |
| | f | Credit for alcohol used as fuel (attach Form 6478) | 13f | |
| | g | Other credits (see instructions) Type | 13g | |
| Foreign Transactions | 14a | Name of country or U.S. possession | 14a | |
| | b | Gross income from all sources | 14b | |
| | c | Gross income sourced at shareholder level Foreign gross income sourced at corporate level | 14c | |
| | d | Passive category | 14d | |
| | e | General category | 14e | |
| | f | Other (attach statement) Deductions allocated and apportioned at shareholder level | 14f | |
| | g | Interest expense | 14g | |
| | h | Other Deductions allocated and apportioned at corporate level to foreign source income | 14h | |
| | i | Passive category | 14i | |
| | j | General category | 14j | |
| | k | Other (attach statement) Other information | 14k | |
| | l | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14l | |
| | m | Reduction in taxes available for credit (attach statement) | 14m | |
| | n | Other foreign tax information (attach statement) | | |
| Alternative Minimum Tax (AMT) Items | 15a | Post-1986 depreciation adjustment | 15a | -2,011 |
| | b | Adjusted gain or loss | 15b | -14,733 |
| | c | Depletion (other than oil and gas) | 15c | |
| | d | Oil, gas, and geothermal properties—gross income | 15d | |
| | e | Oil, gas, and geothermal properties—deductions | 15e | |
| | f | Other AMT items (attach statement) | 15f | |
| Items Affecting Shareholder Basis | 16a | Tax-exempt interest income | 16a | |
| | b | Other tax-exempt income | 16b | |
| | c | Nondeductible expenses | 16c | 19,452 |
| | d | Property distributions | 16d | 174,200 |
| | e | Repayment of loans from shareholders | 16e | |
| Other Information | 17a | Investment income | 17a | 71,147 |
| | b | Investment expenses | 17b | |
| | c | Dividend distributions paid from accumulated earnings and profits | 17c | |
| | d | Other items and amounts (attach statement) | | |
| Reconciliation | 18 | Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l | 18 | 8,610 |

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|---|--|-----------------------|-----------|-----------------|-----------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 435,384 | | 1,311,478 |
| 2a | Trade notes and accounts receivable | 3,304,878 | | 946,715 | |
| b | Less allowance for bad debts | () | 3,304,878 | () | 946,715 |
| 3 | Inventories | | | | |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets (attach statement) | | 56,254 | | 52,491 |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | 800,000 | | 1,235,158 |
| 9 | Other investments (attach statement) | | | | |
| 10a | Buildings and other depreciable assets | 424,249 | | 397,401 | |
| b | Less accumulated depreciation | (374,043) | 50,206 | (337,358) | 60,043 |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | | | |
| 13a | Intangible assets (amortizable only) | | | | |
| b | Less accumulated amortization | () | | () | |
| 14 | Other assets (attach statement) | | 41,754 | | |
| 15 | Total assets | | 4,688,476 | | 3,605,885 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 2,837,445 | | 1,435,888 |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | | | |
| 18 | Other current liabilities (attach statement) | | 22,831 | | 33,080 |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | 25,000 | | 25,000 |
| 21 | Other liabilities (attach statement) | | | | |
| 22 | Capital stock | | 10,000 | | 10,000 |
| 23 | Additional paid-in capital | | | | |
| 24 | Retained earnings | | 1,793,200 | | 2,101,917 |
| 25 | Adjustments to shareholders' equity (attach statement) | | | | |
| 26 | Less cost of treasury stock | () | | () | |
| 27 | Total liabilities and shareholders' equity | | 4,688,476 | | 3,605,885 |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

| | | | | | |
|---|---|----------|---|---|-------|
| 1 | Net income (loss) per books | (10,842) | 5 | Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): | |
| 2 | Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): | | a | Tax-exempt interest \$ | |
| 3 | Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize): | | 6 | Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | |
| b | Travel and entertainment \$ | 17,328 | | | |
| 4 | Add lines 1 through 3 | 19,452 | 7 | Add lines 5 and 6 | |
| | | 8,610 | 8 | Income (loss) (Schedule K, line 18). Line 4 less line 7 | 8,610 |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|---|-------------------------------|---|
| 1 | Balance at beginning of tax year | 1,775,833 | |
| 2 | Ordinary income from page 1, line 21 | 424,118 | |
| 3 | Other additions | 149,796 | |
| 4 | Loss from page 1, line 21 | () | |
| 5 | Other reductions | 586,880 | () |
| 6 | Combine lines 1 through 5 | 1,762,867 | |
| 7 | Distributions other than dividend distributions | 174,200 | |
| 8 | Balance at end of tax year. Subtract line 7 from line 6 | 1,588,667 | |

**SCHEDULE D
(Form 1120S)**

Capital Gains and Losses and Built-In Gains

OMB No. 1545-0130

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120S.
▶ See separate instructions.

| | |
|----------------------------------|---|
| Name WorkNAIIday, Inc. | Employer identification number 11 0000007 |
|----------------------------------|---|

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

| (a) Description of property (Example: 100 shares of Z Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|---|--------------------------------------|----------------------------------|------------------|---|---|
| 1 5461 Americus | 04/01/2008 | 07/15/2008 | 1,030,000 | 951,351 | 78,649 |
| | | | | | |
| | | | | | |
| | | | | | |
| 2 Short-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 2 |
| 3 Short-term capital gain or (loss) from like-kind exchanges from Form 8824 | | | | | 3 |
| 4 Combine lines 1 through 3 in column (f) | | | | | 4 78,649 |
| 5 Tax on short-term capital gain included on line 21 below | | | | | 5 () |
| 6 Net short-term capital gain or (loss). Combine lines 4 and 5. Enter here and on Form 1120S, Schedule K, line 7 or 10 | | | | | 6 78,649 |

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

| (a) Description of property (Example: 100 shares of Z Co.) | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Sales price | (e) Cost or other basis (see instructions) | (f) Gain or (loss) (Subtract (e) from (d)) |
|--|--------------------------------------|----------------------------------|-----------------|---|---|
| 7 | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| 8 Long-term capital gain from installment sales from Form 6252, line 26 or 37 | | | | | 8 |
| 9 Long-term capital gain or (loss) from like-kind exchanges from Form 8824 | | | | | 9 |
| 10 Capital gain distributions | | | | | 10 |
| 11 Combine lines 7 through 10 in column (f) | | | | | 11 |
| 12 Tax on long-term capital gain included on line 21 below | | | | | 12 () |
| 13 Net long-term capital gain or (loss). Combine lines 11 and 12. Enter here and on Form 1120S, Schedule K, line 8a or 10 | | | | | 13 |

Part III Built-In Gains Tax (See instructions before completing this part.)

| | |
|---|-----------|
| 14 Excess of recognized built-in gains over recognized built-in losses (attach computation schedule). | 14 |
| 15 Taxable income (attach computation schedule) | 15 |
| 16 Net recognized built-in gain. Enter the smallest of line 14, line 15, or line 6 of Schedule B | 16 |
| 17 Section 1374(b)(2) deduction | 17 |
| 18 Subtract line 17 from line 16. If zero or less, enter -0- here and on line 21 | 18 |
| 19 Enter 35% of line 18 | 19 |
| 20 Section 1374(b)(3) business credit and minimum tax credit carryforwards from C corporation years | 20 |
| 21 Tax. Subtract line 20 from line 19 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b | 21 |

Final K-1

Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2008

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

**Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

| | | | |
|----|--------------------------------------|----|-------------------------------------|
| 1 | Ordinary business income (loss) | 13 | Credits |
| | 212,059 | | |
| 2 | Net rental real estate income (loss) | | |
| 3 | Other net rental income (loss) | | |
| 4 | Interest income | | |
| | 35,573 | | |
| 5a | Ordinary dividends | | |
| 5b | Qualified dividends | 14 | Foreign transactions |
| 6 | Royalties | | |
| 7 | Net short-term capital gain (loss) | | |
| | 39,324 | | |
| 8a | Net long-term capital gain (loss) | | |
| 8b | Collectibles (28%) gain (loss) | | |
| 8c | Unrecaptured section 1250 gain | | |
| 9 | Net section 1231 gain (loss) | | |
| 10 | Other income (loss) | 15 | Alternative minimum tax (AMT) items |
| | | A | -1,005 |
| | | B | -7,366 |
| 11 | Section 179 deduction | 16 | Items affecting shareholder basis |
| | 31,467 | C | 9,726 |
| 12 | Other deductions | D | 87,100 |
| | 251,184 | | |
| | | 17 | Other information |
| | | A | 35,573 |

Part I Information About the Corporation

A Corporation's employer identification number
11-000007

B Corporation's name, address, city, state, and ZIP code
WorkNAIIDay, Inc
37 Any Street
Anytown, NC 280410280

C IRS Center where corporation filed return
OSPC

Part II Information About the Shareholder

D Shareholder's identifying number
999-06-0008

E Shareholder's name, address, city, state, and ZIP code
Bin Xempt
51 Any Street
Anytown, WI 53201

F Shareholder's percentage of stock ownership for tax year **50 %**

For IRS Use Only

* See attached statement for additional information.

Final K-1

Amended K-1

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2008

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

**Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

| | | | |
|----|--------------------------------------|----|-------------------------------------|
| 1 | Ordinary business income (loss) | 13 | Credits |
| | 212,059 | | |
| 2 | Net rental real estate income (loss) | | |
| 3 | Other net rental income (loss) | | |
| 4 | Interest income | | |
| | 35,574 | | |
| 5a | Ordinary dividends | | |
| 5b | Qualified dividends | 14 | Foreign transactions |
| 6 | Royalties | | |
| 7 | Net short-term capital gain (loss) | | |
| | 39,325 | | |
| 8a | Net long-term capital gain (loss) | | |
| 8b | Collectibles (28%) gain (loss) | | |
| 8c | Unrecaptured section 1250 gain | | |
| 9 | Net section 1231 gain (loss) | | |
| 10 | Other income (loss) | 15 | Alternative minimum tax (AMT) items |
| | | A | -1,006 |
| | | B | -7,367 |
| 11 | Section 179 deduction | 16 | Items affecting shareholder basis |
| | 31,468 | C | 9,726 |
| 12 | Other deductions | D | 87,100 |
| | 251,185 | | |
| | | 17 | Other information |
| | | A | 35,574 |

Part I Information About the Corporation

A Corporation's employer identification number
11-0000007

B Corporation's name, address, city, state, and ZIP code
WorkNAIIDay, Inc.
37 Any Street
Anytown, NC 280410280

C IRS Center where corporation filed return
OSPC

Part II Information About the Shareholder

D Shareholder's identifying number
999-06-0006

E Shareholder's name, address, city, state, and ZIP code
Carrie Ortiz
55 Any Street
Anytown, WI 53201

F Shareholder's percentage of stock ownership for tax year **50 %**

For IRS Use Only

* See attached statement for additional information.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|---|---|---|
| Name(s) shown on return WorkNAILDay, Inc. | Business or activity to which this form relates Manufacturing | Identifying number 11-0000007 |
|---|---|---|

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|------------------------------------|---|-------------------------------------|-------------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | 88,235 |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | 0 |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | 250,000 |
| (a) Description of property | | (b) Cost (business use only) | (c) Elected cost |
| 6 | Compressor | 62,935 | 62,935 |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | 62,935 |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | 62,935 |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | 250,000 |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | 62,935 |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | 0 |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|--|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

| | | | |
|----|---|----|--------------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 5,761 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a | 3-year property | | | | | |
| b | 5-year property | | | | | |
| c | 7-year property | | | | | |
| d | 10-year property | | | | | |
| e | 15-year property | | | | | |
| f | 20-year property | | | | | |
| g | 25-year property | | 25 yrs. | | S/L | |
| h | Residential rental property | | 27.5 yrs. | MM | S/L | |
| i | Nonresidential real property | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|-----|------------|--------------|------------|-----------|-----|------------|
| 20a | Class life | 5,791 | 9.0 | HY | S/L | 965 |
| b | 12-year | | 12 yrs. | | S/L | |
| c | 40-year | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|--------------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 6,726 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost | |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|---|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | | | | | | | | |
| 2006 Ford Pickup | 2008-10-14 | 100 % | 0 | 0 | 5 | 200 DB-HY | 0 | | |
| | | % | | | | | | | |
| | | % | | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | | | | | | | | |
| | | % | | | | S/L - | | | |
| | | % | | | | S/L - | | | |
| | | % | | | | S/L - | | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. | | | | | | | | 28 | 0 |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. | | | | | | | | 29 | |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | | (b) Vehicle 2 | | (c) Vehicle 3 | | (d) Vehicle 4 | | (e) Vehicle 5 | | (f) Vehicle 6 | |
|---|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
| | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | | | | | | | | | | | | |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2008 tax year (see instructions): | | | | | |
| | | | | | |
| 43 Amortization of costs that began before your 2008 tax year. | | | | | 43 |
| 44 Total. Add amounts in column (f). See the instructions for where to report. | | | | | 44 |

Sales of Business Property
 (Also Involuntary Conversions and Recapture Amounts
 Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.▶ See separate instructions.

| | |
|---|---|
| Name(s) shown on return WorkNAIIDay, Inc. | Identifying number 11-0000007 |
|---|---|

| | | |
|--|----------|---------------|
| 1 Enter the gross proceeds from sales or exchanges reported to you for 2008 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions). | 1 | 14,560 |
|--|----------|---------------|

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

| (a) Description of property | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) | (d) Gross sales price | (e) Depreciation allowed or allowable since acquisition | (f) Cost or other basis, plus improvements and expense of sale | (g) Gain or (loss) Subtract (f) from the sum of (d) and (e) |
|-----------------------------|-----------------------------------|-------------------------------|-----------------------|---|--|---|
| 2 2000 Ford F150 | 08/30/2000 | 10/14/2008 | | 31,247 | 31,247 | 0 |
| | | | | | | |
| | | | | | | |

| | | |
|--|----------|----------|
| 3 Gain, if any, from Form 4684, line 39 | 3 | |
| 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 | 4 | |
| 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 | 5 | |
| 6 Gain, if any, from line 32, from other than casualty or theft | 6 | |
| 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. | 7 | 0 |
| 8 Nonrecaptured net section 1231 losses from prior years (see instructions) | 8 | |
| 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions). | 9 | |

Part II Ordinary Gains and Losses (see instructions)

| | | |
|---|--|--|
| 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less): | | |
| | | |
| | | |
| | | |

| | | |
|---|------------|---------------|
| 11 Loss, if any, from line 7 | 11 | () |
| 12 Gain, if any, from line 7 or amount from line 8, if applicable | 12 | |
| 13 Gain, if any, from line 31 | 13 | 14,433 |
| 14 Net gain or (loss) from Form 4684, lines 31 and 38a | 14 | |
| 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 | 15 | |
| 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 | 16 | |
| 17 Combine lines 10 through 16 | 17 | 14,433 |
| 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions | 18a | |
| b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 | 18b | |

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

| 19 | (a) Description of section 1245, 1250, 1252, 1254, or 1255 property: | (b) Date acquired (mo., day, yr.) | (c) Date sold (mo., day, yr.) |
|----|--|--------------------------------------|----------------------------------|
| A | 1999 Chevy Tahoe | 01/06/1999 | 01/10/2008 |
| B | 1995 Dodge 3500 | 07/01/1996 | 02/21/2008 |
| C | 1998 Chevy Pickup | 07/01/1997 | 12/31/2008 |
| D | | | |

| These columns relate to the properties on lines 19A through 19D. ► | | Property A | Property B | Property C | Property D |
|---|--|------------|------------|------------|------------|
| 20 | Gross sales price (Note: See line 1 before completing.) | 5,000 | 7,760 | 1,800 | |
| 21 | Cost or other basis plus expense of sale | 19,930 | 19,467 | 24,619 | |
| 22 | Depreciation (or depletion) allowed or allowable | 19,930 | 19,467 | 24,492 | |
| 23 | Adjusted basis. Subtract line 22 from line 21 | 0 | 0 | 127 | |
| 24 | Total gain. Subtract line 23 from line 20 | 5000 | 7,760 | 1,673 | |
| 25 If section 1245 property: | | | | | |
| a | Depreciation allowed or allowable from line 22 | 19,930 | 19,467 | 24,492 | |
| b | Enter the smaller of line 24 or 25a | 5,000 | 7,760 | 1,673 | |
| 26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291. | | | | | |
| a | Additional depreciation after 1975 (see instructions) | | | | |
| b | Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions) | | | | |
| c | Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e | | | | |
| d | Additional depreciation after 1969 and before 1976 | | | | |
| e | Enter the smaller of line 26c or 26d | | | | |
| f | Section 291 amount (corporations only) | | | | |
| g | Add lines 26b, 26e, and 26f | | | | |
| 27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). | | | | | |
| a | Soil, water, and land clearing expenses | | | | |
| b | Line 27a multiplied by applicable percentage (see instructions) | | | | |
| c | Enter the smaller of line 24 or 27b | | | | |
| 28 If section 1254 property: | | | | | |
| a | Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions) | | | | |
| b | Enter the smaller of line 24 or 28a | | | | |
| 29 If section 1255 property: | | | | | |
| a | Applicable percentage of payments excluded from income under section 126 (see instructions) | | | | |
| b | Enter the smaller of line 24 or 29a (see instructions) | | | | |

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

| | | | |
|----|---|----|--------|
| 30 | Total gains for all properties. Add property columns A through D, line 24 | 30 | 14,433 |
| 31 | Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13 | 31 | 14,433 |
| 32 | Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6 | 32 | |

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

| | (a) Section 179 | (b) Section 280F(b)(2) |
|--|-----------------|------------------------|
| 33 Section 179 expense deduction or depreciation allowable in prior years | 33 | |
| 34 Recomputed depreciation (see instructions) | 34 | |
| 35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report | 35 | |

Like-Kind Exchanges
(and section 1043 conflict-of-interest sales)

▶ Attach to your tax return.

Name(s) shown on tax return
WorkNAILDay, Inc.

Identifying number
11-00000007

Part I Information on the Like-Kind Exchange

Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

1 Description of like-kind property given up:

2000 Ford Pickup

2 Description of like-kind property received:

2006 Ford Pickup

3 Date like-kind property given up was originally acquired (month, day, year)

3 MM03052000YYY

4 Date you actually transferred your property to other party (month, day, year)

4 MM10142008YYY

5 Date like-kind property you received was identified by written notice to another party (month, day, year). See instructions for 45-day written notice requirement

5 MM10012008YYY

6 Date you actually received the like-kind property from other party (month, day, year). See instructions

6 MM10142008YYY

7 Was the exchange of the property given up or received made with a related party, either directly or indirectly (such as through an intermediary)? See instructions. If "Yes," complete Part II. If "No," go to Part III Yes No

Part II Related Party Exchange Information

8 Name of related party Relationship to you Related party's identifying number

Address (no., street, and apt., room, or suite no., city or town, state, and ZIP code)

9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party sell or dispose of any part of the like-kind property received from you (or an intermediary) in the exchange or transfer property into the exchange, directly or indirectly (such as through an intermediary), that became your replacement property? Yes No

10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of any part of the like-kind property you received? Yes No

If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is not the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 unless one of the exceptions on line 11 applies.

11 If one of the exceptions below applies to the disposition, check the applicable box:

- a The disposition was after the death of either of the related parties.
- b The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange.
- c You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as one of its principal purposes. If this box is checked, attach an explanation (see instructions).

Name(s) shown on tax return. Do not enter name and social security number if shown on other side.

Your social security number

Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received

Caution: If you transferred **and** received (a) more than one group of like-kind properties or (b) cash or other (not like-kind) property, see **Reporting of multi-asset exchanges** in the instructions.

