

U.S. Corporation Income Tax Return

For calendar year 1979 or other taxable year beginning

11/1 1979, ending 10/31 1981

1980

Check if a—
A Consolidated return
B Personal Holding Co.
C Business Code No. (See Page 8 of instructions) 5129

Use IRS label. Otherwise please print or type.

Name
International Institute of Nat'l Health
 Number and street
7422 Mount Joy
 City or town, State, and ZIP code
Huntington Beach, CA 92647

D Employer identification number (see instruction 4b) 95-3106850

E Date incorporated 1/17/77

F Enter total assets (see instruction X) \$ 690,139

Gross Income	1 (a) Gross receipts or sales \$..... (b) Less returns and allowances \$..... Balance ▶	1(c)	1,853,572
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)	2	625,303
	3 Gross profit	3	1,228,269
	4 Dividends (Schedule C)	4	
	5 Interest on obligations of the United States and U.S. Instrumentalities	5	
	6 Other interest	6	1,336
	7 Gross rents	7	
	8 Gross royalties	8	
	9 (a) Capital gain net income (attach separate Schedule D)	9(a)	
	(b) Net gain or (loss) from Form 4797, line 11, Part II (attach Form 4797)	9(b)	1,828
	10 Other income (see instructions—attach schedule)	10	
11 TOTAL Income—Add lines 3 through 10	11	1,231,433	

Deductions	12 Compensation of officers (Schedule E)	12	75,800
	13 (a) Salaries and wages 13(b) Less WIN and jobs credit(s) Balance ▶	13(c)	439,072
	14 Repairs (see instructions)	14	31,797
	15 Bad debts (Schedule F if reserve method is used)	15	52,960
	16 Rents	16	44,037
	17 Taxes	17	8,502
	18 Interest	18	15,603
	19 Contributions (not over 5% of line 30 adjusted per instructions—attach schedule)	19	530
	20 Amortization (attach schedule)	20	
	21 Depreciation from Form 4562 (attach Form 4562) 61,667....., less depreciation claimed in Schedule A and elsewhere on return Balance ▶	21	61,667
	22 Depletion	22	
	23 Advertising	23	49,670
	24 Pension, profit-sharing, etc. plans (see instructions) (enter number of plans ▶ 1.....)	24	47,125
	25 Employee benefit programs (see instructions)	25	
	26 Other deductions (attach schedule)	26	398,557
	27 TOTAL deductions—Add lines 12 through 26	27	1,225,320
	28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	28	6,113
	29 Less: (a) Net operating loss deduction (see instructions—attach schedule) 29(a)	29	
	(b) Special deductions (Schedule I) 29(b)	29	
30 Taxable income (subtract line 29 from line 28)	30	6,113	

Tax	31 TOTAL TAX (Schedule J)	31	-0-
	32 Credits: (a) Overpayment from 1978 allowed as a credit		
	(b) 1979 estimated tax payments		
	(c) Less refund of 1979 estimated tax applied for on Form 4466 ()		
	(d) Tax deposited: Form 7004..... Form 7005 (attach)..... Total ▶		
	(e) Credit from regulated investment companies (attach Form 2439)		
	(f) Federal tax on special fuels and oils (attach Form 4136 or 4136-T)	32	
33 TAX DUE (subtract line 32 from line 31). See instruction G for depository method of payment	33	-0-	
(Check <input type="checkbox"/> if Form 2220 is attached. See page 3 of instructions.) ▶ \$.....			
34 OVERPAYMENT (subtract line 31 from line 32)	34		
35 Enter amount of line 34 you want: Credited to 1980 estimated tax ▶ Refunded ▶	35		

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.