Note: Complete lines 12 through 14 **only** if you gave up property that was not like-kind. Otherwise, go to line 15.

| | | | | | |
|---|---|----|--|--------|--|
| 12 | Fair market value (FMV) of other property given up | 12 | | | |
| 13 | Adjusted basis of other property given up | 13 | | | |
| 14 | Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale | 14 | | | |
| Caution: If the property given up was used previously or partly as a home, see Property used as home in the instructions. | | | | | |
| 15 | Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions) | 15 | | | |
| 16 | FMV of like-kind property you received | 16 | | 40,000 | |
| 17 | Add lines 15 and 16 | 17 | | 40,000 | |
| 18 | Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (see instructions) | 18 | | | |
| 19 | Realized gain or (loss). Subtract line 18 from line 17 | 19 | | 40,000 | |
| 20 | Enter the smaller of line 15 or line 19, but not less than zero | 20 | | 0 | |
| 21 | Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions) | 21 | | 0 | |
| 22 | Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions) | 22 | | 0 | |
| 23 | Recognized gain. Add lines 21 and 22 | 23 | | 0 | |
| 24 | Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions | 24 | | 40,000 | |
| 25 | Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23 | 25 | | 0 | |

Part IV Deferral of Gain From Section 1043 Conflict-of-Interest Sales

Note: This part is to be used **only** by officers or employees of the executive branch of the Federal Government or judicial officers of the Federal Government for reporting nonrecognition of gain under section 1043 on the sale of property to comply with the conflict-of-interest requirements. This part can be used **only** if the cost of the replacement property is more than the basis of the divested property.

| | | | |
|----|--|----|---------------|
| 26 | Enter the number from the upper right corner of your certificate of divestiture. (Do not attach a copy of your certificate. Keep the certificate with your records.) | ▶ | _____ - _____ |
| 27 | Description of divested property ▶ _____ | | |
| 28 | Description of replacement property ▶ _____ | | |
| 29 | Date divested property was sold (month, day, year) | 29 | MM/DD/YYYY |
| 30 | Sales price of divested property (see instructions) | 30 | |
| 31 | Basis of divested property | 31 | |
| 32 | Realized gain. Subtract line 31 from line 30 | 32 | |
| 33 | Cost of replacement property purchased within 60 days after date of sale | 33 | |
| 34 | Subtract line 33 from line 30. If zero or less, enter -0- | 34 | |
| 35 | Ordinary income under recapture rules. Enter here and on Form 4797, line 10 (see instructions) | 35 | |
| 36 | Subtract line 35 from line 34. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797 (see instructions) | 36 | |
| 37 | Deferred gain. Subtract the sum of lines 35 and 36 from line 32 | 37 | |
| 38 | Basis of replacement property. Subtract line 37 from line 33 | 38 | |

Form 1120S Test Scenario 6

FORM 1120S TEST SCENARIO 6

FORMS REQUIRED: 1120S, Sch K-1, Sch M-3, Sch N (1120), 4562, 5471, Sch J (5471), Sch M (5471), 5472, 8916-A,

ATTACHMENTS:

ItemizedOtherIncomeSchedule2
ItemizedOtherDeductionsSchedule2
ItemizedOtherCostsSchedule
CharitableContributionsSchedule
ItemizedOtherDeductionsSchedule3
ItemizedOtherCurrentAssetsSchedule
ItemizedOtherInvestmentsSchedule
ItemizedOtherCurrentLiabilitiesSchedule
ItemizedOtherLiabilitiesSchedule
NonincludibleForeignEntitySchedule
USDividendsNotEliminatedInTaxConsolidationSchedule
PartnershipInterestSchedule
OtherExpenseDeductionItemsWithDifferencesSchedule

BINARY ATTACHMENTS: None

HEADER INFO:

MultipleSoftwarePackagesUsed: Yes or No

Originator: **EFIN:** Self-select
 Type: ERO
 Practitioner PIN:
 EFIN: Self-select
 PIN: Self-select
 PIN Entered by – ERO

Signature Option: **PIN**

Officer: **Name:** Talbert Oaks
 Title: President
 Taxpayer PIN: Self-Select
 Phone: 301-555-1212
 Email Address:
 Date Signed: 01/25/09

Preparer: **Name:** Johnny Appleseed
 Date Prepared: 01/20/09

Name Control:
Form 1120S – Tree Fixr Upper, Inc. – TREE
Sch K-1 shareholder Rose B. Trim - TRIM

Form 1120S Test Scenario 6

Attachment 1, Form 1120S, line 5: Other Income (*ItemizedOtherIncomeSchedule2*)

| | |
|----------------------|-----------------------|
| Miscellaneous Income | 740,410 |
| US Partnership Loss | <u>(320,210)</u> |
| Total | <u>420,200</u> |

Attachment 2, Form 1120S, Line 19: Other Deductions (*ItemizedOtherDeductionsSchedule2*)

| | |
|--------------------------------------|--------------------------|
| Dues and Subscriptions | 3,932,765 |
| Communications | 925,702 |
| Employment Expenses | 1,763,530 |
| Utilities & Telephone | 932,765 |
| Travel | 6,625,923 |
| Professional Expenses | 1,376,350 |
| Workers Compensation | 725,013 |
| Supplies | 914,685 |
| Postage | 212,652 |
| Transportation | 1,327,085 |
| Life Insurance | 464,916 |
| Miscellaneous | <u>938,643</u> |
| Total (element not in schema) | <u>20,140,029</u> |

Attachment 3, Form 1120S, Sch A, Line 5: Other Costs (*ItemizedOtherCostsSchedule*)

| | |
|--------------------------------------|-----------------------------|
| Allocation of Cost of Goods Sold | 70,480 |
| Cost of Service | <u>1,599,205,984</u> |
| Total (element not in schema) | <u>1,599,276,464</u> |

Attachment 4, Form 1120S, Sch K, Line 12a: Contributions (*CharitableContributionsSchedule*)

Description: It is expected that the taxpayer filing this form will provide the appropriate information.

Amount: **500,000**
 Name: Tree Fixr Upper, Inc.
 Code: A
 Category: Cash Contribution (50%)

Attachment 5, Form 1120S, Sch K, Line 12 d: Other Deductions (*ItemizedOtherDeductionsSchedule3*)

Trade/Business Activity: 484110
 Description: Deductions from ABC LLC
 Amount: **320,210**
 Code: P

Attachment 6, Form 1120S, Sch L Balance Sheets per Books, Line 6 (b & d): Other current assets at beginning and end of tax year (*ItemizedOtherCurrentAssetsSchedule*)

| | Beginning | Ending |
|--------------------------------------|-------------------------|-------------------------|
| Pre-paids & Deposits | <u>2,700,000</u> | <u>2,300,000</u> |
| Total (element not in schema) | <u>2,700,000</u> | <u>2,300,000</u> |

Form 1120S Test Scenario 6

Attachment 7, Form 1120S, Sch L Balance Sheets per Books, Line 9 (b & d): Other investments at beginning and end of tax year (*ItemizedOtherInvestmentsSchedule*)

| | Beginning | Ending |
|---------------------------------------|-------------------------|-----------------------|
| ABC LLC | 125,000 | 125,000 |
| TAX PAD'NERS | 80,000 | 120,000 |
| Life Insurance – Cash Surrender Value | <u>975,400</u> | <u>355,484</u> |
| Total (element not in schema) | <u>1,180,400</u> | <u>600,484</u> |

Attachment 8, Form 1120S, Sch L: Line 18 (b & d): Other Current Liabilities (*ItemizedOtherCurrentLiabilitiesSchedule*)

| | Beginning | Ending |
|--------------------------------------|--------------------------|--------------------------|
| Accrued Expenses | <u>10,500,600</u> | <u>23,100,999</u> |
| Total (element not in schema) | <u>10,500,600</u> | <u>23,100,999</u> |

Attachment 9, Form 1120S, Sch L, Line 21(d): Other Liabilities (*ItemizedOtherLiabilitiesSchedule*)

| | Beginning | Ending |
|--------------------------------------|------------------|-------------------------|
| Deferred Compensation | | <u>1,700,900</u> |
| Total (element not in schema) | | <u>1,700,900</u> |

Attachment 10, Form 1120S, Sch M- 3, Part I, Line 5(b): Net loss from nonincludible foreign entities (*NonincludibleForeignEntitySchedule*)

| Name | EIN | Amount |
|-----------------|------------|-------------------|
| ABC Enterprises | 11-0000015 | <u>200</u> |

Attachment 11, Form 1120S, Sch M- 3, Part II, Line 6: U.S Dividends not eliminated in tax consolidation (*USDividendsNotEliminatedInTaxConsolidatonSchedule*)

| Name | EIN | Class of Stock | Percentage of class | a | b | Columns c | d |
|------------|------------|----------------|---------------------|------------------|---|-----------|------------------|
| Misc. Corp | 99-0000009 | Common | 50% | <u>2,480,000</u> | 0 | 0 | <u>2,480,000</u> |

Attachment 12, Form 1120S, Sch M- 3, Part II, Line 7: Income (Loss) from U.S. Partnerships (*PartnershipInterestSchedule*)

| Name | EIN | EOY Profit Sharing % | EOY Loss Sharing % | a | Columns b | c | d |
|---------|------------|----------------------|--------------------|-----------|-----------|-------|-------------------------|
| ABC LLC | 99-9060012 | 60% | 60% | (320,010) | 0 | (200) | <u>(320,210)</u> |

Attachment 13, Form 1120S, Sch M- 3, Part III, Line 29: Other expense/deduction items with differences (*OtherExpenseDeductionItemsWithDifferencesSchedule*)

| Description | a | Columns b | c | d |
|--------------------|-----------------------|-----------------------|---|-------------------------|
| Accrued Legal Fees | <u>396,300</u> | <u>980,050</u> | | <u>1,376,350</u> |

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service (77)

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.
▶ See separate instructions.

2008

For calendar year 2008 or tax year beginning , 2008, ending , 20

| | | | |
|--|---|--|---|
| A S election effective date 5/31/1999 | Use IRS label. Otherwise, print or type. | Name Tree Fixr Upper, Inc. | D Employer identification number 11 0000009 |
| B Business activity code number (see instructions) 541320 | | Number, street, and room or suite no. If a P.O. box, see instructions. 39 Any Street | E Date incorporated 11/19/1957 |
| C Check if Sch. M-3 attached <input checked="" type="checkbox"/> | | City or town, state, and ZIP code Anytown, OK 74002 | F Total assets (see instructions) \$ 560,500,183 |

G Is the corporation electing to be an S corporation beginning with this tax year? Yes No If "Yes," attach Form 2553 if not already filed

H Check if: (1) Final return (2) Name change (3) Address change (4) Amended return (5) S election termination or revocation

I Enter the number of shareholders who were shareholders during any part of the tax year **1**

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

| | | | | | |
|---|---|--------------------------------------|----------------|------------|----------------------|
| Income | 1a Gross receipts or sales 1,900,670,400 | b Less returns and allowances | c Bal ▶ | 1c | 1,900,670,400 |
| | 2 Cost of goods sold (Schedule A, line 8) | | | 2 | 1,860,100,750 |
| | 3 Gross profit. Subtract line 2 from line 1c | | | 3 | 40,569,650 |
| | 4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | 4 | |
| | 5 Other income (loss) (see instructions—attach statement) | | | 5 | 420,200 |
| | 6 Total income (loss). Add lines 3 through 5. ▶ | | | 6 | 40,989,850 |
| Deductions (see instructions for limitations) | 7 Compensation of officers | | | 7 | 8,500,400 |
| | 8 Salaries and wages (less employment credits) | | | 8 | 6,372,055 |
| | 9 Repairs and maintenance | | | 9 | 500,101 |
| | 10 Bad debts | | | 10 | |
| | 11 Rents | | | 11 | 6,650,188 |
| | 12 Taxes and licenses | | | 12 | 13,980,990 |
| | 13 Interest | | | 13 | 120,100 |
| | 14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | 14 | 26,234 |
| | 15 Depletion (Do not deduct oil and gas depletion.) | | | 15 | |
| | 16 Advertising | | | 16 | 890,700 |
| | 17 Pension, profit-sharing, etc., plans | | | 17 | 1,300,000 |
| | 18 Employee benefit programs | | | 18 | |
| | 19 Other deductions (attach statement) | | | 19 | 20,140,029 |
| | 20 Total deductions. Add lines 7 through 19. ▶ | | | 20 | 58,480,797 |
| | 21 Ordinary business income (loss). Subtract line 20 from line 6 | | | 21 | (17,490,947) |
| Tax and Payments | 22a Excess net passive income or LIFO recapture tax (see instructions) | 22a | | 22c | |
| | b Tax from Schedule D (Form 1120S) | 22b | | | |
| | c Add lines 22a and 22b (see instructions for additional taxes) | | | | |
| | 23a 2008 estimated tax payments and 2007 overpayment credited to 2008 | 23a | | 23d | |
| | b Tax deposited with Form 7004 | 23b | | | |
| | c Credit for federal tax paid on fuels (attach Form 4136) | 23c | | | |
| | d Add lines 23a through 23c | | | | |
| | 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | | | 24 | |
| | 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed | | | 25 | |
| | 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid | | | 26 | |
| 27 Enter amount from line 26 Credited to 2009 estimated tax ▶ Refunded ▶ | | | 27 | | |

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: _____ Date: _____ Title: **President**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

| | | | | |
|---------------------------------|--|-----------------------|--|--|
| Paid Preparer's Use Only | Preparer's signature Electronic Tax Filers, Inc. | Date | Check if self-employed <input checked="" type="checkbox"/> | Preparer's SSN or PTIN 999-06-0007 |
| | Firm's name (or yours if self-employed), address, and ZIP code 100 Efile Drive Anytown, TX 78621 | EIN 11 0000011 | Phone no. (512) 555-1212 | |

Schedule A Cost of Goods Sold (see instructions)

| | | | | |
|---|--|---|---------------|--|
| 1 | Inventory at beginning of year | 1 | 92,101,022 | |
| 2 | Purchases | 2 | 1,024,169 | |
| 3 | Cost of labor | 3 | 258,879,395 | |
| 4 | Additional section 263A costs (attach statement) | 4 | | |
| 5 | Other costs (attach statement) | 5 | 1,599,276,464 | |
| 6 | Total. Add lines 1 through 5 | 6 | 1,951,281,050 | |
| 7 | Inventory at end of year | 7 | 91,180,300 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 | 8 | 1,860,100,750 | |

9a Check all methods used for valuing closing inventory: (i) Cost as described in Regulations section 1.471-3
(ii) Lower of cost or market as described in Regulations section 1.471-4
(iii) Other (Specify method used and attach explanation.) _____

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information (see instructions)

| | Yes | No |
|--|-----|-------------------------------------|
| 1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____ | | |
| 2 See the instructions and enter the: a Business activity ▶ Architecture b Product or service ▶ Commercial Landscaping | | |
| 3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made? | | <input checked="" type="checkbox"/> |
| 4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction? | | |
| 5 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. | | |
| 6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ _____ | | |
| 7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____ | | |
| 8 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1 | | <input checked="" type="checkbox"/> |

Schedule K Shareholders' Pro Rata Share Items

| | Total amount |
|---|----------------|
| 1 Ordinary business income (loss) (page 1, line 21) | 1 (17,490,947) |
| 2 Net rental real estate income (loss) (attach Form 8825) | 2 |
| 3a Other gross rental income (loss) 3a _____ | |
| b Expenses from other rental activities (attach statement) 3b _____ | |
| c Other net rental income (loss). Subtract line 3b from line 3a 3c _____ | |
| 4 Interest income | 4 2,500,000 |
| 5 Dividends: a Ordinary dividends 5a 2,480,000 | |
| b Qualified dividends 5b _____ | |
| 6 Royalties | 6 |
| 7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) | 7 |
| 8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) | 8a |
| b Collectibles (28%) gain (loss) 8b _____ | |
| c Unrecaptured section 1250 gain (attach statement) 8c _____ | |
| 9 Net section 1231 gain (loss) (attach Form 4797) | 9 |
| 10 Other income (loss) (see instructions) Type ▶ | 10 |

| | | Shareholders' Pro Rata Share Items (continued) | Total amount | |
|--|---|--|---------------|--------------|
| Deductions | 11 | Section 179 deduction (attach Form 4562) | 11 | |
| | 12a | Contributions | 12a | 500,000 |
| | 12b | Investment interest expense | 12b | 340 |
| | 12c(2) | Section 59(e)(2) expenditures (1) Type (2) Amount | 12c(2) | |
| | 12d | Other deductions (see instructions) Type | 12d | 320,210 |
| Credits | 13a | Low-income housing credit (section 42(j)(5)) | 13a | |
| | 13b | Low-income housing credit (other) | 13b | |
| | 13c | Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) | 13c | |
| | 13d | Other rental real estate credits (see instructions) Type | 13d | |
| | 13e | Other rental credits (see instructions) Type | 13e | |
| | 13f | Credit for alcohol used as fuel (attach Form 6478) | 13f | |
| | 13g | Other credits (see instructions) Type | 13g | |
| Foreign Transactions | 14a | Name of country or U.S. possession Canada | | |
| | 14b | Gross income from all sources | 14b | |
| | 14c | Gross income sourced at shareholder level | 14c | |
| | | Foreign gross income sourced at corporate level | | |
| | 14d | Passive category | 14d | |
| | 14e | General category | 14e | |
| | 14f | Other (attach statement) | 14f | |
| | | Deductions allocated and apportioned at shareholder level | | |
| | 14g | Interest expense | 14g | |
| | 14h | Other | 14h | |
| | | Deductions allocated and apportioned at corporate level to foreign source income | | |
| | 14i | Passive category | 14i | |
| | 14j | General category | 14j | |
| 14k | Other (attach statement) | 14k | | |
| | Other information | | | |
| 14l | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued | 14l | | |
| 14m | Reduction in taxes available for credit (attach statement) | 14m | | |
| 14n | Other foreign tax information (attach statement) | 14n | | |
| Alternative Minimum Tax (AMT) Items | 15a | Post-1986 depreciation adjustment | 15a | 168,150 |
| | 15b | Adjusted gain or loss | 15b | (168,100) |
| | 15c | Depletion (other than oil and gas) | 15c | |
| | 15d | Oil, gas, and geothermal properties—gross income | 15d | |
| | 15e | Oil, gas, and geothermal properties—deductions | 15e | |
| | 15f | Other AMT items (attach statement) | 15f | |
| Items Affecting Shareholder Basis | 16a | Tax-exempt interest income | 16a | |
| | 16b | Other tax-exempt income | 16b | |
| | 16c | Nondeductible expenses | 16c | 491,410 |
| | 16d | Property distributions | 16d | |
| | 16e | Repayment of loans from shareholders | 16e | |
| Other Information | 17a | Investment income | 17a | 4,980,000 |
| | 17b | Investment expenses | 17b | |
| | 17c | Dividend distributions paid from accumulated earnings and profits | 17c | |
| | | Other items and amounts (attach statement) | | |
| Reconciliation | 18 | Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l | 18 | (13,331,497) |

| Schedule L Balance Sheets per Books | | Beginning of tax year | | End of tax year | |
|---|--|-----------------------|--------------------|-----------------|--------------------|
| | | (a) | (b) | (c) | (d) |
| Assets | | | | | |
| 1 | Cash | | 61,000,300 | | 125,954,114 |
| 2a | Trade notes and accounts receivable | 88,799,978 | | 310,294,485 | |
| b | Less allowance for bad debts | () | 88,799,978 | () | 310,294,485 |
| 3 | Inventories | | 92,101,022 | | 91,180,300 |
| 4 | U.S. government obligations | | | | |
| 5 | Tax-exempt securities (see instructions) | | | | |
| 6 | Other current assets (attach statement) | | 2,700,000 | | 2,300,000 |
| 7 | Loans to shareholders | | | | |
| 8 | Mortgage and real estate loans | | | | |
| 9 | Other investments (attach statement) | | 1,180,400 | | 600,484 |
| 10a | Buildings and other depreciable assets | 40,270,500 | | 40,270,500 | |
| b | Less accumulated depreciation | (12,250,400) | 28,020,100 | (12,300,600) | 27,969,900 |
| 11a | Depletable assets | | | | |
| b | Less accumulated depletion | () | | () | |
| 12 | Land (net of any amortization) | | | | 2,200,900 |
| 13a | Intangible assets (amortizable only) | | | | |
| b | Less accumulated amortization | () | | () | |
| 14 | Other assets (attach statement) | | | | |
| 15 | Total assets | | 273,801,800 | | 560,500,183 |
| Liabilities and Shareholders' Equity | | | | | |
| 16 | Accounts payable | | 170,700,400 | | 449,809,280 |
| 17 | Mortgages, notes, bonds payable in less than 1 year | | 200,800 | | 500,000 |
| 18 | Other current liabilities (attach statement) | | 10,500,600 | | 23,100,999 |
| 19 | Loans from shareholders | | | | |
| 20 | Mortgages, notes, bonds payable in 1 year or more | | 18,660,600 | | 18,300,300 |
| 21 | Other liabilities (attach statement) | | | | 1,700,900 |
| 22 | Capital stock | | 5,006,250 | | 8,420,330 |
| 23 | Additional paid-in capital | | 68,733,150 | | 58,668,374 |
| 24 | Retained earnings | | | | |
| 25 | Adjustments to shareholders' equity (attach statement) | | | | |
| 26 | Less cost of treasury stock | () | | () | |
| 27 | Total liabilities and shareholders' equity | | 273,801,800 | | 560,500,183 |

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

| | | | | | |
|---|---|--|---|---|--|
| 1 | Net income (loss) per books | | 5 | Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize): | |
| 2 | Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): | | a | Tax-exempt interest \$ | |
| 3 | Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize): | | 6 | Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize): | |
| a | Depreciation \$ | | a | Depreciation \$ | |
| b | Travel and entertainment \$ | | 7 | Add lines 5 and 6 | |
| 4 | Add lines 1 through 3 | | 8 | Income (loss) (Schedule K, line 18). Line 4 less line 7 | |

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

| | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|---|-------------------------------|---|
| 1 | Balance at beginning of tax year | 8,922,686 | |
| 2 | Ordinary income from page 1, line 21 | | |
| 3 | Other additions | 4,980,000 | |
| 4 | Loss from page 1, line 21 | (17,490,947) | |
| 5 | Other reductions | (1,311,960) | |
| 6 | Combine lines 1 through 5 | (4,900,221) | |
| 7 | Distributions other than dividend distributions | | |
| 8 | Balance at end of tax year. Subtract line 7 from line 6 | (4,900,221) | |

Final K-1

Amended K-1

OMB No. 1545-0130

**Schedule K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

2008

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20__

**Shareholder's Share of Income, Deductions,
Credits, etc.**

▶ See back of form and separate instructions.

**Part III Shareholder's Share of Current Year Income,
Deductions, Credits, and Other Items**

| | | | |
|----|--------------------------------------|----|-------------------------------------|
| 1 | Ordinary business income (loss) | 13 | Credits |
| | (17,490,947) | | |
| 2 | Net rental real estate income (loss) | | |
| 3 | Other net rental income (loss) | | |
| 4 | Interest income | | |
| | 2,500,000 | | |
| 5a | Ordinary dividends | | |
| | 2,480,000 | | |
| 5b | Qualified dividends | 14 | Foreign transactions |
| 6 | Royalties | | |
| 7 | Net short-term capital gain (loss) | | |
| 8a | Net long-term capital gain (loss) | | |
| 8b | Collectibles (28%) gain (loss) | | |
| 8c | Unrecaptured section 1250 gain | | |
| 9 | Net section 1231 gain (loss) | | |
| 10 | Other income (loss) | 15 | Alternative minimum tax (AMT) items |
| | | A | 168,150 |
| | | B | (168,100) |
| 11 | Section 179 deduction | 16 | Items affecting shareholder basis |
| | | C | 491,410 |
| 12 | Other deductions | | |
| A | 500,000 | | |
| R | 320,210 | | |
| G | 340 | | |
| | | 17 | Other information |
| | | A | 4,980,000 |

Part I Information About the Corporation

A Corporation's employer identification number
11-0000009

B Corporation's name, address, city, state, and ZIP code
Tree Fixr Upper, Inc.
39 Any Street
Anytown, OK 74002

C IRS Center where corporation filed return
OSPC

Part II Information About the Shareholder

D Shareholder's identifying number
999-06-0014

E Shareholder's name, address, city, state, and ZIP code
Rose B. Trim
57 Any Street
Anytown, PA 17201

F Shareholder's percentage of stock ownership for tax year _____ **100** %

For IRS Use Only

* See attached statement for additional information.

**SCHEDULE M-3
(Form 1120S)**

**Net Income (Loss) Reconciliation for S Corporations
With Total Assets of \$10 Million or More**

OMB No. 1545-0130

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120S.
▶ See separate instructions.

Name of corporation
Tree Fixr Upper, Inc.

Employer identification number
11 000009

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1a Did the corporation prepare a certified audited non-tax-basis income statement for the period ending with or within this tax year? (See instructions if multiple non-tax-basis income statements are prepared.)
 - Yes.** Skip line 1b and complete lines 2 through 11 with respect to that income statement.
 - No.** Go to line 1b.
- b Did the corporation prepare a non-tax-basis income statement for that period?
 - Yes.** Complete lines 2 through 11 with respect to that income statement.
 - No.** Skip lines 2 through 3b and enter the corporation's net income (loss) per its books and records on line 4a.

2 Enter the income statement period: Beginning 01 / 01 / 2008 Ending 12 / 31 / 2008

- 3a Has the corporation's income statement been restated for the income statement period on line 2?
 - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
 - No.**
- b Has the corporation's income statement been restated for any of the five income statement periods preceding the period on line 2?
 - Yes.** (If "Yes," attach an explanation and the amount of each item restated.)
 - No.**

| | | |
|--|-----------|---------------------|
| 4a Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 | 4a | (14,802,957) |
| b Indicate accounting standard used for line 4a (see instructions): (1) <input type="checkbox"/> GAAP (2) <input type="checkbox"/> IFRS (3) <input type="checkbox"/> Tax-basis (4) <input type="checkbox"/> Other (specify) _____ | | |
| 5a Net income from nonincludible foreign entities (attach schedule) | 5a | () |
| b Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) | 5b | 200 |
| 6a Net income from nonincludible U.S. entities (attach schedule) | 6a | () |
| b Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) | 6b | |
| 7a Net income (loss) of other foreign disregarded entities (attach schedule) | 7a | |
| b Net income (loss) of other U.S. disregarded entities (except qualified subchapter S subsidiaries) (attach schedule) | 7b | |
| c Net income (loss) of other qualified subchapter S subsidiaries (QSubs) (attach schedule) | 7c | |
| 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities (attach schedule) | 8 | |
| 9 Adjustment to reconcile income statement period to tax year (attach schedule) | 9 | |
| 10 Other adjustments to reconcile to amount on line 11 (attach schedule) | 10 | |
| 11 Net income (loss) per income statement of the corporation. Combine lines 4 through 10 Note. Part I, line 11, must equal Part II, line 26, column (a). | 11 | (14,802,757) |

12 Enter the total amount (not just the corporation's share) of the assets and liabilities of all entities included or removed on the following lines:

| | Total Assets | Total Liabilities |
|-------------------------------------|----------------|-------------------|
| a Included on Part I, line 4 | 703,234 | (343,799) |
| b Removed on Part I, line 5 | | |
| c Removed on Part I, line 6 | | |
| d Included on Part I, line 7 | | |

Name of corporation

Tree Fixr Upper, Inc.

Employer identification number

11 000009

Part II Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return (see instructions)

| Income (Loss) Items | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|---|--|--------------------------------|--------------------------------|--|
| 1 Income (loss) from equity method foreign corporations | | | | |
| 2 Gross foreign dividends not previously taxed | | | | |
| 3 Subpart F, QEF, and similar income inclusions | | | | |
| 4 Gross foreign distributions previously taxed | | | | |
| 5 Income (loss) from equity method U.S. corporations | | | | |
| 6 U.S. dividends not eliminated in tax consolidation | 2,480,000 | | | 2,480,000 |
| 7 Income (loss) from U.S. partnerships (attach schedule) | (320,010) | | (200) | (320,210) |
| 8 Income (loss) from foreign partnerships (attach schedule) | | | | |
| 9 Income (loss) from other pass-through entities (attach schedule) | | | | |
| 10 Items relating to reportable transactions (attach details) | | | | |
| 11 Interest income (attach Form 8916-A) | 2,500,000 | | | 2,500,000 |
| 12 Total accrual to cash adjustment | | | | |
| 13 Hedging transactions | | | | |
| 14 Mark-to-market income (loss) | | | | |
| 15 Cost of goods sold (attach Form 8916-A) | (1,860,100,750) | | | (1,860,100,750) |
| 16 Sale versus lease (for sellers and/or lessors) | | | | |
| 17 Section 481(a) adjustments | | | | |
| 18 Unearned/deferred revenue | | | | |
| 19 Income recognition from long-term contracts | | | | |
| 20 Original issue discount and other imputed interest | | | | |
| 21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass-through entities | | | | |
| c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | |
| e Abandonment losses | | | | |
| f Worthless stock losses (attach details) | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | |
| 22 Other income (loss) items with differences (attach schedule) | | | | |
| 23 Total income (loss) items. Combine lines 1 through 22 | (1,855,440,760) | | (200) | (1,855,440,960) |
| 24 Total expense/deduction items (from Part III, line 30) | (5,889,300) | 980,050 | 491,410 | (4,417,840) |
| 25 Other items with no differences | 1,846,527,303 | | | 1,846,527,303 |
| 26 Reconciliation totals. Combine lines 23 through 25 | (14,802,757) | 980,050 | 491,210 | (13,331,497) |

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1120S, Schedule K, line 18.

Name of corporation

Employer identification number

Tree Fixr Upper, Inc.

11 000009

Part III Reconciliation of Net Income (Loss) per Income Statement of the Corporation With Total Income (Loss) per Return—Expense/Deduction Items (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|--|--|--------------------------------|--------------------------------|------------------------------------|
| 1 U.S. current income tax expense | | | | |
| 2 U.S. deferred income tax expense | | | | |
| 3 State and local current income tax expense | | | | |
| 4 State and local deferred income tax expense | | | | |
| 5 Foreign current income tax expense (other than foreign withholding taxes) | | | | |
| 6 Foreign deferred income tax expense | | | | |
| 7 Equity-based compensation | | | | |
| 8 Meals and entertainment | | | | |
| 9 Fines and penalties | 336,410 | | (336,410) | 0 |
| 10 Judgments, damages, awards, and similar costs | | | | |
| 11 Pension and profit-sharing | 1,300,000 | | | 1,300,000 |
| 12 Other post-retirement benefits | | | | |
| 13 Deferred compensation | 2,590,000 | (1,960,100) | | 629,900 |
| 14 Charitable contribution of cash and tangible property | 500,000 | | | 500,000 |
| 15 Charitable contribution of intangible property | | | | |
| 16 Current year acquisition or reorganization investment banking fees | | | | |
| 17 Current year acquisition or reorganization legal and accounting fees | | | | |
| 18 Current year acquisition/reorganization other costs | | | | |
| 19 Amortization/impairment of goodwill | | | | |
| 20 Amortization of acquisition, reorganization, and start-up costs | | | | |
| 21 Other amortization or impairment write-offs | | | | |
| 22 Section 198 environmental remediation costs | | | | |
| 23a Depletion—Oil & Gas | | | | |
| b Depletion—Other than Oil & Gas | 26,234 | | | 26,234 |
| 24 Depreciation | | | | |
| 25 Bad debt expense | | | | |
| 26 Interest expense (attach Form 8916-A) | 120,440 | | | 120,440 |
| 27 Corporate owned life insurance premiums | 619,916 | | (155,000) | 464,916 |
| 28 Purchase versus lease (for purchasers and/or lessees) | | | | |
| 29 Other expense/deduction items with differences (attach schedule) | 396,300 | 980,050 | | 1,376,350 |
| 30 Total expense/deduction items. Combine lines 1 through 29. Enter here and on Part II, line 24, reporting positive amounts as negative and negative amounts as positive | 5,889,300 | (980,050) | (491,410) | 4,417,840 |

**SCHEDULE N
(Form 1120)**

Foreign Operations of U.S. Corporations

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120, 1120-C, 1120-IC-DISC, 1120-L,
1120-PC, 1120-REIT, 1120-RIC, or 1120S.

2008

Name
Tree Fixr Upper, Inc.

Employer identification number (EIN)
11 0000009

Foreign Operations Information

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1a During the tax year, did the corporation own (directly or indirectly) any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 , Information Return of U.S. Persons With Respect to Foreign Disregarded Entities, for each foreign disregarded entity (see instructions). | | <input checked="" type="checkbox"/> |
| b Enter the number of Forms 8858 attached to the tax return ▶ ----- | | |
| 2 Enter the number of Forms 8865 , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to the corporation's income tax return ▶ ----- | | |
| 3 Excluding any partnership for which a Form 8865 is attached to the tax return, did the corporation own at least a 10% interest, directly or indirectly, in any other foreign partnership (including an entity treated as a foreign partnership under Regulations section 301.7701-2 or 301.7701-3)? If "Yes," see instructions for required attachment. | | <input checked="" type="checkbox"/> |
| 4a Was the corporation a U.S. shareholder of any controlled foreign corporation (CFC)? (See sections 951 and 957.) If "Yes," attach Form 5471 , Information Return of U.S. Persons With Respect to Certain Foreign Corporations, for each CFC. | <input checked="" type="checkbox"/> | |
| b Enter the number of Forms 5471 attached to the tax return ▶ ----- 1 | | |
| 5 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520 , Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. | | <input checked="" type="checkbox"/> |
| 6a At any time during the 2008 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts. | | <input checked="" type="checkbox"/> |
| b If "Yes," enter the name of the foreign country ▶ ----- | | |
| 7a Is the corporation claiming the extraterritorial income exclusion? If "Yes," attach a separate Form 8873 , Extraterritorial Income Exclusion, for each transaction or group of transactions. | | <input checked="" type="checkbox"/> |
| b Enter the number of Forms 8873 attached to the tax return ▶ ----- | | |
| c Enter the total of the amounts from line 52 (extraterritorial income exclusion (net of disallowed deductions)) of all Forms 8873 attached to the tax return ▶ \$ | | |

Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Who Must File

Corporations that, at any time during the tax year, had assets in or operated a business in a foreign country or a U.S. possession may have to file Schedule N. If the corporation answers "Yes" to any of the questions above, attach Schedule N and the applicable forms and schedules to the corporation's income tax return.

Question 1a

Check the "Yes" box if the corporation is the "tax owner" (defined below) of a foreign disregarded entity (FDE) or it is

required to file Form 5471 or Form 8865 with respect to a CFC or a CFP that is the tax owner of an FDE.

Tax owner of an FDE. The tax owner of an FDE is the person that is treated as owning the assets and liabilities of the FDE for purposes of U.S. income tax law.

A corporation that is the tax owner of an FDE is generally required to attach Form 8858 to its return. However, if the **Exception** below applies, the corporation should attach a statement (described below) in lieu of Form 8858.

Exception. In certain cases where a corporation owns an FDE indirectly or constructively through a foreign entity, the corporation may not be required to attach Form 8858. See **Who Must File** on page 1 of the Instructions for Form 8858.

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

| | | |
|---|--|---|
| Name(s) shown on return Tree Fixr Upper, Inc. | Business or activity to which this form relates Commercial Landscapers | Identifying number 11-0000009 |
|---|--|---|

Part I Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I.

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See the instructions for a higher limit for certain businesses | 1 | \$250,000 |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation (see instructions) | 3 | \$800,000 |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8. | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2007 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11. | 12 | |
| 13 | Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶ | 13 | |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

| | | | |
|----|---|----|--|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election | 15 | |
| 16 | Other depreciation (including ACRS) | 16 | |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

| | | | |
|----|---|----|--------|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2008 | 17 | 26,234 |
| 18 | If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here | | |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a | 3-year property | | | | | |
| b | 5-year property | | | | | |
| c | 7-year property | | | | | |
| d | 10-year property | | | | | |
| e | 15-year property | | | | | |
| f | 20-year property | | | | | |
| g | 25-year property | | 25 yrs. | | S/L | |
| h | Residential rental property | | 27.5 yrs. | MM | S/L | |
| i | Nonresidential real property | | 27.5 yrs. | MM | S/L | |
| | | | 39 yrs. | MM | S/L | |

Section C—Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

| | | | | | | |
|-----|------------|--|---------|----|-----|--|
| 20a | Class life | | | | S/L | |
| b | 12-year | | 12 yrs. | | S/L | |
| c | 40-year | | 40 yrs. | MM | S/L | |

Part IV Summary (See instructions.)

| | | | |
|----|---|----|--------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instr. | 22 | 26,234 |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed? Yes No **24b** If "Yes," is the evidence written? Yes No

| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | | | | | | | |
| | | % | | | S/L - | | | |
| | | % | | | S/L - | | | |
| | | % | | | S/L - | | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. | | | | | | | 28 | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. | | | | | | | | 29 |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| | (a) Vehicle 1 | | (b) Vehicle 2 | | (c) Vehicle 3 | | (d) Vehicle 4 | | (e) Vehicle 5 | | (f) Vehicle 6 | |
|---|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
| | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No |
| 30 Total business/investment miles driven during the year (do not include commuting miles) | | | | | | | | | | | | |
| 31 Total commuting miles driven during the year | | | | | | | | | | | | |
| 32 Total other personal (noncommuting) miles driven | | | | | | | | | | | | |
| 33 Total miles driven during the year. Add lines 30 through 32 | | | | | | | | | | | | |
| 34 Was the vehicle available for personal use during off-duty hours? | | | | | | | | | | | | |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | | | | | | | |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

| | Yes | No |
|--|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? | | |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners | | |
| 39 Do you treat all use of vehicles by employees as personal use? | | |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? | | |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) | | |

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2008 tax year (see instructions): | | | | | |
| | | | | | |
| 43 Amortization of costs that began before your 2008 tax year. | | | | | 43 |
| 44 Total. Add amounts in column (f). See the instructions for where to report. | | | | | 44 |

Form **5471**

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

OMB No. 1545-0704

(Rev. December 2007)

▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning **01/01**, 20 **08**, and ending **12/31**, 20 **08**

Attachment
Sequence No. **121**

| | |
|---|---|
| Name of person filing this return Tree Fixr Upper, Inc | A Identifying number 11-0000009 |
| Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 39 Any Street | B Category of filer (See instructions. Check applicable box(es): 1 (repealed) 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/> |
| City or town, state, and ZIP code Anytown, OK 74002 | C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period % |
| Filer's tax year beginning 01/01 , 20 08 , and ending 12/31 , 20 08 | |

D Person(s) on whose behalf this information return is filed:

| (1) Name | (2) Address | (3) Identifying number | (4) Check applicable box(es) | | |
|----------|-------------|------------------------|------------------------------|---------|----------|
| | | | Shareholder | Officer | Director |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

| | | | | |
|---|---|---|--|---|
| 1a Name and address of foreign corporation Foreign Corporation 54 Any Street Anytown, CA | b Employer identification number, if any APPLD FOR | | | |
| | c Country under whose laws incorporated CA | | | |
| d Date of incorporation 08/16/1978 | e Principal place of business CA | f Principal business activity code number 211110 | g Principal business activity Landscaping Development | h Functional currency US |

2 Provide the following information for the foreign corporation's accounting period stated above.

| | | |
|--|---|---|
| a Name, address, and identifying number of branch office or agent (if any) in the United States | b If a U.S. income tax return was filed, enter: | |
| | (i) Taxable income or (loss) | (ii) U.S. income tax paid (after all credits) |
| | | |
| c Name and address of foreign corporation's statutory or resident agent in country of incorporation | d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different | |
| | | |

Schedule A Stock of the Foreign Corporation

| (a) Description of each class of stock | (b) Number of shares issued and outstanding | |
|--|---|--------------------------------------|
| | (i) Beginning of annual accounting period | (ii) End of annual accounting period |
| Common | 200 | 200 |
| | | |
| | | |

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 49958V

Form **5471** (Rev. 12-2007)

| Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions) | | | |
|--|----------------------------|------------------------|------------------------|
| (a) Name of country or U.S. possession | Amount of tax | | |
| | (b) In foreign currency | (c) Conversion rate | (d) In U.S. dollars |
| 1 U.S. | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 Total | | | |

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

| Assets | (a) | (b) |
|---|---------------------------------------|---------------------------------|
| | Beginning of annual accounting period | End of annual accounting period |
| 1 Cash | 1 | |
| 2a Trade notes and accounts receivable | 2a | |
| b Less allowance for bad debts | 2b () () | |
| 3 Inventories | 3 | |
| 4 Other current assets (attach schedule) | 4 | |
| 5 Loans to shareholders and other related persons | 5 | |
| 6 Investment in subsidiaries (attach schedule) | 6 | |
| 7 Other investments (attach schedule) | 7 | |
| 8a Buildings and other depreciable assets | 8a 31,800 | 54,800 |
| b Less accumulated depreciation | 8b (2,000) (4,000) | |
| 9a Depletable assets | 9a | |
| b Less accumulated depletion | 9b () () | |
| 10 Land (net of any amortization) | 10 | |
| 11 Intangible assets: | | |
| a Goodwill | 11a | |
| b Organization costs | 11b | |
| c Patents, trademarks, and other intangible assets | 11c | |
| d Less accumulated amortization for lines 11a, b, and c | 11d () () | |
| 12 Other assets (attach schedule) | 12 | |
| 13 Total assets | 13 29,800 | 50,800 |
| Liabilities and Shareholders' Equity | | |
| 14 Accounts payable | 14 | |
| 15 Other current liabilities (attach schedule) | 15 | |
| 16 Loans from shareholders and other related persons | 16 269,000 | 270,000 |
| 17 Other liabilities (attach schedule) | 17 | |
| 18 Capital stock: | | |
| a Preferred stock | 18a | |
| b Common stock | 18b 800 | 800 |
| 19 Paid-in or capital surplus (attach reconciliation) | 19 | |
| 20 Retained earnings | 20 (240,000) | (220,000) |
| 21 Less cost of treasury stock | 21 () () | |
| 22 Total liabilities and shareholders' equity | 22 29,800 | 50,800 |

Schedule G Other Information

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? Yes No
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? Yes No
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? Yes No
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).
- 4 During the tax year, was the foreign corporation a participant in any cost sharing arrangement? Yes No
- 5 During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement? Yes No

Schedule H Current Earnings and Profits (see instructions)

Important: Enter the amounts on lines 1 through 5c in **functional** currency.

| | | | | | |
|----|--|----------------------|-------------------------|-----------|-------|
| 1 | Current year net income or (loss) per foreign books of account | | | 1 | (200) |
| 2 | Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions): | | | | |
| | | Net Additions | Net Subtractions | | |
| a | Capital gains or losses | | | | |
| b | Depreciation and amortization | | | | |
| c | Depletion | | | | |
| d | Investment or incentive allowance | | | | |
| e | Charges to statutory reserves | | | | |
| f | Inventory adjustments | | | | |
| g | Taxes | | | | |
| h | Other (attach schedule) | | | | |
| 3 | Total net additions | | | | |
| 4 | Total net subtractions | | | | |
| 5a | Current earnings and profits (line 1 plus line 3 minus line 4) | | | 5a | (200) |
| b | DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) | | | 5b | |
| c | Combine lines 5a and 5b | | | 5c | (200) |
| d | Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) | | | 5d | |

Enter exchange rate used for line 5d ►

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

| | | | |
|---|---|----------|-------|
| 1 | Subpart F income (line 38b, Worksheet A in the instructions) | 1 | (200) |
| 2 | Earnings invested in U.S. property (line 17, Worksheet B in the instructions) | 2 | |
| 3 | Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) | 3 | |
| 4 | Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) | 4 | |
| 5 | Factoring income | 5 | |
| 6 | Total of lines 1 through 5. Enter here and on your income tax return. See instructions. | 6 | (200) |
| 7 | Dividends received (translated at spot rate on payment date under section 989(b)(1)) | 7 | |
| 8 | Exchange gain or (loss) on a distribution of previously taxed income | 8 | |

Yes No

- Was any income of the foreign corporation blocked? Yes No
 - Did any such income become unblocked during the tax year (see section 964(b))?. Yes No
- If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J
(Form 5471)**

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Tree Fixr Upper, Inc.