Please Sign Here	Signature of officer	Date	Title
	Preparer's signature and date	JONES and McGINTY AN ACCOUNTANCY CORPORATION 7660 LIBERTY AVENUE HUNTINGTON BEACH, CALIF 92647 (714) 847-4044	
	Firm's name (or yours, if self-employed) and address	Check if self-employed <input type="checkbox"/>	Preparer's social security no. 399 48 2804
		E.I. No. 95 3583975	ZIP code

1 Inventory at beginning of year 30,248

2 Merchandise bought for manufacture or sale 611,959

3 Salaries and wages

4 Other costs (attach schedule) 235,417

5 Total 877,624

6 Less: Inventory at end of year 252,321

7 Cost of goods sold—Enter here and on line 2, page 1 625,303

8 (a) Check all methods used for valuing closing inventory: (i) Cost (ii) Lower of cost or market as described in Regulations section 1.471-4 (see Instructions) (iii) Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see Instructions)

(b) Did you use any other method of inventory valuation not described above? Yes No
If "Yes," specify method used and attach explanation ▶

(c) Check if this is the first year LIFO inventory method was adopted and used. (If checked, attach Form 970.)

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

(e) Is the corporation engaged in manufacturing activities? Yes No
If "Yes," are inventories valued under Regulations section 1.471-11 (full absorption accounting method)? Yes No

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

Schedule C Dividends (See instruction 4)

1 Domestic corporations subject to 85% deduction

2 Certain preferred stock of public utilities

3 Foreign corporations subject to 85% deduction

4 Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))

5 Other dividends from foreign corporations

6 Includible income from controlled foreign corporations under subpart F (attach Forms 3646)

7 Foreign dividend gross-up (section 78)

8 Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))

9 Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))

10 Other dividends

11 Total—Enter here and on line 4, page 1

Schedule E Compensation of Officers (See instruction 12)

1. Name of officer	2. Social security number	3. Time devoted to business	Percent of corporation stock owned		6. Amount of compensation	7. Expense account allowances
			4. Common	5. Preferred		
K Donsbach		100%	50%		50,400	
E Donsbach		100%	50%		25,400	
Total compensation of officers—Enter here and on line 12, page 1					75,800	

Schedule F Bad Debts—Reserve Method (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1974						
1975						
1976						
1977	36,038	870,812	-0-	-0-	-0-	-0-
1978	206,724	1,700,887	-0-	-0-	-0-	-0-
1979	77,776	763,354	52,961	-0-	36,961	16,000

Schedule I Special Deductions (See instructions for Schedule I)

1 (a) 85% of Schedule C, line 1

(b) 59.13% of Schedule C, line 2

(c) 85% of Schedule C, line 3

(d) 100% of Schedule C, line 4

2 Total—See instructions for limitation

3 100% of Schedule C, line 8

4 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)

5 Deduction for Western Hemisphere trade corporations (see instructions)

6 Total special deductions—Add lines 2 through 5. Enter here and on line 29(b), page 1

Schedule J Tax Computation

1 Taxable income (line 30, page 1)	6,113
2 (a) Are you a member of a controlled group? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(b) If "Yes," see instructions and enter your portion of the \$25,000 amount in each taxable income bracket: (i) \$ 20,000 (ii) \$ 25,000 (iii) \$ 25,000 (iv) \$ 25,000	
3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D <input type="checkbox"/>	1,039
4 (a) Foreign tax credit (attach Form 1118)	
(b) Investment credit (attach Form 3468)	1,039
(c) Work Incentive (WIN) credit (attach Form 4874)	
(d) Jobs credit (attach Form 5884)	
5 Total of lines 4(a), (b), (c), and (d)	1,039
6 Subtract line 5 from line 3	-0-
7 Personal holding company tax (attach Schedule PH (Form 1120))	
8 Tax from recomputing prior-year investment credit (attach Form 4255)	
9 Tax from recomputing prior-year WIN credit (attach computation)	
10 Minimum tax on tax preference items (see instructions—attach Form 4626)	
11 Total tax—Add lines 6 through 10. Enter here and on line 31, page 1.	-0-

Schedule K Record of Federal Tax Deposit Forms 503
(List deposits in order of date made—See instruction G)