Identifying number

11-0000009

Name of foreign corporation

Foreign Corporation

| Important: Enter amounts in functional currency. | (a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance) | (b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance) | (c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances) | | | (d) Total Section 964(a) E&P (combine columns (a), (b), and (c)) |
|---|--|--|---|---|------------------------|--|
| | | | (i) Earnings Invested in U.S. Property | (ii) Earnings Invested in Excess Passive Assets | (iii) Subpart F Income | |
| 1 Balance at beginning of year | (28,000) | | | | | (28,000) |
| 2a Current year E&P | | | | | | |
| b Current year deficit in E&P | 200 | | | | | |
| 3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b) | (28,200) | | | | | |
| 4 Amounts included under section 951(a) or reclassified under section 959(c) in current year | | | | | | |
| 5a Actual distributions or reclassifications of previously taxed E&P | | | | | (28,200) | |
| b Actual distributions of nonpreviously taxed E&P | | | | | | |
| 6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a) | | | | | | |
| b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b) | | (28,200) | | | | |
| 7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.) | | (28,200) | | | | |

**SCHEDULE M
(Form 5471)**

(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

| | |
|---|---|
| Name of person filing Form 5471 Tree Fixr Upper, Inc. | Identifying number 11-0000009 |
|---|---|

Name of foreign corporation
Foreign Corporation

Important: Complete a **separate** Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ **US**

| (a) Transactions of foreign corporation | (b) U.S. person filing this return | (c) Any domestic corporation or partnership controlled by U.S. person filing this return | (d) Any other foreign corporation or partnership controlled by U.S. person filing this return | (e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return) | (f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation |
|--|------------------------------------|--|---|--|---|
| 1 Sales of stock in trade (inventory) | | | | | |
| 2 Sales of tangible property other than stock in trade | | | | | |
| 3 Sales of property rights (patents, trademarks, etc.) | | | | | |
| 4 Buy-in payments received | | | | | |
| 5 Cost sharing payments received. | | | | | |
| 6 Compensation received for technical, managerial, engineering, construction, or like services | | | | | |
| 7 Commissions received | | | | | |
| 8 Rents, royalties, and license fees received | | | | | |
| 9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income) | | | | | |
| 10 Interest received | | | | | |
| 11 Premiums received for insurance or reinsurance | | | | | |
| 12 Add lines 1 through 11 | | | | | |
| 13 Purchases of stock in trade (inventory) | | | | | |
| 14 Purchases of tangible property other than stock in trade | | | | | |
| 15 Purchases of property rights (patents, trademarks, etc.) | | | | | |
| 16 Buy-in payments paid | | | | | |
| 17 Cost sharing payments paid | | | | | |
| 18 Compensation paid for technical, managerial, engineering, construction, or like services | | | | | |
| 19 Commissions paid | | | | | |
| 20 Rents, royalties, and license fees paid | | | | | |
| 21 Dividends paid | | | | | |
| 22 Interest paid | | | | | |
| 23 Premiums paid for insurance or reinsurance | | | | | |
| 24 Add lines 13 through 23 | | | | | |
| 25 Amounts borrowed (enter the maximum loan balance during the year) — see instructions | 270,000 | | | | |
| 26 Amounts loaned (enter the maximum loan balance during the year) — see instructions | | | | | |

Form **5472**
(Rev. December 2007)

**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business**
(Under Sections 6038A and 6038C of the Internal Revenue Code)
For tax year of the reporting corporation beginning 01/01, 2008, and ending 12/31, 2008
Note. Enter all information in English and money items in U.S. dollars.

OMB No. 1545-0805

Department of the Treasury
Internal Revenue Service

Part I Reporting Corporation (see instructions). All reporting corporations must complete Part I.

| | | | |
|---|------------------------------------|--|--|
| 1a Name of reporting corporation Tree Fixr Upper, Inc. | | 1b Employer identification number 11 0000009 | |
| Number, street, and room or suite no. (if a P.O. box, see instructions) 39 Any Street | | 1c Total assets | |
| City or town, state, and ZIP code (if a foreign address, see instructions) Anytown, OK 74002 | | \$ 560,500,183 | |
| 1d Principal business activity ▶ Landscape Development | | 1e Principal business activity code ▶ 541320 | |
| 1f Total value of gross payments made or received (see instructions) reported on this Form 5472 \$ 6,658,278 | | 1g Total number of Forms 5472 filed for the tax year 1 | |
| 1h Total value of gross payments made or received (see instructions) reported on all Forms 5472 \$ 6,658,278 | | | |
| 1i Check here if this is a consolidated filing of Form 5472 . . . ▶ <input type="checkbox"/> | 1j Country of incorporation | 1k Country(ies) under whose laws the reporting corporation files an income tax return as a resident | 1l Principal country(ies) where business is conducted |
| 2 Check here if, at any time during the tax year, any foreign person owned, directly or indirectly, at least 50% of (a) the total voting power of all classes of the stock of the reporting corporation entitled to vote, or (b) the total value of all classes of stock of the reporting corporation . . . ▶ <input type="checkbox"/> | | | |

Part II 25% Foreign Shareholder (see instructions)

| | | | |
|---|--|--|--|
| 1a Name and address of direct 25% foreign shareholder | | 1b U.S. identifying number, if any | |
| 1c Principal country(ies) where business is conducted | 1d Country of citizenship, organization, or incorporation | 1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident | |
| 2a Name and address of direct 25% foreign shareholder | | 2b U.S. identifying number, if any | |
| 2c Principal country(ies) where business is conducted | 2d Country of citizenship, organization, or incorporation | 2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident | |
| 3a Name and address of ultimate indirect 25% foreign shareholder | | 3b U.S. identifying number, if any | |
| 3c Principal country(ies) where business is conducted | 3d Country of citizenship, organization, or incorporation | 3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident | |
| 4a Name and address of ultimate indirect 25% foreign shareholder | | 4b U.S. identifying number, if any | |
| 4c Principal country(ies) where business is conducted | 4d Country of citizenship, organization, or incorporation | 4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident | |

Part III Related Party (see instructions)
Check applicable box: Is the related party a foreign person or U.S. person?
All reporting corporations must complete this question and the rest of Part III.

| | | | |
|--|--|---|--|
| 1a Name and address of related party William W. Stain & Assoc., 55 Any Foreign Street, Quebec, CA | | 1b U.S. identifying number, if any 999-06-0012 | |
| 1c Principal business activity ▶ Landscaping and Development | | 1d Principal business activity code ▶ 541320 | |
| 1e Relationship—Check boxes that apply: <input checked="" type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder | | | |
| 1f Principal country(ies) where business is conducted CA | | 1g Country(ies) under whose laws the related party files an income tax return as a resident US | |

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party (see instructions)

Caution: Part IV *must* be completed if the "foreign person" box is checked in the heading for Part III.

If estimates are used, check here

| | | | |
|-----|---|-----|-----------|
| 1 | Sales of stock in trade (inventory) | 1 | 8,090 |
| 2 | Sales of tangible property other than stock in trade | 2 | |
| 3a | Rents received (for other than intangible property rights) | 3a | |
| b | Royalties received (for other than intangible property rights) | 3b | |
| 4 | Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) | 4 | |
| 5 | Consideration received for technical, managerial, engineering, construction, scientific, or like services | 5 | |
| 6 | Commissions received | 6 | |
| 7 | Amounts borrowed (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶ | 7b | |
| 8 | Interest received | 8 | |
| 9 | Premiums received for insurance or reinsurance | 9 | |
| 10 | Other amounts received (see instructions) | 10 | |
| 11 | Total. Combine amounts on lines 1 through 10 | 11 | 8,090 |
| 12 | Purchases of stock in trade (inventory) | 12 | |
| 13 | Purchases of tangible property other than stock in trade | 13 | |
| 14a | Rents paid (for other than intangible property rights) | 14a | 6,650,188 |
| b | Royalties paid (for other than intangible property rights) | 14b | |
| 15 | Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) | 15 | |
| 16 | Consideration paid for technical, managerial, engineering, construction, scientific, or like services | 16 | |
| 17 | Commissions paid | 17 | |
| 18 | Amounts loaned (see instructions) a Beginning balance _____ b Ending balance or monthly average ▶ | 18b | |
| 19 | Interest paid | 19 | |
| 20 | Premiums paid for insurance or reinsurance | 20 | |
| 21 | Other amounts paid (see instructions) | 21 | |
| 22 | Total. Combine amounts on lines 12 through 21 | 22 | 6,650,188 |

Part V Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party (see instructions)

Describe these transactions on an attached separate sheet and check here.

Part VI Additional Information

All reporting corporations must complete Part VI.

- 1 Does the reporting corporation import goods from a foreign related party? Yes No
- 2a If "Yes," is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods? Yes No
If "No," do not complete b and c below.
- b If "Yes," attach a statement explaining the reason or reasons for such difference.
- c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? Yes No

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- The IRS has modified Part IV, lines 3 and 14.
- A reporting corporation that uses an accrual method of accounting must use accrued payments and accrued receipts for purposes of computing the total amount to enter on each line of the Form 5472. See Regulations section 1.6038A-2(b)(8).

Purpose of Form

Use Form 5472 to provide information required under sections 6038A and 6038C when reportable transactions occur during the tax year of a reporting corporation with a foreign or domestic related party.

Definitions

Reporting corporation. A reporting corporation is either:

- A 25% foreign-owned U.S. corporation or
- A foreign corporation engaged in a trade or business within the United States.

25% foreign owned. A corporation is 25% foreign owned if it has at least one direct or indirect 25% foreign shareholder at any time during the tax year.

25% foreign shareholder. Generally, a foreign person (defined on page 3) is a 25% foreign shareholder if the person owns, directly or indirectly, at least 25% of either:

- The total voting power of all classes of stock entitled to vote or
- The total value of all classes of stock of the corporation.

The constructive ownership rules of section 318 apply with the following modifications to determine if a corporation is 25% foreign owned. Substitute "10%" for "50%" in section 318(a)(2)(C). Do not apply sections

318(a)(3)(A), (B), and (C) so as to consider a U.S. person as owning stock that is owned by a foreign person.

Related party. A related party is:

- Any direct or indirect 25% foreign shareholder of the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to a 25% foreign shareholder of the reporting corporation, or
- Any other person who is related to the reporting corporation within the meaning of section 482 and the related regulations.

"Related party" does not include any corporation filing a consolidated Federal income tax return with the reporting corporation.

The rules in section 318 apply to the definition of related party with the modifications listed under the definition of 25% foreign shareholder above.

Form **8916-A**

Supplemental Attachment to Schedule M-3

OMB No. 1545-2061

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule M-3 for Form 1065, 1120, 1120-L, 1120-PC, or 1120S.

2008

| | |
|---|--|
| Name of common parent Tree Fixr Upper, Inc. | Employer identification number 11 000009 |
| Name of subsidiary | Employer identification number |

| Part I Cost of Goods Sold | | | | |
|---|---|---|---|---|
| Cost of Goods Sold Items | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
| 1 Amounts attributable to cost flow assumptions | (260,789,322) | | | (260,789,322) |
| 2 Amounts attributable to: | | | | |
| a Stock option expense | | | | |
| b Other equity based compensation | | | | |
| c Meals and entertainment | | | | |
| d Parachute payments | | | | |
| e Compensation with section 162(m) limitation | | | | |
| f Pension and profit sharing | | | | |
| g Other post-retirement benefits | | | | |
| h Deferred compensation | (21,000) | | | (21,000) |
| i Section 198 environmental remediation costs | | | | |
| j Amortization | | | | |
| k Depletion | | | | |
| l Depreciation | (13,964) | | | (13,964) |
| m Corporate owned life insurance premiums | | | | |
| n Other section 263A costs | | | | |
| 3 Inventory shrinkage accruals | | | | |
| 4 Excess inventory and obsolescence reserves | | | | |
| 5 Lower of cost or market write-downs | | | | |
| 6 Other items with differences (attach schedule) | | | | |
| 7 Other items with no differences | (1,599,276,464) | | | (1,599,276,464) |
| 8 Total cost of goods sold. Add lines 1 through 7, in columns a, b, c, and d | (1,860,100,750) | | | (1,860,100,750) |

Part II Interest Income

| | Interest Income Item | (a) Income (Loss) per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Income (Loss) per Tax Return |
|----|---|--|--------------------------------|--------------------------------|--|
| 1 | Tax-exempt interest income | | | | |
| 2 | Interest income from hybrid securities | | | | |
| 3 | Sale/lease interest income | | | | |
| 4a | Intercompany interest income — From outside tax affiliated group | | | | |
| 4b | Intercompany interest income — From tax affiliated group | | | | |
| 5 | Other interest income | 2,500,000 | | | 2,500,000 |
| 6 | Total interest income. Add lines 1 through 5. Enter total on Schedule M-3 (Forms 1120, 1120-PC, and 1120-L), Part II, line 13 or Schedule M-3 (Forms 1065 and 1120-S) Part II, line 11. | 2,500,000 | | | 2,500,000 |

Part III Interest Expense

| | Interest Expense Item | (a) Expense per Income Statement | (b) Temporary Difference | (c) Permanent Difference | (d) Deduction per Tax Return |
|----|---|--|--------------------------------|--------------------------------|------------------------------------|
| 1 | Interest expense from hybrid securities | 120,440 | | | 120,440 |
| 2 | Lease/purchase interest expense | | | | |
| 3a | Intercompany interest expense — Paid to outside tax affiliated group | | | | |
| 3b | Intercompany interest expense — Paid to tax affiliated group | | | | |
| 4 | Other interest expense | | | | |
| 5 | Total interest expense. Add lines 1 through 4. Enter total on Schedule M-3 (Form 1120) Part III, line 8; Schedule M-3 (Forms 1120-PC and 1120-L), Part III, line 36; Schedule M-3 (Form 1065) Part III, line 27; or Schedule M-3 (Form 1120-S) Part III, line 26. | 120,440 | | | 120,440 |

EXHIBIT 6 – Tax Year 2008 Form 1120F Test Scenario

MeF Form 1120-F TEST SCENARIO 1

RETURN HEADER INFORMATION

| Header Information | Test Scenario 1 Input |
|---|--|
| [Return, ReturnHeader, DisasterRelief] | Yes/No Selection – Select “NO” |
| [Return, ReturnHeader, ISPNumber] | ABCDEF |
| [Return, ReturnHeader, SoftwareVersion] | 12345678 |
| [Return, ReturnHeader, MultipleSoftwarePackagesUsed] | Yes/No Selection – Select “NO” |
| [Return, ReturnHeader, Originator, EFIN] | 123456 |
| [Return, ReturnHeader, Originator, Type] | Large Taxpayer |
| [Return, ReturnHeader, Originator, PractitionerPIN, EFIN] | N/A (using scanned Form 8453-I) |
| [Return, ReturnHeader, Originator, PractitionerPIN, PIN] | N/A (using scanned Form 8453-I) |
| [Return, ReturnHeader, PINEnteredBy] | N/A (using scanned Form 8453-I) |
| [Return, ReturnHeader, SignatureOption] | 8453-I (included as PDF) |
| [Return, ReturnHeader, Filer, NameControl] | RMNI (for RMN Incorporated) |
| [Country Code] | AS (Australia) |
| [Officer, Name] | Samuel L Brintz |
| [Officer, Title] | Chief Financial Officer |
| [Return, ReturnHeader, Officer, TaxpayerPIN] | N/A (using scanned Form 8453-I) |
| [Return, ReturnHeader, Officer, Phone] | 000-321-7654 |
| [Return, ReturnHeader, Officer, EmailAddress] | sam.brintz@rmni.com |
| [Return, ReturnHeader, Officer, DateSigned] | 8/28/2009 |
| [Return, ReturnHeader, Officer, AuthorizeThirdParty] | Yes/No Selection – Select “YES” |
| [Return, ReturnHeader, Preparer, Name] | John E. Suiter |
| [Return, ReturnHeader, Preparer, Firm] | AAA Tax Services |
| [Return, ReturnHeader, Preparer, Address] | 4000 3 rd Street, Suite 100 Portland, Oregon 97201 |
| [Return, ReturnHeader, Preparer, EIN] | 11-0000300 |
| [Return, ReturnHeader, Preparer, SSN] or PTIN | PTIN = 000-11-0000 |
| [Return, ReturnHeader, Preparer, Phone] | 000-123-4567 |
| [Return, ReturnHeader, Preparer, EmailAddress] | john.e.suiter@AAATax.com |
| [Return, ReturnHeader, Preparer, DatePrepared] | 8/20/2009 |
| [Return, ReturnHeader, Preparer, SelfEmployed] | Yes/No Selection – Select “NO” |

The Form 8453-I needs to be attached to the return as a Portable Document Format (PDF) file. Please copy the attached Form 8453-I, save it as a PDF file and attach to your return. Follow your software developer's instructions on what to name the file and where to attach it.

Note: if you do not name the file correctly, Modernized e-File [MeF] will reject the return as either a signature document (8453) or an electronic PIN signature (through use of the Form 8879) must be present in all returns.

The following are attachments (dependencies) to the Form 1120-F as required by the form or instructions. Your software should contain XML formats for these with file names matching what is displayed on the top of each of the following pages.

The XML schema has been formatted per IRS' instructions (e.g., free-flowing format, columnar fields, etc.). *Note that the samples are brief for testing purposes and do not represent actual data that would be on a return.*

FORMS REQUIRED: 1120F, Sch H, Sch I, Sch M1 and M2, Sch M-3, Sch P, Sch S, Sch V, 3800, 5472, 8453-I,

ATTACHMENTS:

AccountingMethodChangeFromPriorYearStatement
ConnectedEarningsProfitsSchedule
USNetEquityEndOfCurrentYearSchedule
USNetEquityEndOfPriorYearSchedule
ItemizedOtherInvestmentsSchedule
OtherNonCurrentUSAssetsSchedule
MortgagesEtcPayable GreaterThan1YrThirdPartyLiabilitiesSchedule
HomeOfficeDeductibleExpenseComputationStatement

Attachment 1, Form 1120F, Item "H" Accounting method changes
(*AccountingMethodChangeFromPriorYearStatement*)

We changed our method of accounting from cash to accrual.

Attachment 2, Form 1120F, Section III, Part 1, line 2 – Connected Earnings and Profits (*ConnectedEarningsProfitsSchedule*)

Description: Depreciation Temporary Difference
Amount: 4,114,900

Attachment 3, Form 1120F, Section III, Part 1, Line 4a: U.S. Net Equity at End of Current Year (*USNetEquityEndOfCurrentYearSchedule*)

Net Equity at the end of the year:
Property A: 260,000,000

Attachment 4, Form 1120-F, Section III, Part I, Line 4b: U.S. Net Equity at End of Prior Year (*USNetEquityEndOfPriorYearSchedule*)

Net Equity at the end of the prior year:
Property A: 250,000,000

Attachment 5, Form 1120-F, Schedule L, Line 9 (b): Other Investments US (*ItemizedOtherInvestmentsSchedule*)

Corp Name: Book Corporation
EIN: 999-06-0002
Description: Loans to customers
Beginning Amount: 100,000,000
Ending Amount: 100,000,000

Attachment 6, Form 1120-F, Schedule L, Line 16b: Other Non Current Assets US (*OtherNonCurrentUSAssetsSchedule*)

Corp Name: Book Corporation
EIN: 999-06-0002
Description: Related Party
Beginning Amount: 10,000,000
Ending Amount: 10,000,000

Attachment 7, Form 1120-F, Schedule L, Line 22b: Third Party Liabilities (*MortgagesEtcPayable GreaterThan1YrThirdPartyLiabilitiesSchedule*)

Corp Name: Book Corporation
EIN: 999-06-0002
Description: Long term borrowing
Beginning Amount: 250,000,000
Ending Amount: 240,000,000

Attachment 8, Form 1120F, Schedule H, Part II, line 16: Remaining home office expense (*HomeOfficeDeductibleExpenseComputationStatement*)

Home Office Expense: 150,000

1120-F
Form
Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return of a Foreign Corporation

For calendar year 2008, or tax year beginning _____, 2008, and ending _____, 20_____

▶ See separate instructions.

2008

| | | |
|---|--|--|
| Use IRS label. Otherwise, print or type. | Name RMN Incorporated | Employer identification number 11 0000600 |
| | Number, street, and room or suite no. (see instructions) 1234 Main Street | Check box(es) if: <input type="checkbox"/> Initial return |
| | City or town, state and ZIP code, or country (see instructions) Sydney, Victoria, Australia 3000 | <input type="checkbox"/> Name or address change <input type="checkbox"/> Final return |
| | | <input type="checkbox"/> First post-merger return <input type="checkbox"/> Amended return |
| | | <input checked="" type="checkbox"/> Schedule M-3 attached <input type="checkbox"/> Protective return |

A Country of incorporation **Australia**

B Foreign country under whose laws the income reported on this return is also subject to tax **Australia**

C Date incorporated **09/15/2000**

D (1) Location of corporation's primary books and records (city, province or state, and country) **Sydney, Victoria, Australia**
 (2) Principal location of worldwide business **1234 Main Australia**
 (3) If the corporation maintains an office or place of business in the United States, check here

E If the corporation had an agent in the United States at any time during the tax year, enter:
 (1) Type of agent _____
 (2) Name _____
 (3) Address _____

F See page 22 of the instructions and enter the corporation's principal:
 (1) Business activity code number ▶ **523900**
 (2) Business activity ▶ **Financial Investment**
 (3) Product or service ▶ **Underwriter Commodities**

G Check method of accounting: (1) Cash (2) Accrual
 (3) Other (specify) ▶ _____

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| H Did the corporation's method of accounting change from the preceding tax year? If "Yes," attach an explanation. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| I Did the corporation's method of determining income change from the preceding tax year? If "Yes," attach an explanation. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| J Did the corporation file a U.S. income tax return for the preceding tax year? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| K (1) At any time during the tax year, was the corporation engaged in a trade or business in the United States? (2) If "Yes," is taxpayer's trade or business within the United States solely the result of a section 897 (FIRPTA) sale or disposition? | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| L At any time during the tax year, did the corporation have a permanent establishment in the United States for purposes of any applicable tax treaty between the United States and a foreign country? If "Yes," enter the name of the foreign country: Australia | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| M Did the corporation have any transactions with related parties? If "Yes," Form 5472 may have to be filed (see instructions). Enter number of Forms 5472 attached ▶ 1 | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Note: Additional information is required on page 2.

Computation of Tax Due or Overpayment

| | | | | | |
|----|---|----|-----------|--|-----------|
| 1 | Tax from Section I, line 11, page 2 | 1 | 15,000 | | |
| 2 | Tax from Section II, Schedule J, line 9, page 4 | 2 | 4,296,900 | | |
| 3 | Tax from Section III (add lines 6 and 10 on page 5) | 3 | 1,936,470 | | |
| 4 | Total tax. Add lines 1 through 3 | 4 | | | 6,248,370 |
| 5a | 2007 overpayment credited to 2008 | 5a | 100,000 | | |
| b | 2008 estimated tax payments | 5b | 6,200,000 | | |
| c | Less 2008 refund applied for on Form 4466 | 5c | () | | |
| d | Combine lines 5a through 5c | 5d | 6,300,000 | | |
| e | Tax deposited with Form 7004 | 5e | 100,000 | | |
| f | Credit for tax paid on undistributed capital gains (attach Form 2439) | 5f | | | |
| g | Credit for federal tax on fuels (attach Form 4136). See instructions | 5g | | | |
| h | U.S. income tax paid or withheld at source (add line 12, page 2, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805)) | 5h | 5,000 | | |
| i | Total payments. Add lines 5d through 5h | 5i | | | 6,405,000 |
| 6 | Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> | 6 | | | |
| 7 | Amount owed. If line 5i is smaller than the total of lines 4 and 6, enter amount owed | 7 | | | |
| 8 | Overpayment. If line 5i is larger than the total of lines 4 and 6, enter amount overpaid | 8 | | | 156,630 |
| 9 | Enter portion of line 8 you want Credited to 2009 estimated tax ▶ Refunded ▶ | 9 | | | 156,630 |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here Signature of officer _____ Date _____ Title **Chief Financial Officer**

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN **000-11-0000**

Firm's name (or yours if self-employed), address, and ZIP code **AAA Tax Service** EIN **11 0000300**
4000 3rd Street, Suite 100, Portland, Or 97201 Phone no. **000-123-4567**

Additional Information (continued from page 1)

| | Yes | No |
|---|-----|----|
| N Is the corporation a controlled foreign corporation? (See section 957(a) for definition.) | | ✓ |
| O Is the corporation a personal service corporation? (See instructions for definition.) | ✓ | |
| P Enter tax-exempt interest received or accrued during the tax year (see instructions) ▶ \$ 10,000 | | |
| Q At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (See section 267(c) for rules of attribution.) If "Yes," attach a schedule showing (1) name and EIN of such U.S. corporation; (2) percentage owned; and (3) taxable income or (loss) before NOL and special deductions of such U.S. corporation for the tax year ending with or within your tax year. | | ✓ |
| R If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> | | |
| S Enter the available NOL carryover from prior tax years. (Do not reduce it by any deduction on line 30a, page 3.) ▶ \$ | | |
| T Is the corporation a subsidiary in a parent-subsidiary controlled group? If "Yes," enter the parent corporation's: (1) EIN ▶ (2) Name ▶ | | ✓ |
| U (1) Is the corporation a dealer under section 475? (2) Did the corporation mark to market any securities or commodities other than in a dealer capacity? | | ✓ |

| | Yes | No |
|--|-----|----|
| V At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (See section 267(c) for rules of attribution.) If "Yes," attach a schedule showing the name and identifying number. (Do not include any information already entered in item T.) Enter percentage owned ▶ | | ✓ |
| W Is the corporation taking a position on this return that a U.S. tax treaty overrules or modifies an Internal Revenue law of the United States, thereby causing a reduction of tax? If "Yes," the corporation is generally required to complete and attach Form 8833. See Form 8833 for exceptions. Note: Failure to disclose a treaty-based return position may result in a \$10,000 penalty (see section 6712). | | ✓ |
| X During the tax year, did the corporation own any entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each such entity. | | ✓ |
| Y (1) Did a partnership allocate to the corporation a distributive share of income from a directly owned partnership interest, any of which is ECI or treated as ECI by the partnership or the partner? If "Yes," attach Schedule P. See instructions. (2) During the tax year, did the corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see instructions for required attachment. | ✓ | |
| Z (1) Has the corporation made any allocation or reallocation of income based on section 482 and its regulations? (2) Has the corporation recognized any interbranch amounts? If "Yes," attach statement (see instructions) | ✓ | ✓ |

SECTION I—Income From U.S. Sources Not Effectively Connected With the Conduct of a Trade or Business in the United States—Do not report items properly withheld and reported on Form 1042-S. See instructions.

Include below **only** income from U.S. sources that is **not** effectively connected with the conduct of a trade or business in the United States. Do not report items properly withheld and reported on Form 1042-S. Report only items that (a) are not correctly withheld at source or (b) are not correctly reported on Form 1042-S. The rate of tax on each item of **gross** income listed below is 30% (4% for the gross transportation tax) or such lower rate specified by tax treaty. No deductions are allowed against these types of income. Enter treaty rates where applicable. **If the corporation is claiming a lower treaty rate, also complete item W above.** If multiple treaty rates apply to a type of income (e.g., subsidiary and portfolio dividends or dividends received by disregarded entities), attach a schedule showing the amounts, tax rates, and withholding for each.

Name of treaty country, if any ▶

| (a) Class of income (see instructions) | (b) Gross amount | (c) Rate of tax (%) | (d) Amount of tax liability | (e) Amount of U.S. income tax paid or withheld at the source |
|--|---------------------|------------------------|--------------------------------|---|
| 1 Interest | 20,000 | 10 | 2,000 | 2,000 |
| 2 Dividends | 6,666 | 15 | 1,000 | 1,000 |
| 3 Rents | | | | |
| 4 Royalties | 40,000 | 5 | 2,000 | 2,000 |
| 5 Annuities | | | | |
| 6 Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting schedule) | | | | |
| 7 Gains from sale or exchange of patents, copyrights, etc. | | | | |
| 8 Fiduciary distributions (attach supporting schedule) | | | | |
| 9 Gross transportation income (attach Schedule V) | 250,000 | 4 | 10,000 | |
| 10 Other fixed or determinable annual or periodic gains, profits, and income | | | | |
| 11 Total. Enter here and on line 1, page 1 | | | 15,000 | |
| 12 Total. Enter here and include on line 5h, page 1 | | | | 5,000 |

13 Is the corporation fiscally transparent under the laws of the foreign jurisdiction with respect to any item of income listed above? Yes No
If "Yes," attach a schedule that provides the information requested above with respect to each such item of income.

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States
(see instructions)

Important: Fill in all applicable lines and schedules. If you need more space, see **Assembling the Return** in the instructions.

| | | | | | | | | | | |
|--|--|---|-------------------|------------|-----------------------------|--------------|----------|-----------|-------------------|-------------------|
| Income | 1a | Gross receipts or sales | <u>24,984,000</u> | b | Less returns and allowances | <u>7,500</u> | c | Bal ▶ | 1c | <u>24,976,500</u> |
| | 2 | Cost of goods sold (Schedule A, line 8) | | | | | | | 2 | |
| | 3 | Gross profit (subtract line 2 from line 1c) | | | | | | | 3 | <u>24,976,500</u> |
| | 4 | Dividends (Schedule C, line 14) | | | | | | | 4 | <u>13,500</u> |
| | 5 | Interest | | | | | | | 5 | |
| | 6 | Gross rents | | | | | | | 6 | |
| | 7 | Gross royalties | | | | | | | 7 | |
| | 8 | Capital gain net income (attach Schedule D (Form 1120)) | | | | | | | 8 | |
| | 9 | Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797) | | | | | | | 9 | |
| | 10 | Other income (see instructions—attach schedule) | | | | | | | 10 | |
| | 11 | Total income. Add lines 3 through 10 | | | | | | | 11 | <u>24,990,000</u> |
| Deductions (See instructions for limitations on deductions.) | 12 | Compensation of officers (Schedule E, line 4) | | | | | | | 12 | |
| | 13 | Salaries and wages (less employment credits) | | | | | | | 13 | |
| | 14 | Repairs and maintenance | | | | | | | 14 | |
| | 15 | Bad debts (for bad debts over \$500,000, attach a list of debtors and amounts) | | | | | | | 15 | |
| | 16 | Rents | | | | | | | 16 | |
| | 17 | Taxes and licenses | | | | | | | 17 | |
| | 18 | Interest expense from Schedule I, line 25 | | | | | | | 18 | <u>12,500,000</u> |
| | 19 | Charitable contributions | | | | | | | 19 | |
| | 20 | Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562) | | | | | | | 20 | |
| | 21 | Depletion | | | | | | | 21 | |
| | 22 | Advertising | | | | | | | 22 | |
| | 23 | Pension, profit-sharing, etc., plans | | | | | | | 23 | |
| | 24 | Employee benefit programs | | | | | | | 24 | |
| | 25 | Domestic production activities deduction (attach Form 8903) | | | | | | | 25 | |
| | 26 | Deductions allocated and apportioned to ECI from Schedule H, line 20 (see instructions) | | | | | | | 26 | <u>150,000</u> |
| | 27 | Other deductions (attach schedule) | | | | | | | 27 | |
| | 28 | Total deductions. Add lines 12 through 27 | | | | | | | 28 | <u>12,650,000</u> |
| | 29 | Taxable income before NOL deduction and special deductions (subtract line 28 from line 11) | | | | | | | 29 | <u>12,340,000</u> |
| | 30 | Less: | | | | | | | | |
| | | a Net operating loss deduction (see instructions) | | | 30a | | | | | |
| | b Special deductions (Schedule C, line 15) | | | 30b | <u>6,000</u> | | | | | |
| | c Add lines 30a and 30b | | | 30c | | <u>6,000</u> | | | | |
| 31 | Taxable income or (loss). Subtract line 30c from line 29 | | | | | | | 31 | <u>12,334,000</u> | |

DRAFT AS OF
June 24, 2008

Schedule A Cost of Goods Sold (see instructions)

| | | | |
|----------|---|----------|--|
| 1 | Inventory at beginning of year | 1 | |
| 2 | Purchases | 2 | |
| 3 | Cost of labor | 3 | |
| 4 | Additional section 263A costs (attach schedule). | 4 | |
| 5 | Other costs (attach schedule) | 5 | |
| 6 | Add lines 1 through 5 | 6 | |
| 7 | Inventory at end of year | 7 | |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on Section II, line 2, above | 8 | |

- 9a** Check all methods used for valuing closing inventory:
- (1) Cost as described in Regulations section 1.471-3
- (2) Lower of cost or market as described in Regulations section 1.471-4
- (3) Other (Specify method used and attach explanation.) ▶ _____
- b** Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶
- c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** | _____ | _____
- e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? **Yes** **No**
- f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? **Yes** **No**
- If "Yes," attach explanation.

SECTION II—Income Effectively Connected With the Conduct of a Trade or Business in the United States
(continued)

Schedule C Dividends and Special Deductions (see instructions)

| | (a) Dividends received | (b) % | (c) Special deductions: (a) × (b) |
|---|------------------------|------------------|-----------------------------------|
| 1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) | | 70 | |
| 2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) | 7,500 | 80 | 6,000 |
| 3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A) | | see instructions | |
| 4 Dividends on certain preferred stock of less-than-20%-owned public utilities | | 42 | |
| 5 Dividends on certain preferred stock of 20%-or-more-owned public utilities | | 48 | |
| 6 Dividends from less-than-20%-owned foreign corporations | | 70 | |
| 7 Dividends from 20%-or-more-owned foreign corporations | | 80 | |
| 8 Total. Add lines 1 through 7. See instructions for limitation | | | 6,000 |
| 9 Dividends from foreign corporations not included on lines 3, 6, or 7 | | | |
| 10 Foreign dividend gross-up (section 78) | | | |
| 11 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d)) | 6,000 | | |
| 12 Other dividends | | | |
| 13 Deduction for dividends paid on certain preferred stock of public utilities | | | |
| 14 Total dividends. Add lines 1 through 12. Enter here and on line 4, page 3 | 13,500 | | |
| 15 Total special deductions. Add lines 8 and 13. Enter here and on line 30b, page 3 | | | 6,000 |

Schedule E Compensation of Officers (See instructions for Section II, line 12.)

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 of Section II) are \$500,000 or more.

| | (a) Name of officer | (b) Social security number | (c) Percent of time devoted to business | Percent of corporation stock owned | | (f) Amount of compensation |
|----|---|----------------------------|---|------------------------------------|---------------|----------------------------|
| | | | | (d) Common | (e) Preferred | |
| 1a | | | % | % | % | |
| b | | | % | % | % | |
| c | | | % | % | % | |
| d | | | % | % | % | |
| e | | | % | % | % | |
| 2 | Total compensation of officers | | | | | |
| 3 | Compensation of officers claimed on Schedule A and elsewhere on this return | | | | | |
| 4 | Subtract line 3 from line 2. Enter the result here and on line 12, page 3 | | | | | |

Schedule J Tax Computation (see instructions)

| | | | | |
|----|--|-------------------------------------|----|-----------|
| 1 | Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120)) | <input type="checkbox"/> | | |
| 2 | Income tax. Check if a qualified personal service corporation (see instructions) | <input checked="" type="checkbox"/> | 2 | 4,316,900 |
| 3 | Alternative minimum tax (attach Form 4626) | | 3 | |
| 4 | Add lines 2 and 3 | | 4 | 4,316,900 |
| 5a | Foreign tax credit (attach Form 1118) | | 5a | |
| b | General business credit. Check applicable box(es): <input checked="" type="checkbox"/> Form 3800 <input type="checkbox"/> Form (specify): _____ | | 5b | 20,000 |
| c | Credit for prior year minimum tax (attach Form 8827) | | 5c | |
| d | Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912 | | 5d | |
| 6 | Total credits. Add lines 5a through 5d | | 6 | 20,000 |
| 7 | Subtract line 6 from line 4 | | 7 | 4,296,900 |
| 8 | Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule) | | 8 | |
| 9 | Total tax. Add lines 7 and 8. Enter here and on line 2, page 1 | | 9 | 4,296,900 |

SECTION III—Branch Profits Tax and Tax on Excess Interest

Part I—Branch Profits Tax (see instructions)

| | | | |
|----|---|----|-------------|
| 1 | Enter the amount from Section II, line 29 | 1 | 12,340,000 |
| 2 | Enter total adjustments to line 1 to get effectively connected earnings and profits. (Attach required schedule showing the nature and amount of adjustments.) (See instructions.) | 2 | 4,114,900 |
| 3 | Effectively connected earnings and profits. Combine line 1 and line 2 | 3 | 16,454,900 |
| 4a | Enter U.S. net equity at the end of the current tax year. (Attach required schedule.) | 4a | 260,000,000 |
| b | Enter U.S. net equity at the end of the prior tax year. (Attach required schedule.) | 4b | 250,000,000 |
| c | Increase in U.S. net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e | 4c | 10,000,000 |
| d | Decrease in U.S. net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b | 4d | |
| e | Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any, of effectively connected earnings and profits for preceding tax years beginning after 1986 over any dividend equivalent amounts for those tax years | 4e | |
| 5 | Dividend equivalent amount. Subtract line 4c from line 3. If zero or less, enter -0-. If no amount is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here | 5 | 6,454,900 |
| 6 | Branch profits tax. Multiply line 5 by 30% (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). Enter here and include on line 3, page 1. (See instructions.) Also complete item W on page 2 | 6 | 1,936,470 |

Part II—Tax on Excess Interest (see instructions for this Part and for Schedule I)

| | | | |
|----|---|----|------------|
| 7a | Enter the interest from Section II, line 18 | 7a | 12,500,000 |
| b | Enter the inverse of the total amount deferred, capitalized, and disallowed from Schedule I, line 24d (i.e., if line 24d is negative, enter as a positive number; if line 24d is positive, enter as a negative number) | 7b | |
| c | Combine lines 7a and 7b (amount must equal Schedule I, line 23) | 7c | 12,500,000 |
| 8 | Branch Interest (see instructions for definition): Enter the sum of Schedule I, line 9, column (c), and Schedule I, line 22. If the interest paid by the foreign corporation's U.S. trade or business was increased because 80% or more of the foreign corporation's assets are U.S. assets, check this box <input type="checkbox"/> | 8 | 12,500,000 |
| 9a | Excess interest. Subtract line 8 from line 7c. If zero or less, enter -0- | 9a | 0 |
| b | If the foreign corporation is a bank, enter the excess interest treated as interest on deposits. Otherwise, enter -0-. (See instructions.) | 9b | |
| c | Subtract line 9b from line 9a | 9c | |
| 10 | Tax on excess interest. Multiply line 9c by 30% or lower treaty rate (if the corporation is a qualified resident or otherwise qualifies for treaty benefits). (See instructions.) Enter here and include on line 3, page 1. Also complete item W on page 2 | 10 | |

Part III—Additional Information

| | Yes | No |
|--|-----|----|
| 11 Is the corporation claiming a reduction in, or exemption from, the branch profits tax due to: | | |
| a A complete termination of all U.S. trades or businesses? | | ✓ |
| b The tax-free liquidation or reorganization of a foreign corporation? | | ✓ |
| c The tax-free incorporation of a U.S. trade or business? | | ✓ |
| If 11a or 11b applies and the transferee is a domestic corporation, attach Form 8848. If 11c applies, attach the statement required by Temporary Regulations section 1.884-2T(d)(5). | | |

Note: Check if completing on U.S. basis or a Worldwide basis.

Schedule L Balance Sheets per Books

| | Beginning of tax year | | End of tax year | |
|---|-----------------------|-------------|-----------------|-------------|
| | (a) | (b) | (c) | (d) |
| Assets | | | | |
| 1 Cash | | 10,000,000 | | 10,000,000 |
| 2a Trade notes and accounts receivable | | | | |
| b Less allowance for bad debts | () | | () | |
| 3 Inventories | | | | |
| 4 U.S. government obligations | | | | |
| 5 Tax-exempt securities (see instructions) | | | | |
| 6a Interbranch current assets* | | | | |
| b Other current non-U.S. assets* | | | | |
| c Other current U.S. assets* | | | | |
| 7 Loans to shareholders | | | | |
| 8 Mortgage and real estate loans | | | | |
| 9a Other loans and investments—non-U.S. assets* | | | | |
| b Other loans and investments—U.S. assets* | | 100,000,000 | | 100,000,000 |
| 10a Buildings and other depreciable assets | | | | |
| b Less accumulated depreciation | () | | () | |
| 11a Depletable assets | | | | |
| b Less accumulated depletion | () | | () | |
| 12 Land (net of any amortization) | | | | |
| 13a Intangible assets (amortizable only) | | | | |
| b Less accumulated amortization | () | | () | |
| 14 Assets held in trust | | 380,000,000 | | 380,000,000 |
| 15 Other non-current interbranch assets* | | | | |
| 16a Other non-current non-U.S. assets* | | | | |
| b Other non-current U.S. assets* | | 10,000,000 | | 10,000,000 |
| 17 Total assets | | 500,000,000 | | 500,000,000 |
| Liabilities | | | | |
| 18 Accounts payable | | | | |
| 19 Mortgages, notes, bonds payable in less than 1 year: | | | | |
| a Interbranch liabilities* | | | | |
| b Third-party liabilities* | | | | |
| 20 Other current liabilities* | | | | |
| 21 Loans from shareholders | | | | |
| 22 Mortgages, notes, bonds payable in 1 year or more: | | | | |
| a Interbranch liabilities* | | | | |
| b Third-party liabilities* | | 250,000,000 | | 240,000,000 |
| 23 Liabilities held in trust | | | | |
| 24a Other interbranch liabilities* | | | | |
| b Other third-party liabilities* | | | | |
| Equity (see instructions) | | | | |
| 25 Capital stock: a Preferred stock | | | | |
| b Common stock | | 50,000,000 | | 50,000,000 |
| 26 Additional paid-in capital | | 200,000,000 | | 201,796,900 |
| 27 Retained earnings—Appropriated* | | | | |
| 28 Retained earnings—Unappropriated | | | | 8,203,100 |
| 29 Adjustments to shareholders' equity* | | | | |
| 30 Less cost of treasury stock | () | | () | |
| 31 Total liabilities and shareholders' equity | | 500,000,000 | | 500,000,000 |

*Attach schedule—See instructions.

**SCHEDULE H
(Form 1120-F)**

**Deductions Allocated To Effectively Connected
Income Under Regulations Section 1.861-8**

OMB No. 1545-0126

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-F.
▶ See separate instructions.

Name of corporation

Employer identification number

RMN Incorporated

11

0000600

Part I Home Office Deductible Expenses Definitely Related Solely to ECI or Non-ECI

Note. Enter all amounts on lines 1 through 13 in only U.S. dollars or in only functional currency. If U.S. dollars, check box . Otherwise, specify currency ▶

| | | | | | |
|----|--|----|------------|------------|--|
| 1 | Total expenses on the books of the home office | 1 | 25,500,000 | | |
| 2 | Adjustments for U.S. tax principles (attach schedule - see instructions) | 2 | | | |
| 3 | Total deductible expenses on the books of the home office. Combine lines 1 and 2 | 3 | | 25,500,000 | |
| 4 | Interest expense included in line 3 | 4 | 25,000,000 | | |
| 5 | Bad debt expense included in line 3 | 5 | | | |
| 6 | Total of interest expense and bad debt expense. Add lines 4 and 5 | 6 | | 25,000,000 | |
| 7 | Remaining deductible expenses to be allocated and apportioned between ECI and non-ECI. Subtract line 6 from line 3 | 7 | | 500,000 | |
| 8 | Deductible expenses definitely related solely to non-ECI from subsidiaries | 8 | | | |
| 9 | Deductible expenses definitely related solely to other non-ECI booked in the home country | 9 | 200,000 | | |
| 10 | Deductible expenses definitely related solely to other non-ECI booked in other countries (including the United States) | 10 | | | |
| 11 | Deductible expenses definitely related solely to ECI | 11 | | | |
| 12 | Total deductible expenses definitely related solely to ECI or non-ECI. Add lines 8 through 11 | 12 | | 200,000 | |

Part II Home Office Deductible Expenses Allocated and Apportioned to ECI

Note. Enter the amounts on lines 15 through 20 in U.S. dollars.

| | | | | | |
|----|--|----|--|---------|--|
| 13 | Remaining deductible expenses on the books of the home office not definitely related solely to ECI or non-ECI. Subtract line 12 from line 7 | 13 | | 300,000 | |
| 14 | Average exchange rate used to convert amounts to U.S. dollars (see instructions) | 14 | | | |
| 15 | Enter the amount from line 13. If line 13 is stated in functional currency, divide line 13 by line 14 | 15 | | 300,000 | |
| 16 | Remaining home office deductible expenses on line 15 allocated and apportioned under Regulations section 1.861-8 to ECI (attach computation) | 16 | | 150,000 | |
| 17 | Enter the amount from line 11. If line 11 is stated in functional currency, divide line 11 by line 14 | 17 | | | |
| 18 | Total home office deductible expenses allocated and apportioned to ECI. Add lines 16 and 17 | 18 | | 150,000 | |
| 19 | Total deductible expenses from other non-U.S. locations allocated and apportioned to ECI | 19 | | | |
| 20 | Total deductible expenses allocated and apportioned to ECI. Add lines 18 and 19 and enter the amount here and on Form 1120-F, Section II, line 26 | 20 | | 150,000 | |

Part III Allocation and Apportionment Methods and Financial Records Used to Complete Parts I and II

Note. Enter the amounts in Part III, lines 21a, 21b, 22a, and 22b in U.S. dollars.