Date of deposit		Amount	

G (1) Did you claim a deduction for expenses connected with:		Yes	No	I Did you ever declare a stock dividend?		Yes	No
(a) Entertainment facility (boat, resort, ranch, etc.)?		X					X
(b) Living accommodations (except employees on business)?		X		J Taxable income or (loss) from Form 1120, line 28, page 1, for your taxable year beginning in:			
(c) Employees attending conventions or meetings outside the U.S. or its possessions?		X		1977, 23,508 1978 (49,769) 1979 97,939			
(d) Employee's families at conventions or meetings? If "Yes," were any of these conventions or meetings outside the United States or its possessions?		X		K If you were a member of a controlled group subject to the provisions of section 1561, check the type of relationship:			
(e) Employee or family vacations not reported on Form W-27.		X		(1) <input type="checkbox"/> parent-subsidiary (2) <input type="checkbox"/> brother-sister			
(2) Enter total amount claimed on Form 1120 for entertainment, entertainment facilities, gifts, travel, and conventions of the type for which substantiation is required under section 274(d). (See instruction Y.)	6995			(3) <input type="checkbox"/> combination of (1) and (2) (See section 1563.)			
H (1) Did you at the end of the taxable year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		X		L Refer to page 8 of instructions and state the principal: Business activity <u>Publishing-Management</u> Product or service <u>Nutrition Literature</u>			
If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the taxable year ending with or within your taxable year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.				M Did you file all required Forms 1087, 1096 and 1099?			X
(2) Did any individual, partnership, corporation, estate or trust at the end of the taxable year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e).		X		N Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation.			X
(a) Attach a schedule showing name, address, and identifying number; (b) Enter percentage owned	Sch E			O At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instruction V)?			X
(c) Was the owner of such voting stock a person other than a U.S. person? (See instruction S.)				P Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?			X
If "Yes," enter owner's country				If "Yes" you may have to file Forms 3520, 3520-A or 926.			
(d) Enter highest amount owed by you to such owner during the year	129,833			Q During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316.)			X
(e) Enter highest amount owed to you by such owner during the year				If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			
(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)				R During this tax year was any part of your tax accounting records maintained on a computerized system?			X
				S (1) Did you elect to claim amortization (under section 191) or depreciation (under section 167(o)) for a rehabilitated certified historic structure (see instructions for line 20)?			X
				(2) Amortizable basis (see instructions for line 20):			

Schedule L-1 Balance Sheets

	Beginning of taxable year		End of taxable year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
ASSETS				
1 Cash		10,640		42,972
2 Trade notes and accounts receivable	206,724		77,477	
(a) Less allowance for bad debts		206,724	16,000	61,477
3 Inventories		30,248		276,674
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule) Prepaid Assets		26,667		20,951
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets	317,425		363,547	
(a) Less accumulated depreciation	53,405	264,020	96,833	266,714
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)		700		21,351
14 Total assets		538,999		690,139
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				167,070
16 Mtges., notes, bonds payable in less than 1 yr.		107,237		106,310
17 Other current liabilities (attach schedule)		45,517		133,446
18 Loans from stockholders		146,844		129,832
19 Mtges., notes, bonds payable in 1 yr. or more		40,487		41,454
20 Other liabilities (attach schedule)		120,048		
21 Capital stock: (a) Preferred stock				
(b) Common stock		1,050		1,050
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated		77,811		110,977
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity		538,999		690,139

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

1 Net income per books	12,534	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation . . . \$	
(a) Depreciation \$		(b) Depletion . . . \$	
(b) Depletion \$		Franchise Tax	7,453
Franchise Tax	1,032	9 Total of lines 7 and 8	7,453
6 Total of lines 1 through 5	13,566	10 Income (line 28, page 1)—line 6 less 9	6,113

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

1 Balance at beginning of year	77,811	5 Distributions: (a) Cash	
2 Net income per books	12,264	(b) Stock	
3 Other increases (itemize)		(c) Property	
Adj. book Depreciation	14,216	6 Other decreases (itemize)	
Tax Refunds	7,464	1979 Correction	778
4 Total of lines 1, 2, and 3	111,755	7 Total of lines 5 and 6	778
		8 Balance at end of year (line 4 less 7)	110,977

Computation of Investment Credit

▶ Attach to your tax return.
▶ Use separate Schedule B (Form 3468) to figure your tentative business energy investment credit.

Name

Independent Trucking & Moving Services

Identifying number as shown on page 1 of your tax return

45-31065-0

Part I Elections (Check the box(es) below that apply to you (see Instruction D).)

- A The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1)
 - B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6)
 - C I elect to increase my qualified investment by all qualified progress expenditures made this tax year and all later years
- Enter total qualified progress expenditures included in column (4), Part II ▶
- D I claim full credit on certain ships under section 46(g)(3). (See Instruction B for details.)

Part II Qualified Investment

Figure your qualified investment in new or used investment credit property acquired or constructed and placed in service during the tax year. The qualified investment for qualified progress expenditures and qualified rehabilitation expenditures is allowed in the tax year the expenditure is incurred or in the case of self-constructed property the year the expenditure is chargeable to a capital account for the property.

For certain taxpayers, the basis or cost of property placed in service after February 18, 1981, is limited to the amount the taxpayer is at risk for the property at year end. See Instruction E.

Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

1 Recovery Property	Line	(1) Recovery Period	(2) Unadjusted Basis	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New	(a)	3-Year	<i>23548</i>	60	<i>14129</i>
	(b)	Other	<i>32656</i>	100	<i>32656</i>
Used	(c)	3-Year		60	
	(d)	Other		100	

2 Total—Add lines 1(a) through 1(d) 2 *47785*

3 Nonrecovery Property	Line	(1) Life years	(2) Basis or cost	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New	(a)	3 or more but less than 5		33 1/3	
	(b)	5 or more but less than 7		66 2/3	
	(c)	7 or more		100	
Used	(d)	3 or more but less than 5		33 1/3	
	(e)	5 or more but less than 7		66 2/3	
	(f)	7 or more		100	

- 4 Total—Add lines 3(a) through 3(f) 4
- 5 New commuter highway vehicle—Enter total qualified investment. (See Instruction D) 5
- 6 Used commuter highway vehicle—Enter total qualified investment. (See Instruction D) 6
- 7 Qualified rehabilitation expenditures incurred before January 1, 1982, for: (see specific instructions)
 - (a) Improvements with 5 or more but less than 7 years—Enter 66 2/3% of expenditures 7(a)
 - (b) Improvements with 7 or more life years—Enter 100% of expenditures 7(b)
- 8 Total qualified investment in 10% property—Add lines 2, 4, 5, 6, 7(a) and 7(b). (See instructions for special limits) 8
- 9 Enter 100% of qualified rehabilitation expenditures incurred after December 31, 1981, for:
 - (a) 30-year old buildings 9a
 - (b) 40-year old buildings 9b
 - (c) Certified historic structures (Enter the Dept. of Interior assigned project number) 9c
- 10 Total qualified investment—Add lines 8, 9(a), 9(b), and 9(c) 10 *47785*

Part III Tentative Regular Investment Credit

- 11 10% of line 8 11 *4779*
- 12 15% of line 9(a) 12
- 13 20% of line 9(b) 13
- 14 25% of line 9(c) 14
- 15 Corporations electing the basic or basic and matching employee plan percentage for contributions to tax credit employee stock ownership plans—Check box A above (see Instruction D)
 - (a) Basic 1% credit—Enter 1% of line 10 15a
 - (b) Matching credit (not more than 0.5%)—Enter allowable percentage times adjusted line 10 (attach schedule) 15b
- 16 Credit from Cooperative—Enter regular investment credit from cooperatives 16
- 17 Current year regular investment credit—Add lines 11 through 16 17
- 18 Carryover of unused credits 18
- 19 Carryback of unused credits 19
- 20 Tentative regular investment credit—Add lines 17, 18, and 19, enter here and in Part IV, line 21 20 *4779*