- If one or more methods used are different than in prior year, check box
- If any amount on line 20 is recorded as an interbranch amount on books and records used to prepare Form 1120-F, Schedule L, include the amount on Part IV, line 35 and check this box

| | | | | | |
|----|--|-----|------------|------|-------------------------------------|
| 21 | Gross income ratio: | | | | |
| a | Gross ECI | 21a | 25,000,000 | | |
| b | Worldwide gross income | 21b | 50,000,000 | | |
| c | Divide line 21a by line 21b | 21c | | 50 % | |
| 22 | Gross asset ratio: | | | | |
| a | Average U.S. assets from Schedule I, line 5, column (d) | 22a | | | |
| b | Worldwide assets (if applicable, from Schedule I, line 6b) | 22b | | | |
| c | Divide line 22a by line 22b | 22c | | % | |
| 23 | Number of personnel ratio: | | | | |
| a | Personnel of U.S. trade or business | 23a | | | |
| b | Worldwide personnel | 23b | | | |
| c | Divide line 23a by line 23b | 23c | | % | |
| 24 | Did the corporation use any ratio-based methods (other than those indicated on lines 21 through 23 above) in Parts I and II? If "Yes," attach schedule (see instructions). | Yes | No | | |
| | | | | | <input checked="" type="checkbox"/> |
| 25 | Did the corporation use any other methods (e.g., time-spent analysis or estimates) in Parts I and II? If "Yes," attach schedule (see instructions) | | | | <input checked="" type="checkbox"/> |

Part III Allocation and Apportionment Methods and Financial Records Used to Complete Parts I and II (continued)

Note: Indicate whether the corporation used any of the following financial and other records in Parts I and II to identify deductible expenses allocated and apportioned to ECI.

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 26a Published or other non-public audited financial statements | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b Non-audited financial statements | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 27 Home office management or other departmental cost accounting reports | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 28 Other (e.g., home country regulatory reports) (attach schedule) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Part IV Allocation and Apportionment of Expenses on Books and Records Used to Prepare Form 1120-F, Schedule L
Note. Enter all amounts in Part IV in U.S. dollars.

| | | | | |
|--|-----|--|----|--|
| 29 Total expenses per books and records used to prepare Form 1120-F, Schedule L | 29 | | | |
| 30 Adjustments for U.S. tax principles (attach schedule - see instructions) | 30 | | | |
| 31 Total deductible expenses. Combine lines 29 and 30 | | | 31 | |
| 32a Third-party interest expense included in line 31 | 32a | | | |
| b Interbranch interest expense included in line 31 | 32b | | | |
| 33 Bad debt expense included in line 31 | 33 | | | |
| 34 Other third-party deductible expenses not allocated or apportioned to ECI and non-ECI under Regulations section 1.861-8 included in line 31 (attach schedule) | 34 | | | |
| 35 Interbranch expenses per books and records included in line 31 and not included on line 32b (attach schedule) | 35 | | | |
| 36 Add lines 32a through 35 | | | 36 | |
| 37 Deductible expenses on books and records allocated and apportioned to ECI or non-ECI under Regulations section 1.861-8. Subtract line 36 from line 31 | | | 37 | |

| Reconciliation of allocation and apportionment of deductible expenses to ECI and non-ECI on books and records under Regulations section 1.861-8 (from line 37) | (a) ECI Amounts | (b) Non-ECI Amounts | (c) Total: Add columns (a) and (b) |
|--|--------------------|------------------------|---------------------------------------|
|--|--------------------|------------------------|---------------------------------------|

| | | | | |
|--|-----|--|--|--|
| 38a Derivative transaction deductible expenses definitely related to ECI or non-ECI under Regulations section 1.861-8 (from line 37) | 38a | | | |
| b Other deductible expenses definitely related to ECI or non-ECI (from line 37) | 38b | | | |
| 39 Total deductible expenses definitely related to ECI or non-ECI. Add lines 38a and 38b | 39 | | | |
| 40 Other deductible expenses on books and records not definitely related to ECI or non-ECI allocated and apportioned to ECI and non-ECI (from line 37) | 40 | | | |
| 41 Total deductible expenses on books and records allocated and apportioned to ECI and non-ECI. Add lines 39 and 40. Column (c) must equal line 37 | 41 | | | |

Note. Line 41, column (a) is the total of the deductions reported on Form 1120-F, Section II, lines 12, 13, 14, 16, 17, 19, 20, 21, 22, 23, 24, 25, and 27.

**SCHEDULE I
(Form 1120-F)**

**Interest Expense Allocation Under Regulations
Section 1.882-5**

OMB No. 1545-0126

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-F.
▶ See separate instructions.

| | |
|--|---|
| Name of corporation RMN Incorporated | Employer identification number 11 0000600 |
|--|---|

- A** Check here if the corporation is a foreign bank as defined in Temporary Regulations section 1.882-5T(c)(4)
- B** This Schedule I is being completed with respect to (check one):
- Adjusted U.S. booked liabilities method under Regs. sec. 1.882-5(d). **Complete lines 1 through 15 and 21 through 25.**
- Separate currency pools method under Regs. sec. 1.882-5(e). **Complete lines 1 through 9 and 16a through 25.**

Step 1 Average U.S. Assets for the Tax Year: Regulations Section 1.882-5(b)

| | (a) Set(s) of Books that Give Rise to U.S. Booked Liabilities (see inst.) | (b) Partnership Interests | (c) Set(s) of Books Other than those Described in Columns (a) and (b) | (d) Totals. Add columns (a) through (c) |
|--|--|------------------------------|--|--|
| 1 Specify the method used to determine the value of the corporation's U.S. assets on lines 2 through 5 below (check one): | | | | |
| <input type="checkbox"/> Adjusted basis method: Regs. sec. 1.882-5(b)(2)(i) | | | | |
| <input checked="" type="checkbox"/> Fair market value method: Temp. Regs. sec. 1.882-5T(b)(2)(ii) | | | | |
| 2 Total assets per books | 1,000,000,000 | | | |
| 3a Total interbranch assets | | | | |
| b Total non-ECI assets under section 864(c)(4)(D) | 500,000,000 | | | |
| c Total other non-ECI assets | | | | |
| d Adjustments for amounts from partnerships and certain disregarded entities included on line 2, column (a) | 10,000,000 | | | |
| e Adjustments for assets that give rise to direct interest expense allocations under Regs. sec. 1.882-5(a)(1)(ii) | | | | |
| f Other adjustments to average assets included in line 2 (e.g., mark-to-market differences) | | | | |
| 4 Combine lines 3a through 3f | 510,000,000 | | | |
| 5 Total value of U.S. assets for the tax year | 490,000,000 | 10,000,000 | | 500,000,000 |
| Column (a): Subtract line 4 from line 2. | | | | |
| Column (b): Enter total from Schedule P, line 19. | | | | |
| Column (c): See instructions for amount to enter. | | | | |

Step 2 U.S.-Connected Liabilities for the Tax Year: Regulations Section 1.882-5(c)

| | | | |
|--|--|----------------------|--------------------|
| 6 Specify the method used to determine the amounts in Step 2 (check one): | | | |
| <input checked="" type="checkbox"/> Actual ratio under Regs. sec. 1.882-5(c)(2). Complete lines 6a through 6c below. | | | |
| <input type="checkbox"/> Fixed ratio under Temp. Regs. sec. 1.882-5T(c)(4). Complete line 6d below. | | | |
| a Average worldwide liabilities | | 500,000,000 | |
| b Average worldwide assets | | 1,000,000,000 | |
| c Divide line 6a by line 6b | | 50 % | |
| d Fixed ratio under Temp. Regs. sec. 1.882-5T(c)(4). If the corporation is a foreign bank as defined in Temp. Regs. sec. 1.882-5T(c)(4), enter 95% on line 6d. If the corporation is not a foreign bank, enter 50% on line 6d | | % | |
| e Enter the ratio from line 6c or 6d, as applicable | | | 50 % |
| 7a U.S.-connected liabilities before Regs. sec. 1.884-1(e)(3) election(s). Multiply line 5, column (d) by line 6e | | | 250,000,000 |
| b Total amount of U.S. liability reduction under Regs. sec. 1.884-1(e)(3) election(s) | | | 0 |
| c U.S.-Connected Liabilities. Subtract line 7b from line 7a ▶ | | | 250,000,000 |

Step 3 Interest Expense Paid or Accrued on Average U.S. Booked Liabilities: Regulations Section 1.882-5(d)

| | (a) Set(s) of Books that Give Rise to U.S. Booked Liabilities (see inst.) | (b) Partnership Interests | (c) Totals. Add columns (a) and (b) |
|---|--|------------------------------|--|
| 8 Total average amount of U.S. booked liabilities as defined in Regs. sec. 1.882-5(d)(2) (see instructions) | 245,000,000 | 5,000,000 | 250,000,000 |
| Column (a): Do not include amounts that give rise to directly allocable interest under Regs. sec. 1.882-5(a)(1)(ii) or from partnerships includible in column (b). | | | |
| Column (b): Enter the total from Schedule P, line 17. | | | |
| 9 Total interest paid or accrued during the tax year on line 8 amount | 12,250,000 | 250,000 | 12,500,000 |
| Column (a): Do not include amounts that give rise to directly allocable interest under Regs. sec. 1.882-5(a)(1)(ii) or from partnerships includible in column (b). | | | |
| Column (b): Enter the total from Schedule P, line 14c. | | | |

Step 3 (cont.) Adjusted U.S. Booked Liabilities Method: Regulations Section 1.882-5(d)

If line 7c is greater than line 8, column (c), complete lines 10 through 13 below and skip lines 14a and 14b.
 If line 7c is less than or equal to line 8, column (c), skip lines 10 through 13 and complete lines 14a and 14b.

| | | | | | | | | |
|-----|---|-----|--|--|------------|--|---|--|
| 10 | If the corporation is a foreign bank which is making a current-year election to use the published average 30-day LIBOR (see instructions), check the box on this line, skip lines 10a through 10c, and enter the rate on line 10d | | | | | | | |
| a | Total interest paid or accrued during the tax year on U.S. dollar liabilities that are not U.S. booked liabilities included on line 8 | 10a | | | | | | |
| b | Average U.S. dollar denominated liabilities that are not U.S. booked liabilities included on line 8 | 10b | | | | | | |
| c | Divide line 10a by line 10b | 10c | | | % | | | |
| d | Enter the 30-day LIBOR rate, if elected under Temp. Regs. sec. 1.882-5T(d)(5)(ii)(B) | 10d | | | % | | | |
| e | Enter the rate from line 10c or, if elected, the 30-day LIBOR rate on line 10d | 10e | | | % | | | |
| 11 | Excess U.S.-connected liabilities. Subtract line 8 from line 7c | 11 | | | | | | |
| 12 | Excess interest. Multiply line 10e by line 11 | 12 | | | | | | |
| 13 | Add lines 9, column (c) and 12 | 13 | | | | | | |
| 14a | Scaling ratio. Divide line 7c by line 8, column (c) | 14a | | | 100 | | % | |
| b | Multiply line 9, column (c) by line 14a. See instructions for hedging amounts | 14b | | | 12,500,000 | | | |
| 15 | Interest expense allocable to ECI under the adjusted U.S. booked liabilities method. Enter the result from line 13 or line 14b here and on line 21 | 15 | | | 12,500,000 | | | |

Step 3 (cont.) Separate Currency Pools Method: Regulations Section 1.882-5(e)

| | (a) U.S. Dollar Denominated | (b) Home Country Currency. Specify: | (c) Other Currency. Specify: | (d) Other Currency. Specify: |
|-----|--|---|------------------------------------|------------------------------------|
| 16a | U.S. assets. Enter the corporation's U.S. assets, using the methodology in Regs. sec. 1.882-5(e)(1)(i). If more columns are needed, attach schedule (see instructions) | | | |
| b | Check here if a less than 3% currency election was made | | | |
| 17a | Enter the percentage from line 6e | % | % | % |
| b | U.S.-connected liabilities. Multiply line 16a by line 17a, or, if a liability reduction election is made, see instructions | | | |
| 18a | Enter the total interest expense paid or accrued for the tax year with respect to the foreign corporation's worldwide liabilities denominated in that foreign currency (enter in functional currency) | | | |
| b | Enter the corporation's average worldwide liabilities (whether interest bearing or not) denominated in that foreign currency (enter in functional currency) | | | |
| c | Borrowing rate: Divide line 18a by line 18b | % | % | % |
| 19 | Interest expense allocation by separate currency pool. Multiply line 17b by line 18c | | | |
| 20 | Interest expense allocable to ECI under the separate currency pools method. Total the amounts on line 19, columns (a) through (d), and amounts from attached schedule, if any, and enter the result here and on line 21 | | | |

SUMMARY—Interest Expense Allocation and Deduction under Regulations Section 1.882-5

| | | | | | | |
|-----|--|-----|------------|---|--|--|
| 21 | Amount from line 15 or line 20, as applicable | 21 | 12,500,000 | | | |
| 22 | Enter the corporation's interest expense directly allocable under Temp. Regs. sec. 1.882-5T(a)(1)(ii). (Include total from Schedule P, line 14b.) | 22 | | | | |
| 23 | Interest expense allocable to ECI under Regs. sec. 1.882-5. Add lines 21 and 22 | 23 | 12,500,000 | | | |
| 24a | Amount of line 23 that is disallowed as a deduction under section 265 or under an income tax treaty (attach schedule—see instructions) | 24a | (|) | | |
| b | Deferred interest expense under section 163(e)(3), 163(j), or 267(a)(3) (attach schedule—see instructions) | 24b | | | | |
| c | Amount of line 23 that is capitalized under section 263A (attach schedule—see instructions) | 24c | (|) | | |
| d | Combine lines 24a through 24c | 24d | | | | |
| 25 | Total interest expense deduction under Regs. sec. 1.882-5. Combine lines 23 and 24d and enter here and on Form 1120F, Section II, line 18. The amount entered on line 25 may not exceed the total interest expense paid or accrued by the foreign corporation | 25 | 12,500,000 | | | |

**SCHEDULES M-1 and M-2
(Form 1120-F)**

**Reconciliation of Income (Loss) and Analysis of
Unappropriated Retained Earnings per Books**

OMB No. 1545-0126

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-F.

Name of corporation

RMN Incorporated

Employer identification number

11 0000600

Schedule M-1

Reconciliation of Income (Loss) per Books With Income per Return

Note: Schedule M-3 may be required instead of Schedule M-1—see instructions.

| | |
|--|--|
| <p>1 Net income (loss) per books</p> <p>2 Federal income tax per books</p> <p>3 Excess of capital losses over capital gains</p> <p>4 Income subject to tax not recorded on books this year (itemize):</p> <p>.....</p> <p>5 Expenses recorded on books this year not deducted on this return (itemize):</p> <p>a Depreciation \$</p> <p>b Charitable contributions \$</p> <p>c Travel and entertainment \$</p> <p>d Other (itemize):</p> <p>.....</p> <p>6 Add lines 1 through 5</p> | <p>7 Income recorded on books this year not included on this return (itemize):</p> <p>a Tax-exempt interest \$</p> <p>b Other (itemize):</p> <p>.....</p> <p>8 Deductions on this return not charged against book income this year (itemize):</p> <p>a Depreciation \$</p> <p>b Charitable contributions \$</p> <p>c Other (itemize):</p> <p>.....</p> <p>9 Add lines 7 and 8</p> <p>10 Income—line 6 less line 9</p> |
|--|--|

Schedule M-2

Analysis of Unappropriated Retained Earnings per Books per Return

| | |
|--|---|
| <p>1 Balance at beginning of year</p> <p>2 Net income (loss) per books</p> <p>3 Other increases (itemize):</p> <p>.....</p> <p>.....</p> <p>4 Add lines 1, 2, and 3.</p> | <p>5 Distributions: a Cash</p> <p>b Stock</p> <p>c Property</p> <p>6 Other decreases (itemize):</p> <p>.....</p> <p>7 Add lines 5 and 6</p> <p>8 Balance at end of year (line 4 less line 7) .</p> |
|--|---|

**SCHEDULE M-3
(Form 1120-F)**

**Net Income (Loss) Reconciliation for Foreign
Corporations With Reportable Assets of \$10 Million or More**

OMB No. 1545-0126

2008

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-F.
▶ See separate instructions.

Name of corporation

RMN Incorporated

Employer identification number

11 0000600

- A** Has the corporation reported taxable income on Form 1120-F, page 3, using a treaty provision to attribute business profits to a U.S. permanent establishment under rules other than section 864(c)? Yes No
- B** Did the corporation prepare a non-consolidated, worldwide, certified audited income statement for the period (see instructions)? Yes No
- C** Did the corporation prepare a non-consolidated, worldwide income statement for the period (see instructions)? Yes No
- D** Did the corporation prepare certified audited income statement(s) for the set(s) of books reported on Form 1120-F, Schedule L? Yes No

Part I Financial Information and Net Income (Loss) Reconciliation (see instructions)

- 1** Is the corporation a foreign bank as defined in Temporary Regulations section 1.882-5T(c)(4)?
 - Yes.** Complete the remainder of Part I as follows:
If D is "Yes," use the income statement described in D to complete lines 2 through 5 and 7 through 11.
If D is "No," use the income statement(s) for the set(s) of books reported on Form 1120-F, Schedule L to complete lines 2 through 5 and 7 through 11.
 - No.** Complete the remainder of Part I as follows:
If B is "Yes," use the income statement described in B to complete lines 2 through 11.
If B is "No" and C is "Yes," use the income statement described in C to complete lines 2 through 11.
If B and C are "No" and D is "Yes," use the income statement described in D to complete lines 2 through 11.
If B, C, and D are "No," use the income statement described in the instructions to complete lines 2 through 11.

2a Enter the income statement period: Beginning 01 / 01 / 2008 Ending 12 / 31 / 2008

- b** Has the corporation's income statement been restated for the income statement period entered on line 2a?
 - Yes.** Attach an explanation and the amount of each item restated.
 - No.**
- c** Has the corporation's income statement been restated for any of the 5 income statement periods preceding the period on line 2a?
 - Yes.** Attach an explanation and the amount of each item restated.
 - No.**
- 3** Is any of the corporation's stock publicly traded on any exchange, U.S. or foreign?
 - Yes.** List exchange(s) and symbol ▶ Stock International
 - No.**

| | |
|---|-------------------|
| 4 Non-consolidated foreign corporation net income (loss) in U.S. dollars from the income statement source identified in line 1 | 12,200,000 |
| 5a Net income from includible disregarded foreign entities not included on line 4 (attach schedule) | |
| 5b Net loss from includible disregarded foreign entities not included on line 4 (attach schedule) | () |
| 5c Net income from includible disregarded U.S. entities not included on line 4 (attach schedule) | |
| 5d Net loss from includible disregarded U.S. entities not included on line 4 (attach schedule) | () |
| 6 Net income (loss) from foreign locations not included on line 4 (attach schedule) | |
| 7a Net income of non-includible entities (attach schedule) | () |
| 7b Net loss of non-includible entities (attach schedule) | |
| 8 Adjustments to intercompany transactions (attach schedule) | |
| 9 Adjustments to reconcile income statement period to tax year (attach schedule) | |
| 10 Other adjustments to reconcile to amount on line 11 (attach schedule) | |
| 11 Adjusted financial net income (loss) of non-consolidated foreign corporation. Combine lines 4 through 10 | 12,200,000 |

| | |
|--|---|
| Name of corporation RMN Incorporated | Employer identification number 11 0000600 |
|--|---|

Part II Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions)

| Income (Loss) Items | (a) Income (Loss) per Income Statement (optional) | (b) Temporary Differences | (c) Permanent Differences | (d) Other Permanent Differences for Allocations to Non-ECI and ECI | (e) Income (Loss) per Return (optional) |
|---|--|---------------------------------|---------------------------------|--|--|
| 1 Gross receipts | 24,984,000 | (7,500) | | | 24,976,500 |
| 2 Cost of goods sold (attach schedule) | | | | | |
| 3a Dividends from foreign entities | | | | | |
| b Dividends from U.S. entities | 13,500 | (10,000) | | | 3,500 |
| c Substitute dividend payments received | | | | | |
| 4a Interest income excluding interest equivalents | 20,000 | | (10,000) | | 10,000 |
| b Substitute interest payments received | | | | | |
| c Interest equivalents not included on line 4b | | | | | |
| 5 Gross rental income | | | | | |
| 6 Gross royalty income | | | | | |
| 7 Fee and commission income | 4,312,900 | | (4,312,900) | | |
| 8 Income (loss) from equity method corporations | | | | | |
| 9 Net income (loss) from U.S. partnerships | | | | | |
| 10 Net income (loss) from certain foreign partnerships (see instructions) | | | | | |
| 11 Net income (loss) from other pass- through entities (attach schedule) | | | | | |
| 12 Items relating to reportable transactions (attach details) | | | | | |
| 13 Hedging transactions | | | | | |
| 14a Mark-to-market income (loss) under section 475(a) | | | | | |
| b Mark-to-market income (loss) subject to section 475(d)(3)(B) | | | | | |
| c Mark-to-market income (loss) under section 475(e) | | | | | |
| d Mark-to-market income (loss) under section 475(f) | | | | | |
| 15 Gain (loss) from certain section 988 transactions | | | | | |
| 16a Interest income from global securities dealing | | | | | |
| b Dividends from global securities dealing | | | | | |
| c Gains (losses) and other fixed and determinable, annual, or periodic income from global securities dealing not included on lines 16a and 16b | (333,500) | | 33,500 | | (300,000) |
| 17 Sales versus lease (for sellers and/or lessors) | | | | | |
| 18 Section 481(a) adjustments | | | | | |
| 19 Unearned/deferred revenue | | | | | |
| 20 Original issue discount, imputed interest, and phantom income | | | | | |
| 21a Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities | | | | | |
| b Gross capital gains from Schedule D, excluding amounts from pass- through entities | | | | | |

| | |
|--|---|
| Name of corporation RMN Incorporated | Employer identification number 11 0000600 |
|--|---|

Part II Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions) *(continued from page 2)*

| Income (Loss) Items | (a) Income (Loss) per Income Statement (optional) | (b) Temporary Differences | (c) Permanent Differences | (d) Other Permanent Differences for Allocations to Non-ECI and ECI | (e) Income (Loss) per Return (optional) |
|---|--|---------------------------------|---------------------------------|--|--|
| 21c Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | | |
| d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses | | | | | |
| e Abandonment losses | | | | | |
| f Worthless stock losses (attach details) | | | | | |
| g Other gain/loss on disposition of assets other than inventory | | | | | |
| 22 Capital loss limitation and carryforward used | | | | | |
| 23 Gross effectively connected income of foreign banks from books that do not give rise to U.S. booked liabilities | | | | | |
| 24 Other income (loss) items with differences (attach schedule) | | | | | |
| 25 Total income (loss) items. Combine lines 1 through 24 | 28,996,900 | (17,500) | (4,289,400) | | 24,690,000 |
| 26 Total expense/deduction items (from Part III, line 33) | (16,796,900) | | 4,296,900 | 150,000 | (12,350,000) |
| 27 Other items with no differences | | | | | |
| 28 Reconciliation totals. Combine lines 25 through 27 | 12,200,000 | (17,500) | 7,500 | 150,000 | 12,340,000 |

Note. Line 28, column (a), must equal the amount on Part I, line 11, and column (e) must equal Form 1120-F, page 3, line 29.