Part IV Tax Liability Limitations

21 Tentative credit from Part III, line 20		21	4779
22 (a) Individuals—Enter amount from Form 1040, line 37, page 2	}	22	1039
(b) Estates and trusts—Enter amount from Form 1041, line 26, page 1			
(c) Corporations—Enter amount from Schedule J (Form 1120), line 3, page 3			
(d) Others—Enter tax before credits from your return			
23 (a) Credit for the elderly (individuals only)	23(a)		
(b) Foreign tax credit	23(b)		
(c) Tax on lump-sum distribution from Form 4972 or Form 5544	23(c)		
(d) Possessions corporation tax credit (corporations only)	23(d)		
(e) Section 72(m)(5) penalty tax (Individuals only)	23(e)		
24 Total—Add lines 23(a) through 23(e)		24	
25 Subtract line 24 from line 22		25	1039
26 (a) Enter smaller of line 25 or \$25,000. See instruction for line 26		26(a)	1039
(b) If line 25 is more than line 26(a), and your tax year ends in 1981, enter 80% of the excess (if your tax year ends in 1982, enter 90% of the excess)		26(b)	
27 Regular investment credit limitation—Add lines 26(a) and 26(b)		27	1039
28 Allowed regular investment credit—Enter the smaller of line 21 or line 27		28	
29 Business energy investment credit limitation—Subtract line 28 from line 25		29	
30 Business energy investment credit—Enter amount from line 14 of Schedule B (Form 3468)		30	
31 Allowed business energy investment credit—Enter smaller of line 29 or line 30		31	
32 Total allowed regular and business energy investment credit—Add lines 28 and 31. Enter here and on Form 1040, line 41; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns		32	1039

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carryout the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. You are required to give us this information.



CORPORATION FRANCHISE OR INCOME TAX RETURN

or income year begun 11/1, 1980, and ended 10/31, 1981

DO NOT USE THESE SPACES

TYPE OF TAX

PLEASE AFFIX PREADDRESSED LABEL, PRINT, OR TYPE

- Franchise Tax
Income Tax

International Institute of Natural Health Sciences
7422 Mount Joy
Huntington Beach, CA 92647

Total Assets From Balance Sheet, Page 4, Line 14, Column D \$ 690,139

Corporate number (if label is not used): 0728068

SERIAL NO.

CORP. NO.

POSTING CONTROL

I.Y.E.

REVENUE CODE

M.I.O.

C.Y.

D.E.

C.A.

A.C.

AMOUNT OF REMITTANCE

R.S.

ATTACH REMITTANCE HERE

- A. Date of incorporation 1/17/77 Under laws of CA
B. Federal employer identification number 95-3106850
C. Business group code number (federal instructions) 5129
D. Principal business activity Publishing-Management
E. Date began business in California or date income was first derived from California sources 3/15/77
F. Accounting method used Accrual
G. If this is the first return, indicate whether:
H. If final return, mark return FINAL and indicate whether:
I. If corporation has ceased business, enter date
J. Has the federal government redetermined your income tax liability for any prior year(s) which has not previously been reported?

- K. List income years for which federal waivers of the statute of limitations are in effect and dates on which waivers expire
L. Is the income included in a combined report of a unitary group?
M. (a) Did the corporation own more than 50 percent of the voting stock of another corporation at any time during the income year?
(b) Did any single interest own more than 50 percent of the corporation's voting stock at any time during the income year?
(c) Is more than 50 percent of the stock of this corporation and one or more other corporations owned or controlled, either directly or indirectly by the same interests?
N. Location of principal accounting records As Above

COMPUTATION OF LIABILITY

Table with columns for Income Tax, Financial Offset, Credits, Taxes, Payments, and Due or Refund. Rows include net income, tax rates, financial offsets, credits, tax balance, payments, and final balance due/refund.

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.

JONES and MCGINTY

AN ACCOUNTANCY CORPORATION

7660 LIBERTY AVENUE

HUNTINGTON BEACH, CALIF. 92647

[714] 847-4044 Address

Date

Signature of Officer

Telephone: Area Code and Number

Date

Signature of Individual or Firm Preparing This Return

COPY from UNIT STATES CORPORATION INCOME TAX RETURN (IRS Form 1120)

Line No.				
GROSS INCOME	1.	Gross receipts or gross sales	Less: Returns and allowances	1,853,572
	2.	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		625,303
	3.	Gross profit		1,228,269
	4.	Dividends (attach schedule)		
	5.	Interest on obligations of the United States and U.S. instrumentalities		
	6.	Other interest (attach schedule)		1,336
	7.	Gross rents		
	8.	Gross royalties		
	9.	(a) Net capital gains (attach Federal Schedule D (Form 1120))		
		(b) Ordinary gain (loss) (attach Federal Form 4797)		1,828
	10.	Other income (attach schedule)		
11.	TOTAL income (add lines 3 to 10; inclusive)		1,231,433	
Capital loss carryover deducted on line 9(a) must be restored to income on line 32. Any net capital loss not reported on line 9(a) may be deducted on line 36.				
DEDUCTIONS	12.	Compensation of officers (Schedule E)	75,800	
	13.	Salaries and wages (line 13(c), Federal form 1120)	439,072	
	14.	Repairs	31,797	
	15.	Bad debts (Schedule F if reserve method is used)	52,960	
	16.	Rents	44,037	
	17.	Taxes (Schedule B)	8,502	
	18.	Interest	15,603	
	19.	Contributions (attach schedule)	530	
	20.	Amortization (Schedule G)		
	21.	Depreciation (Schedule G)	62,496	
	22.	Depletion (attach schedule)		
	23.	Advertising	49,670	
	24.	Pension, profit-sharing, etc., plans	47,125	
	25.	Employee benefit plans		
	26.	Other deductions (attach schedule)	398,557	
	27.	TOTAL deductions (add lines 12 to 26, inclusive)		1,226,149
	28.	Net income before State adjustments (subtract line 27 from line 11)		5,284
STATE ADJUSTMENTS	29.	Amount deducted for foreign or domestic tax on or according to or measured by income or profits	7,453	
	30.	Amount deducted for tax under the provisions of the Bank and Corporation Tax Law		
	31.	Interest on government obligations (see Instruction B)		
	32.	Net capital loss carryover deducted on line 9(a)		
	33.	(a) Other additions required by law (attach schedule)		
		(b) Additional federal deductions not allowed for State purposes:		
		Depreciation in excess of amount allowed under State law (Schedule G)		
		Amortization in excess of amount allowed under State law (Schedule G)		
		Other adjustments (attach schedule)		
	34.	Total of lines 28 to 33, inclusive		12,737
	35.	Deductible portion of dividends received (see instructions F and G)		
	(a) Intercompany dividends to extent paid from business income included in a combined report			
	(b) Other dividends received			
36.	Capital losses not deducted on line 9(a) (attach schedule)			
37.	Contributions in excess of allowable federal deduction on line 19			
38.	(a) Other deductions (attach schedule)			
	(b) Adjustment to Federal wages due to Jobs Tax Credit			
39.	Total of lines 35 to 38, inclusive			
40.	Net income after State adjustments (subtract line 39 from line 34)		12,737	

→ If all income is derived from sources within this State enter amount of line 40 on line 41, page 1.

→ If income is derived from sources both within and without this State, complete separate Schedule R (Form 100) and enter amount of line 24 from Schedule R (Form 100) on line 41, page 1.

Attach a separate sheet if any of the following schedules do not provide sufficient space

SCHEDULE A—COST OF GOODS SOLD

ITEMS	AMOUNT
Inventory at beginning of year	30,248
Material or merchandise bought for manufacture or sale	611,959
Salaries and wages	
Other costs per books (attach schedule)	235,417
Total	877,624
Less: Inventory at end of year	252,321
Cost of goods sold (to line 2, page 2)	625,303

Method of inventory valuation

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory?

Yes No. If "Yes," attach an explanation. Enter California sales permit number (if any)

SCHEDULE B—TAXES

NATURE OF TAX	TAXING AUTHORITY	AMOUNT
Franchise	State of Calif.	7,453
Personal Property	Co. of Orange	1,049
Total (to line 17, page 2)		8,502

SCHEDULE E—COMPENSATION OF OFFICERS

Complete columns 1 and 2 for principal officers even though no compensation paid.

1. Name of officer	2. Social Security number	3. Title	4. Time devoted to business	Percent of corporation stock owned		7. Amount of compensation	8. Expense account allowances
				5. Common	6. Preferred		
K. Donsbach			100%	50%		50,400	
E. Donsbach			100%	50%		25,400	
Total compensation of officers (to line 12, page 2)						75,800	

SCHEDULE F—BAD DEBTS—RESERVE METHOD

1. Income year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1975						
1976						
1977	36,038	870,812	-0-	-0-	-0-	-0-
1978	206,724	1,700,887	-0-	-0-	-0-	-0-
1979	77,776	763,354	52,961	-0-	36,961	16,000
1980						

SCHEDULE G—DEPRECIATION AND AMORTIZATION (attach a detailed schedule in support of each of the lines in this schedule)