Part III Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions)

| Expense/Deduction Items | (a) Expense per Income Statement (optional) | (b) Temporary Differences | (c) Permanent Differences | (d) Other Permanent Differences for Allocations to Non-ECI and ECI | (e) Deduction per Tax Return (optional) |
|---|--|---------------------------------|---------------------------------|--|--|
| 1 U.S. current income tax expense | 4,296,900 | | (4,296,900) | | |
| 2 U.S. deferred income tax expense | | | | | |
| 3 Non-U.S. current income tax expense (other than foreign withholding taxes) | | | | | |
| 4 Non-U.S. deferred income tax expense | | | | | |
| 5 Non-U.S. withholding taxes | | | | | |
| 6 Compensation with section 162(m) limitation | | | | | |
| 7 Salaries and other base compensation | | | | | |
| 8 Stock option expense | | | | | |
| 9 Other equity-based compensation | | | | | |
| 10 Meals and entertainment | | | | | |
| 11 Fines and penalties | | | | | |
| 12 Judgments, damages, awards, and similar costs | | | | | |

| | |
|--|---|
| Name of corporation RMN Incorporated | Employer identification number 11 0000600 |
|--|---|

Part III Reconciliation of Net Income (Loss) per Income Statement of Non-Consolidated Foreign Corporations With Taxable Income per Return (see instructions) *(continued from page 3)*

| Expense/Deduction Items | (a) Expense per Income Statement (optional) | (b) Temporary Differences | (c) Permanent Differences | (d) Other Permanent Differences for Allocations to Non-ECI and ECI | (e) Deduction per Tax Return (optional) |
|---|--|---------------------------------|---------------------------------|--|--|
| 13 Pension and profit-sharing | | | | | |
| 14 Other post-retirement benefits | | | | | |
| 15 Deferred compensation | | | | | |
| 16 Charitable contributions | | | | | |
| 17 Domestic production activities deduction | | | | | |
| 18 Current year acquisition or reorganization investment banking fees, legal and accounting fees | | | | | |
| 19 Current year acquisition/reorganization other costs. | | | | | |
| 20 Amortization/impairment of goodwill | | | | | |
| 21 Amortization of acquisition, reorganization, and start-up costs | | | | | |
| 22 Other amortization and impairment write-offs | | | | | |
| 23 Depreciation | | | | | |
| 24 Bad debt expense | | | | | |
| 25 Purchase versus lease (for purchasers and/or lessees) | | | | | |
| 26a Interest expense per books | 12,500,000 | | | | |
| b Interest expense under Regulations section 1.882-5 (from Schedule I (Form 1120-F), line 23) | | | | | 12,500,000 |
| c Regulations section 1.882-5 allocation amount subject to deferral or disallowance (from Schedule I (Form 1120-F), line 24d) | | | () | | |
| d U.S. source substitute interest payments | | | | | |
| e Interest equivalents (e.g., guarantee fees) not included on line 26d | | | | | |
| 27 U.S. source substitute dividend payments | | | | | |
| 28 Fee and commission expense | | | | | |
| 29 Rental expense | | | | | |
| 30 Royalty expense | | | | | |
| 31 Expenses allocable to effectively connected income under Regulations section 1.861-8 from home office or other books that do not give rise to U.S. booked liabilities (from Schedule H (Form 1120-F), line 20) | | | | (150,000) | (150,000) |
| 32 Other expense/deduction items with differences (attach schedule) | | | | | |
| 33 Total expense/deduction items. Combine lines 1 through 32. Enter here and on Part II, line 26 | 16,796,900 | | (4,296,900) | (150,000) | 12,350,000 |

**SCHEDULE P
(Form 1120-F)**

List of Foreign Partner Interests in Partnerships

OMB No. 1545-0126

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-F.
▶ See separate instructions.

2008

Name of corporation (foreign partner) **RMN Incorporated** Employer identification number (EIN) **11 0000600**

Part I List of Foreign Partner Interests in Partnerships

| (a) Name of partnership | (b) Address | (c) EIN | (d) For each partnership, is the foreign corporation's distributive share ECI, or treated as ECI, in whole or in part, with a U.S. trade or business determined under section 875 (see instructions)? | |
|---------------------------------|---------------------------------------|------------------|---|--|
| A ABC Financial Services | 123 Wall ST., NY, NY USA 10005 | 123456789 | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| B | | | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| C | | | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| D | | | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Note: If corporation has more than 4 partnership interests, continue on separate page. See instructions.

Part II Foreign Partner Income and Expenses: Reconciliation to Schedule K-1 (Form 1065)

Schedules K-1

| | A | B | C | D | Total |
|--|----------------|----------|----------|----------|----------------|
| 1 Net income (loss) reported on lines 1 through 3, Schedule K-1 | 250,000 | | | | 250,000 |
| 2 Gross income included on lines 1 through 3, Schedule K-1 | 500,000 | | | | 500,000 |
| 3 Gross effectively connected income (ECI) on lines 1 through 3, Schedule K-1 | 500,000 | | | | 500,000 |
| 4 Other non-interest expenses on lines 1 through 3, Schedule K-1 | | | | | |
| 5 Non-interest expenses on lines 1 through 3, Schedule K-1, allocated to gross ECI | | | | | |
| 6 Other gross income reported on Schedule K-1 | | | | | |
| 7 Other gross ECI reported on Schedule K-1 | | | | | |
| 8 Other non-interest expenses reported on Schedule K-1 | | | | | |
| 9 Other non-interest expenses reported on Schedule K-1 allocated to ECI | | | | | |
| 10 Total gross income. Add lines 2 and 6 | 500,000 | | | | 500,000 |
| 11 Total gross effectively connected income. Add lines 3 and 7 | 500,000 | | | | 500,000 |
| 12 Interest expense on lines 1 through 3, Schedule K-1 | 250,000 | | | | 250,000 |
| 13 Other interest expense reported on Schedule K-1, lines 13 and 18 | | | | | |
| 14a Total interest expense. Add lines 12 and 13 | 250,000 | | | | 250,000 |
| b Interest expense directly allocable under Temporary Regulations section 1.882-5T(a)(1)(ii)(B). (Note: Include the line 14b total on Schedule I, line 22.) | | | | | |
| c Subtract line 14b from line 14a. (Note: Enter the line 14c total on Schedule I, line 9, column (b).) | 250,000 | | | | 250,000 |

Part III Foreign Partner's Average Outside Basis Under Regulations sections 1.882-5(b) and 1.884-1(d)(3)

Schedules K-1

| | A | B | C | D | Total |
|--|------------|---|---|---|------------|
| 15 Section 705 outside basis | 10,000,000 | | | | 10,000,000 |
| 16a Partner's liabilities included in outside basis under section 752 that give rise to directly allocable interest expense under Temporary Regulations section 1.882-5T(a)(1)(ii)(B) | 5,000,000 | | | | 5,000,000 |
| b All other liabilities included in partner's outside basis under section 752 | | | | | |
| c Add lines 16a and 16b | 5,000,000 | | | | 5,000,000 |
| d Subtract line 16c from line 15 | 5,000,000 | | | | 5,000,000 |
| 17 Partner's liabilities under Regulations section 1.884-1(d)(3)(vi). (Note: Enter the line 17 total on Schedule I, line 8, column (b).) | 5,000,000 | | | | 5,000,000 |
| 18 Partner's outside basis under Regulations section 1.884-1(d)(3)(vi). Add lines 16d and 17 | 10,000,000 | | | | 10,000,000 |
| 19 Partner's outside basis allocable to ECI under Regulations section 1.884-1(d)(3)(i). (Note: Enter the line 19 total on Schedule I, line 5, column (b).) | 10,000,000 | | | | 10,000,000 |
| 20 Enter "income" or "asset" to indicate the allocation method used on line 19 (see instructions) | ASSET | | | | |

SCHEDULE S (Form 1120-F)

Exclusion of Income From the International Operation of Ships or Aircraft Under Section 883

OMB No. 1545-0126

2008

Department of the Treasury Internal Revenue Service

Attach to Form 1120-F.

Name of corporation RMN Incorporated

Employer identification number 11 0000600

Part I Qualified Foreign Corporation

- 1a Enter the name of the qualified foreign country... 1b Check one of the following boxes... 1c Enter the applicable authority... 2 Enter the gross income in each of the following categories... 2a-2h table with 2c = 250,000

Stock ownership test of Regulations section 1.883-1(c)(2):

- 3 Check one of the following boxes to indicate the test... 4 Check the box if none of the shares... 5 Check the box if (a) there are no shares...

Part II Stock Ownership Test for Publicly-Traded Corporations

- 6 Enter the name of the country... 7 Enter the name of the securities market... 8 Enter a description of each class of stock... 9 For each class of stock... a(i) The days during the tax year...

- (ii) The total percentage of the vote and value of the class of stock that is owned by 5% shareholders during such days ▶ %
- b With respect to all qualified shareholders who own directly, or by application of the attribution rules in Regulations section 1.883-4(c), stock in the closely-held block of stock upon which the corporation intends to rely to satisfy the exception to the closely-held test of Regulations section 1.883-2(d)(3)(ii), enter:
 - (i) The total number of qualified shareholders, as defined in Regulations section 1.883-4(b)(1) ▶
 - (ii) The total percentage of the value of the shares owned, directly or indirectly, by such qualified shareholders by country of residence (see instructions):

| Country code (see instructions) | Percentage |
|---------------------------------|------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

- (iii) The days during the tax year of the corporation that such qualified shareholders owned, directly or indirectly, their shares in the closely-held block of stock ▶

Part III Stock Ownership Test for Controlled Foreign Corporations

- 10 Enter the percentage of the value of the shares of the CFC that is owned by all qualified U.S. persons identified in the qualified ownership statements required under Temporary Regulations section 1.883-3T(c)(2), applying the attribution of ownership rules of Temporary Regulations section 1.883-3T(b)(4) ▶ 5 %
- 11 Enter the period during which such qualified U.S. persons held such stock (see instructions) ▶
January 1, 2008 thru December 31, 2008
- 12 Enter the period during which the foreign corporation was a CFC (see instructions) ▶
January 1, 2008 thru December 31, 2008
- 13 Is the CFC directly held by qualified U.S. persons? Yes No
- 14 Does the CFC have any bearer shares outstanding? Yes No
- 15 If the answer to 14 above is "Yes," is the CFC relying on direct or indirect ownership of such shares to meet the qualified U.S. person ownership test? Yes No

Part IV Qualified Shareholder Stock Ownership Test

- 16 Check the box if more than 50% of the value of the outstanding shares of the corporation is owned (or treated as owned by reason of Regulations section 1.883-4(c)) by qualified shareholders for each category of income for which the exemption is claimed
- 17 With respect to all qualified shareholders relied upon to satisfy the 50% ownership test of Regulations section 1.883-4(a):
 - a Enter the total number of such qualified shareholders as defined in Regulations section 1.883-4(b)(1) ▶
 - b Enter the total percentage of the value of the outstanding shares owned, applying the attribution rules of Regulations section 1.883-4(c), by such qualified shareholders by country of residence or organization, whichever is applicable:

| Country code (see instructions) | Percentage |
|---------------------------------|------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

- c Enter the period during the tax year of the foreign corporation that such stock was held by qualified shareholders ▶

**SCHEDULE V
(Form 1120-F)**

List of Vessels or Aircraft, Operators, and Owners

OMB No. 1545-0126

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120-F, Section I, line 9.

2008

Name of corporation

Employer identification number

RMN Incorporated

11 0000800

With respect to any vessel or aircraft for which the corporation is claiming a 4% rate of tax under section 887 on Form 1120-F, Section I, line 9, the corporation must provide the following information with respect to each such vessel or aircraft.

| | A | B | C | D |
|---|---|---|--|--|
| 1 Name of vessel or aircraft | Jill | Jack | | |
| 2 Vessel or aircraft ID number | 110000700 | 110000100 | | |
| 3 Was the vessel or aircraft chartered in? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4 Was the vessel or aircraft chartered out? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 5 Name of owner corporation | NAM | Bnimble | | |
| 6 EIN of owner corporation | 110000800 | 110000200 | | |
| 7 Name of operator corporation. | Nam Corp | Jack B Quick | | |
| 8 EIN of operator corporation | 110000900 | 110000300 | | |
| 9 U.S. source gross transportation income | 250,000 | 0 | | |

10 Total U.S. source gross transportation income. Add the amounts on line 9, columns A through D (and the amounts on line 9 of any attachments). Enter here and on Form 1120-F, Section I, line 9, column (b) ▶ **250,000**

General Business Credit

▶ See separate instructions.
 ▶ Attach to your tax return.

Name(s) shown on return

RMN Incorporated

Identifying number

11-0000600

Part I Current Year Credit

Important: You may not be required to complete and file a separate credit form (shown in parentheses below) to claim the credit. For details, see the instructions.

| | | | |
|--|-----------|---------------|--|
| 1a Investment credit (attach Form 3468) | 1a | | |
| b Welfare-to-work credit (Form 8861) | 1b | | |
| c Credit for increasing research activities (only from partnerships, S corporations, estates, and trusts) | 1c | 20,000 | |
| d Low-income housing credit (Form 8586) (enter EIN if claiming this credit from a pass-through entity: _____) | 1d | | |
| e Disabled access credit (Form 8826) (do not enter more than \$5,000) | 1e | | |
| f Renewable electricity production credit (Form 8835, Section A only) | 1f | | |
| g Indian employment credit (only from partnerships, S corporations, cooperatives, estates, and trusts) | 1g | | |
| h Orphan drug credit (Form 8820) | 1h | | |
| i New markets credit (Form 8874) (enter EIN if claiming this credit from a pass-through entity: _____) | 1i | | |
| j Credit for small employer pension plan startup costs (Form 8881) (do not enter more than \$500) | 1j | | |
| k Credit for employer-provided child care facilities and services (Form 8882) (enter EIN if claiming this credit from a pass-through entity: _____) | 1k | | |
| l Qualified railroad track maintenance credit (only from partnerships and S corporations) | 1l | | |
| m Biodiesel and renewable diesel fuels credit (attach Form 8864) | 1m | | |
| n Low sulfur diesel fuel production credit (Form 8896) | 1n | | |
| o Distilled spirits credit (Form 8906) | 1o | | |
| p Nonconventional source fuel credit (Form 8907) | 1p | | |
| q Energy efficient home credit (Form 8908) | 1q | | |
| r Energy efficient appliance credit (only from partnerships, S corporations, cooperatives, estates, and trusts) | 1r | | |
| s Alternative motor vehicle credit (Form 8910) (enter EIN if claiming this credit from a pass-through entity: _____) | 1s | | |
| t Alternative fuel vehicle refueling property credit (Form 8911) | 1t | | |
| u Mine rescue team training credit (Form 8923) | 1u | | |
| v Agricultural chemicals security credit (Form 8931) | 1v | | |
| w Credit for employer differential wage payments (Form 8932) | 1w | | |
| x Credit for contributions to selected community development corporations (Form 8847) | 1x | | |
| y General credits from an electing large partnership (Schedule K-1 (Form 1065-B)) | 1y | | |
| 2 Add lines 1a through 1y | 2 | 20,000 | |
| 3 Passive activity credits included on line 2 (see instructions) | 3 | | |
| 4 Subtract line 3 from line 2 | 4 | 20,000 | |
| 5 Passive activity credits allowed for 2008 (see instructions) | 5 | | |
| 6 Carryforward of general business credit to 2008. See instructions for the schedule to attach | 6 | | |
| 7 Carryback of general business credit from 2009 (see instructions) | 7 | | |
| 8 Current year credit. Add lines 4 through 7 | 8 | 20,000 | |

Part II Allowable Credit

| | | | | | | |
|--|--|---|--|------------|---------------|-----------|
| <p>9 Regular tax before credits:</p> <ul style="list-style-type: none"> • Individuals. Enter the amount from Form 1040, line 44 or Form 1040NR, line 41 • Corporations. Enter the amount from Form 1120, Schedule J, line 2; or the applicable line of your return • Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return | | | | 9 | | |
| | <p>10 Alternative minimum tax:</p> <ul style="list-style-type: none"> • Individuals. Enter the amount from Form 6251, line 35 • Corporations. Enter the amount from Form 4626, line 14 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 56 | | | | 10 | |
| | | <p>11 Add lines 9 and 10</p> | | | | 11 |
| <p>12a Personal credits from Form 1040 or Form 1040NR (see instructions)</p> | | 12a | | | | |
| <p>b Foreign tax credit</p> | 12b | | | | | |
| <p>c Credit from Form 8834</p> | 12c | | | | | |
| <p>d Non-business alternative motor vehicle credit (Form 8910, line 18)</p> | 12d | | | | | |
| <p>e Non-business alternative fuel vehicle refueling property credit (Form 8911, line 19)</p> | 12e | | | | | |
| <p>f Add lines 12a through 12e</p> | | | | 12f | | |
| <p>13 Net income tax. Subtract line 12f from line 11. If zero, skip lines 14 through 17 and enter -0- on line 18</p> | | | | 13 | | |
| <p>14 Net regular tax. Subtract line 12f from line 9. If zero or less, enter -0-</p> | | | | 14 | | |
| <p>15 Enter 25% (.25) of the excess, if any, of line 14 over \$25,000 (see instructions)</p> | | | | 15 | | |
| <p>16 Tentative minimum tax:</p> <ul style="list-style-type: none"> • Individuals. Enter the amount from Form 6251, line 33 • Corporations. Enter the amount from Form 4626, line 12 • Estates and trusts. Enter the amount from Schedule I (Form 1041), line 54 | | | | 16 | | |
| <p>17 Enter the greater of line 15 or line 16</p> | | | | 17 | | |
| <p>18 Subtract line 17 from line 13. If zero or less, enter -0-</p> | | | | 18 | | |
| <p>19 Credit allowed for the current year. Enter the smaller of line 8 or line 18. Individuals, estates, and trusts: See the instructions for line 19 if claiming the research credit. C corporations: See the line 19 instructions if there has been an ownership change, acquisition, or reorganization. Report the amount from line 19 (if smaller than line 8, see instructions) as indicated below or on the applicable line of your return:</p> <ul style="list-style-type: none"> • Individuals. Form 1040, line 54 or Form 1040NR, line 49 • Corporations. Form 1120, Schedule J, line 5c • Estates and trusts. Form 1041, Schedule G, line 2c | | | | 19 | 20,000 | |



Form **5472**
(Rev. December 2007)

**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business**
(Under Sections 6038A and 6038C of the Internal Revenue Code)

OMB No. 1545-0805

Department of the Treasury
Internal Revenue Service

For tax year of the reporting corporation beginning _____, _____, and ending _____
Note. Enter all information in English and money items in U.S. dollars.