Part A. DEPRECIATION CLAIMED		Part B.—AMORTIZATION CLAIMED	
	1. Under Federal Rev. Proc. 77-10	2. Other	
1. Straight line method		62,496	1. Pollution control facilities
2. Declining balance method			Cogeneration equipment
3. Sum of the years-digits method			Alternative Energy Equipment
4. Based on units of production			2. Research or experimental
5. Additional 1st year depreciation			3. Exploration and development
6. Other (specify)			4. Organizational
7. Total depreciation claimed		62,496	5. Trademark and trade name
8. Allowable for State purposes		62,496	6. Other (specify)
*9. Depreciation adjustment		-0-	7. Total amortization claimed
Total of line 9, columns 1 and 2			8. Allowable for State purposes
			*9. Amortization adjustment

* If line 7 is greater than line 8, enter difference at line 9 and also on line 33(b), page 2.
If line 8 is greater than line 7, enter difference at line 9 and also on line 38(a), page 2.

NOTE: If the Asset Guideline Class method (Fed. Rev. Proc. 77-10) is used for computing depreciation for State purposes, do NOT use the Lower Limit or Upper Limit (ADR) Ranges.

SCHEDULE L—BALANCE SHEETS

ASSETS	Beginning of income year		End of income year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
1. Cash		10,640		42,972
2. Trade notes and accounts receivable	206,724		77,477	
(a) Less allowance for bad debts		206,724	16,000	61,477
3. Inventories		30,248		276,574
4. Gov't obligations: (a) U.S. and instrumentalities (b) State, subdivisions thereof, etc.				
5. Other current assets (attach schedule)		26,667		20,951
6. Loans to stockholders/officers (attach schedule)				
7. Mortgage and real estate loans				
8. Other investments (attach schedule)				
9. Buildings and other fixed depreciable assets	317,425		363,547	
(a) Less accumulated depreciation	53,405	264,020	96,833	266,714
10. Depletable assets				
(a) Less accumulated depletion				
11. Land (net of any amortization)				
12. Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13. Other assets (attach schedule)		700		21,351
14. Total assets		538,999		690,139
LIABILITIES AND STOCKHOLDERS' EQUITY:				
15. Accounts payable				167,070
16. Mtges., notes, bonds payable in less than 1 yr.		107,237		106,310
17. Other current liabilities (attach schedule)		45,517		133,446
18. Loans from stockholders		146,844		129,832
19. Mtges., notes, bonds payable in 1 yr. or more		40,487		41,454
20. Other liabilities (attach schedule)		120,048		
21. Capital stock: (a) Preferred stock (b) Common stock		1,050		1,050
22. Paid-in or capital surplus (attach reconciliation)				
23. Retained earnings—Appropriated (attach sch.)				
24. Retained earnings—Unappropriated		77,811		110,977
25. Less cost of treasury stock		()		()
26. Total liabilities and capital		538,999		690,139

SCHEDULE M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1. Net income per books	12,534	7. Income recorded on books this year not included in this return (itemize)	
2. Federal income tax		(a) Tax-exempt interest \$	
3. Excess of capital losses over capital gains			
4. Taxable income not recorded on books this year (itemize)			
5. Expenses recorded on books this year not deducted in this return (itemize)		8. Deduction in this tax return not charged against book income this year (itemize)	
(a) Depreciation . . . \$		(a) Depreciation . . . \$	
(b) Depletion . . . \$		(b) Depletion . . . \$	
Franchise Tax	1,032	Franchise Tax	7,453
6. Total of lines 1 through 5	13,566	9. Total of lines 7 and 8	7,453
		10. Income (line 28, page 2)—line 6 less line 9	6,113

SCHEDULE M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24, Schedule L)

1. Balance at beginning of year	77,811	5. Distributions: (a) Cash	
2. Net income per books	12,264	(b) Stock	
3. Other increases (itemize)		(c) Property	
Adj Book Depreciatbn	14,216	6. Other decreases (itemize)	
Tax Refunds	7,464	1979 Correction	778
		7. Total of lines 5 and 6	778
4. Total of lines 1, 2, and 3	111,755	8. Balance at end of year (line 4 less line 7)	110,977