Part I Reporting Corporation (see instructions). All reporting corporations must complete Part I.

| | | | |
|--|---|--|--|
| 1a Name of reporting corporation RMN Incorporated | | 1b Employer identification number 11 0000600 | |
| Number, street, and room or suite no. (if a P.O. box, see instructions) 1234 Main Street | | 1c Total assets \$ 1,000,000,000 | |
| City or town, state, and ZIP code (if a foreign address, see instructions) Sydney, Australia 3000 | | | |
| 1d Principal business activity ▶ | | 1e Principal business activity code ▶ | |
| 1f Total value of gross payments made or received (see instructions) reported on this Form 5472 \$ 2,000,000 | 1g Total number of Forms 5472 filed for the tax year 1 | 1h Total value of gross payments made or received (see instructions) reported on all Forms 5472 \$ 2,000,000 | |
| 1i Check here if this is a consolidated filing of Form 5472 ▶ <input type="checkbox"/> | 1j Country of incorporation Australia | 1k Country(ies) under whose laws the reporting corporation files an income tax return as a resident Australia | 1l Principal country(ies) where business is conducted Australia |
| 2 Check here if, at any time during the tax year, any foreign person owned, directly or indirectly, at least 50% of (a) the total voting power of all classes of the stock of the reporting corporation entitled to vote, or (b) the total value of all classes of stock of the reporting corporation ▶ <input checked="" type="checkbox"/> | | | |

Part II 25% Foreign Shareholder (see instructions)

| | | | |
|---|---|--|--|
| 1a Name and address of direct 25% foreign shareholder RLo Finance Group, 6 Ruee de la Taxes, Paris, France 01234 | | 1b U.S. identifying number, if any None | |
| 1c Principal country(ies) where business is conducted France | 1d Country of citizenship, organization, or incorporation France | 1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident France | |
| 2a Name and address of direct 25% foreign shareholder | | 2b U.S. identifying number, if any | |
| 2c Principal country(ies) where business is conducted | 2d Country of citizenship, organization, or incorporation | 2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident | |
| 3a Name and address of ultimate indirect 25% foreign shareholder | | 3b U.S. identifying number, if any | |
| 3c Principal country(ies) where business is conducted | 3d Country of citizenship, organization, or incorporation | 3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident | |
| 4a Name and address of ultimate indirect 25% foreign shareholder | | 4b U.S. identifying number, if any | |
| 4c Principal country(ies) where business is conducted | 4d Country of citizenship, organization, or incorporation | 4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident | |

Part III Related Party (see instructions)
Check applicable box: Is the related party a foreign person or U.S. person?
All reporting corporations must complete this question and the rest of Part III.

| | | | |
|--|---|--|--|
| 1a Name and address of related party Viva Financial, Rue de la Rue, 100, Paris, France 01234 | | 1b U.S. identifying number, if any None | |
| 1c Principal business activity ▶ Financial Investment | | 1d Principal business activity code ▶ 523900 | |
| 1e Relationship—Check boxes that apply: <input checked="" type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder | | | |
| 1f Principal country(ies) where business is conducted France | 1g Country(ies) under whose laws the related party files an income tax return as a resident France | | |

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related Party (see instructions)

Caution: Part IV *must* be completed if the "foreign person" box is checked in the heading for Part III.

If estimates are used, check here

| | | | |
|-----|---|-----|-----------|
| 1 | Sales of stock in trade (inventory) | 1 | |
| 2 | Sales of tangible property other than stock in trade | 2 | |
| 3a | Rents received (for other than intangible property rights) | 3a | |
| b | Royalties received (for other than intangible property rights) | 3b | |
| 4 | Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) | 4 | |
| 5 | Consideration received for technical, managerial, engineering, construction, scientific, or like services | 5 | |
| 6 | Commissions received | 6 | 2,000,000 |
| 7 | Amounts borrowed (see instructions) a Beginning balance b Ending balance or monthly average | 7b | |
| 8 | Interest received | 8 | |
| 9 | Premiums received for insurance or reinsurance | 9 | |
| 10 | Other amounts received (see instructions) | 10 | |
| 11 | Total. Combine amounts on lines 1 through 10 | 11 | 2,000,000 |
| 12 | Purchases of stock in trade (inventory) | 12 | |
| 13 | Purchases of tangible property other than stock in trade | 13 | |
| 14a | Rents paid (for other than intangible property rights) | 14a | |
| b | Royalties paid (for other than intangible property rights) | 14b | |
| 15 | Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas) | 15 | |
| 16 | Consideration paid for technical, managerial, engineering, construction, scientific, or like services | 16 | |
| 17 | Commissions paid | 17 | |
| 18 | Amounts loaned (see instructions) a Beginning balance b Ending balance or monthly average | 18b | |
| 19 | Interest paid | 19 | |
| 20 | Premiums paid for insurance or reinsurance | 20 | |
| 21 | Other amounts paid (see instructions) | 21 | |
| 22 | Total. Combine amounts on lines 12 through 21 | 22 | |

Part V Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party (see instructions)

Describe these transactions on an attached separate sheet and check here.

Part VI Additional Information

All reporting corporations must complete Part VI.

- 1 Does the reporting corporation import goods from a foreign related party? Yes No
- 2a If "Yes," is the basis or inventory cost of the goods valued at greater than the customs value of the imported goods? Yes No
If "No," do not complete b and c below.
- b If "Yes," attach a statement explaining the reason or reasons for such difference.
- c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? Yes No

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

What's New

- The IRS has modified Part IV, lines 3 and 14.
- A reporting corporation that uses an accrual method of accounting must use accrued payments and accrued receipts for purposes of computing the total amount to enter on each line of the Form 5472. See Regulations section 1.6038A-2(b)(8).

Purpose of Form

Use Form 5472 to provide information required under sections 6038A and 6038C when reportable transactions occur during the tax year of a reporting corporation with a foreign or domestic related party.

Definitions

Reporting corporation. A reporting corporation is either:

- A 25% foreign-owned U.S. corporation or
- A foreign corporation engaged in a trade or business within the United States.

25% foreign owned. A corporation is 25% foreign owned if it has at least one direct or indirect 25% foreign shareholder at any time during the tax year.

25% foreign shareholder. Generally, a foreign person (defined on page 3) is a 25% foreign shareholder if the person owns, directly or indirectly, at least 25% of either:

- The total voting power of all classes of stock entitled to vote or
- The total value of all classes of stock of the corporation.

The constructive ownership rules of section 318 apply with the following modifications to determine if a corporation is 25% foreign owned. Substitute "10%" for "50%" in section 318(a)(2)(C). Do not apply sections

318(a)(3)(A), (B), and (C) so as to consider a U.S. person as owning stock that is owned by a foreign person.

Related party. A related party is:

- Any direct or indirect 25% foreign shareholder of the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to the reporting corporation,
- Any person who is related (within the meaning of section 267(b) or 707(b)(1)) to a 25% foreign shareholder of the reporting corporation, or
- Any other person who is related to the reporting corporation within the meaning of section 482 and the related regulations.

"Related party" does not include any corporation filing a consolidated Federal income tax return with the reporting corporation.

The rules in section 318 apply to the definition of related party with the modifications listed under the definition of 25% foreign shareholder above.

Form **8453-I**

Foreign Corporation Income Tax Declaration for an IRS e-file Return

OMB No. 1545-1866

Department of the Treasury
Internal Revenue Service

File electronically with the corporation's tax return. Do not file paper copies.
For calendar year 2008, or tax year beginning , 2008, ending , 20

2008

Name of corporation **RMN Incorporated** Employer identification number **11 000600**

Part I Tax Return Information (Whole dollars only)

| | | | |
|---|---|---|------------|
| 1 | Total income (Form 1120-F, Section II, line 11) | 1 | 24,990,000 |
| 2 | Taxable income (Form 1120-F, Section II, line 31) | 2 | 12,334,000 |
| 3 | Total tax (Form 1120-F, Schedule J, line 9) | 3 | 4,296,900 |
| 4 | Amount owed (Form 1120-F, page 1, line 7) | 4 | |
| 5 | Overpayment (Form 1120-F, page 1, line 8) | 5 | 156,630 |

Part II Declaration of Officer (see instructions) Be sure to keep a copy of the corporation's tax return.

- 6a I consent that the corporation's refund be directly deposited as designated on the **Form 8302**, Electronic Deposit of Tax Refund of \$1 Million or More, that will be electronically transmitted with the corporation's 2008 federal income tax return.
- b I do not want direct deposit of the corporation's refund or the corporation is not receiving a refund.
- c I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at **1-888-353-4537** no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If the corporation is filing a balance due return, I understand that if the IRS does not receive full and timely payment of its tax liability, the corporation will remain liable for the tax liability and all applicable interest and penalties.

Under penalties of perjury, I declare that I am an officer of the above corporation and that the information I have given my electronic return originator (ERO), transmitter, and/or intermediate service provider (ISP) and the amounts in Part I above agree with the amounts on the corresponding lines of the corporation's 2008 federal income tax return. To the best of my knowledge and belief, the corporation's return is true, correct, and complete. I consent to my ERO, transmitter, and/or ISP sending the corporation's return, this declaration, and accompanying schedules and statements to the IRS. I also consent to the IRS sending my ERO, transmitter, and/or ISP an acknowledgment of receipt of transmission and an indication of whether or not the corporation's return is accepted, any indication of a refund offset, and, if rejected, the reason(s) for the rejection. If the processing of the corporation's return or refund is delayed, I authorize the IRS to disclose to my ERO, transmitter, and/or ISP the reason(s) for the delay, or when the refund was sent.

Sign Here Signature of officer _____ Date _____ Title **Chief Financial Officer**

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above corporation's return and that the entries on Form 8453-I are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The corporate officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in **Pub. 3112**, IRS e-file Application and Participation, and **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers and Large Taxpayers (Corporations, Partnerships, and Tax Exempt Organizations). If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

| | | | | | |
|-----------------------|--|--|--|---|--|
| ERO's Use Only | ERO's signature | Date | Check if also paid preparer <input type="checkbox"/> | Check if self-employed <input type="checkbox"/> | ERO's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | AAAA Tax Service 4000 3rd Avenue, Suite 100, Portland, Or 97201 | EIN 11 | 000300 | Phone no. (000) 123-4567 |

Under penalties of perjury, I declare that I have examined the above corporation's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This declaration is based on all information of which I have any knowledge.

| | | | | |
|---------------------------------|--|------|---|------------------------|
| Paid Preparer's Use Only | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> | Preparer's SSN or PTIN |
| | Firm's name (or yours if self-employed), address, and ZIP code | | EIN | Phone no. () |

EXHIBIT 7 – Tax Year 2008 Form 7004 Test Scenarios

Form 7004 Test Scenario 1

Form 7004 Test Scenario 2

Form 7004 Test Scenario 3

Form 7004 Test Scenario 4

Form 7004 Test Scenario 1

Test Scenario # 1 for Form 7004

FORMS REQUIRED: 7004

HEADER INFO:

Tax Period: 11/01/2008 – 10/31/2009

Originator:

EFIN: Self-select

Type: ERO

Practitioner PIN: N/A

EFIN: Self-select

PIN: Self-select

PIN Entered by – ERO

Return Type: 7004

Filer:

EIN: 11-0000030

Name: RamcFile, Inc.

Name Control: RAMC

Address: 101 Main Street
Downtown, MD 20601

Officer:

Name: Roger Rabbit

Title: Chief Executive Officer

Taxpayer PIN: N/A

Phone: 703-555-1212

Email Address:

DateSigned: 01/15/10

Tax Year: 2008

Binary Attachment Count: 0

Form 7004 Test Scenario 1

Form **7004**

(Rev. December 2008)

Department of the Treasury
Internal Revenue Service

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

| | |
|---|---|
| Name RamcFile Inc | Identifying number 11-0000030 |
| Number, street, and room or suite no. (If P.O. box, see instructions.) 101 Main Street | |
| City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). Downtown, MD 20601 | |

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below)

| Application Is For: | Form Code | Application Is For: | Form Code |
|---------------------|-----------|---------------------|-----------|
| Form 1065 | 09 | Form 1041 (estate) | 04 |
| Form 8804 | 31 | Form 1041 (trust) | 05 |

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

| Application Is For: | Form Code | Application Is For: | Form Code |
|-----------------------------------|-----------|---------------------|-----------|
| Form 706-GS(D) | 01 | Form 1120-PC | 21 |
| Form 706-GS(T) | 02 | Form 1120-POL | 22 |
| Form 1041-N | 06 | Form 1120-REIT | 23 |
| Form 1041-QFT | 07 | Form 1120-RIC | 24 |
| Form 1042 | 08 | Form 1120 S | 25 |
| Form 1065-B | 10 | Form 1120-SF | 26 |
| Form 1066 | 11 | Form 3520-A | 27 |
| Form 1120 | 12 | Form 8612 | 28 |
| Form 1120-C | 34 | Form 8613 | 29 |
| Form 1120-F | 15 | Form 8725 | 30 |
| Form 1120-FSC | 16 | Form 8831 | 32 |
| Form 1120-H | 17 | Form 8876 | 33 |
| Form 1120-L | 18 | Form 8924 | 35 |
| Form 1120-ND | 19 | Form 8928 | XX |
| Form 1120-ND (section 4951 taxes) | 20 | | |

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here . . .

5a The application is for calendar year 20, or tax year beginning 11-01, 20 08, and ending 10-31, 20 09

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

| | | | |
|---|----------|--------------|-----------|
| 6 Tentative total tax | 6 | 1,000 | 00 |
| 7 Total payments and credits (see instructions) | 7 | 1,000 | 00 |
| 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions) | 8 | 0 | |

Form 7004 Test Scenario 2

Test Scenario # 2 for Form 7004

FORMS REQUIRED: 7004

ATTACHMENTS: ConsolidatedGroupMembersSch

HEADER INFO:

Tax Period: 11/01/2008 – 10/31/2009

Originator: **EFIN:** Self-select
Type: ERO
Practitioner PIN: N/A
EFIN: Self-select
PIN: Self-select
PIN Entered by – ERO

Filer: **EIN:** 11-0000031
Name: ModeNTech, Inc
Name Control: MODE
Address: 301 New Street
Newtown, ND 58204

Officer: **Name:** Joe Smith
Title: President
Phone: 301-555-1212
Date signed: January 4, 2010
Taxpayer PIN: Self-select

Return Type: 7004

Tax Year: 2008

Binary Attachment Count: 0

IRS PAYMENT:

RTN: 012345672
ACCT #: 1234000000
TYPE OF ACCOUNT: Checking
AMOUNT OF PAYMENT: 4,400
REQUESTED PAYMENT DATE: January 15, 2010
TAXPAYER DAYTIME PHONE NUMBER: 512-555-1111

Details for Form 7004

Attachment 1, Form 7004, Line 3, (ConsolidatedGroupMembersSch):

- a. **Name:** Hottest Communications
Address: 100 Mail Avenue, Uptown, OH 45324
EIN: 11-0000043

- b. **Name:** High-Tech Solutions
Address: 200 Main Street, Anytown, NC 27905
EIN: APPLIED FOR

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

| | |
|--|---|
| Name ModeNTech Inc | Identifying number 11-0000031 |
| Number, street, and room or suite no. (If P.O. box, see instructions.) 301 New Street | |
| City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). Newtown, ND 58204 | |

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below)

| Application Is For: | Form Code | Application Is For: | Form Code |
|---------------------|-----------|---------------------|-----------|
| Form 1065 | 09 | Form 1041 (estate) | 04 |
| Form 8804 | 31 | Form 1041 (trust) | 05 |

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

| Application Is For: | Form Code | Application Is For: | Form Code |
|-----------------------------------|-----------|---------------------|-----------|
| Form 706-GS(D) | 01 | Form 1120-PC | 21 |
| Form 706-GS(T) | 02 | Form 1120-POL | 22 |
| Form 1041-N | 06 | Form 1120-REIT | 23 |
| Form 1041-QFT | 07 | Form 1120-RIC | 24 |
| Form 1042 | 08 | Form 1120 S | 25 |
| Form 1065-B | 10 | Form 1120-SF | 26 |
| Form 1066 | 11 | Form 3520-A | 27 |
| Form 1120 | 12 | Form 8612 | 28 |
| Form 1120-C | 34 | Form 8613 | 29 |
| Form 1120-F | 15 | Form 8725 | 30 |
| Form 1120-FSC | 16 | Form 8831 | 32 |
| Form 1120-H | 17 | Form 8876 | 33 |
| Form 1120-L | 18 | Form 8924 | 35 |
| Form 1120-ND | 19 | Form 8928 | XX |
| Form 1120-ND (section 4951 taxes) | 20 | | |

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20, or tax year beginning 11-01, 20 08, and ending 10-31, 20 09

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

| | | | |
|---|----------|--------------|-----------|
| 6 Tentative total tax | 6 | 5,000 | 00 |
| 7 Total payments and credits (see instructions) | 7 | 600 | 00 |
| 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions) | 8 | 4,400 | 00 |

Form 7004 Test Scenario 3

Test Scenario # 3 for Form 7004

FORMS REQUIRED: 7004

HEADER INFO:

Tax Period: 08/01/2008– 07/31/2009

Return Type: 7004

Originator: **EFIN:** Self-select
Type: ERO
Practitioner PIN:
EFIN: Self-select
PIN: Self-select

PIN Entered by – ERO

Filer: **EIN:** 11-0000033
Name: FOREIGNCO Group
Name Control: FORE
Address: 2 Rue Street
Paris City, France

Tax Year: 2008

Binary Attachment Count: 0

IRS PAYMENT: None

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

| | |
|---|---|
| Name FOREIGNCO Group | Identifying number 11-0000033 |
| Number, street, and room or suite no. (If P.O. box, see instructions.) 2 Rue Street | |
| City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). Paris City, France | |

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below)

| Application Is For: | Form Code | Application Is For: | Form Code |
|---------------------|-----------|---------------------|-----------|
| Form 1065 | 09 | Form 1041 (estate) | 04 |
| Form 8804 | 31 | Form 1041 (trust) | 05 |

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below) **1** **6**

| Application Is For: | Form Code | Application Is For: | Form Code |
|-----------------------------------|-----------|---------------------|-----------|
| Form 706-GS(D) | 01 | Form 1120-PC | 21 |
| Form 706-GS(T) | 02 | Form 1120-POL | 22 |
| Form 1041-N | 06 | Form 1120-REIT | 23 |
| Form 1041-QFT | 07 | Form 1120-RIC | 24 |
| Form 1042 | 08 | Form 1120 S | 25 |
| Form 1065-B | 10 | Form 1120-SF | 26 |
| Form 1066 | 11 | Form 3520-A | 27 |
| Form 1120 | 12 | Form 8612 | 28 |
| Form 1120-C | 34 | Form 8613 | 29 |
| Form 1120-F | 15 | Form 8725 | 30 |
| Form 1120-FSC | 16 | Form 8831 | 32 |
| Form 1120-H | 17 | Form 8876 | 33 |
| Form 1120-L | 18 | Form 8924 | 35 |
| Form 1120-ND | 19 | Form 8928 | XX |
| Form 1120-ND (section 4951 taxes) | 20 | | |

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 or tax year beginning 08-01 20 08, and ending 07-31, 20 09

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

| | | | |
|---|----------|---------------|-----------|
| 6 Tentative total tax | 6 | 10,000 | 00 |
| 7 Total payments and credits (see instructions) | 7 | 9,000 | 00 |
| 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions) | 8 | 1,000 | 00 |

Form 7004 Test Scenario 4

Test Scenario # 4 for Form 7004

FORMS REQUIRED: 7004

HEADER INFO:

Tax Period: 01/01/2008– 12/31/2008

Return Type: 7004

Originator: **EFIN:** Self-select
Type: ERO
Practitioner PIN:
EFIN: Self-select
PIN: Self-select
PIN Entered by – ERO

Filer: **EIN:** 11-0000049
Name: Flower Store One
Name Control: FLOW
Address: 3 Bulb Street
Somewhere, TX 78621

Tax Year: 2008

Binary Attachment Count: 0

IRS PAYMENT: None

Application for Automatic Extension of Time To File Certain Business Income Tax, Information, and Other Returns

OMB No. 1545-0233

► **File a separate application for each return.**

Type or Print

File by the due date for the return for which an extension is requested. See instructions.

| | |
|--|--|
| Name Flower Store One | Identifying number 11-000049 |
| Number, street, and room or suite no. (If P.O. box, see instructions.) 3 Bulb Street | |
| City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). Somewhere, TX 78621 | |

Note. See instructions before completing this form.

Part I Automatic 5-Month Extension Complete if Filing Form 1065, 1041, or 8804

1a Enter the form code for the return that this application is for (see below) 0 9

| Application Is For: | Form Code | Application Is For: | Form Code |
|---------------------|-----------|---------------------|-----------|
| Form 1065 | 09 | Form 1041 (estate) | 04 |
| Form 8804 | 31 | Form 1041 (trust) | 05 |

Part II Automatic 6-Month Extension Complete if Filing Other Forms

b Enter the form code for the return that this application is for (see below)

| Application Is For: | Form Code | Application Is For: | Form Code |
|-----------------------------------|-----------|---------------------|-----------|
| Form 706-GS(D) | 01 | Form 1120-PC | 21 |
| Form 706-GS(T) | 02 | Form 1120-POL | 22 |
| Form 1041-N | 06 | Form 1120-REIT | 23 |
| Form 1041-QFT | 07 | Form 1120-RIC | 24 |
| Form 1042 | 08 | Form 1120 S | 25 |
| Form 1065-B | 10 | Form 1120-SF | 26 |
| Form 1066 | 11 | Form 3520-A | 27 |
| Form 1120 | 12 | Form 8612 | 28 |
| Form 1120-C | 34 | Form 8613 | 29 |
| Form 1120-F | 15 | Form 8725 | 30 |
| Form 1120-FSC | 16 | Form 8831 | 32 |
| Form 1120-H | 17 | Form 8876 | 33 |
| Form 1120-L | 18 | Form 8924 | 35 |
| Form 1120-ND | 19 | Form 8928 | XX |
| Form 1120-ND (section 4951 taxes) | 20 | | |

- 2** If the organization is a foreign corporation that does not have an office or place of business in the United States, check here
- 3** If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.

Part III All Filers Must Complete This Part

4 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here

5a The application is for calendar year 20 **08**, or tax year beginning _____, 20 _____, and ending _____, 20 _____

b Short tax year. If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed

| | | |
|---|---|---|
| 6 Tentative total tax | 6 | 0 |
| 7 Total payments and credits (see instructions) | 7 | 0 |
| 8 Balance due. Subtract line 7 from line 6. Generally, you must deposit this amount using the Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW) (see instructions for exceptions) | 8 | 0 |