

U.S. Corporation Income Tax Return

For calendar year 1981 or other tax year beginning 11/1, 1981, ending 10/31, 1982
▶ For Paperwork Reduction Act Notice, see page 1 of the instructions

Check if a—
A. Consolidated return
B. Personal Holding Co.
C. Business Code No. (See page 9 of instructions)

5129

Use IRS label. Otherwise please print or type.
Name: **International Institute of Nat'l Health Sce.**
Number and street: **7422 Mount Joy**
City or town, State, and ZIP code: **Huntington Beach, CA 92647**

D. Employer identification number: **95-3106850**
E. Date incorporated: **1/17/77**
F. Total assets (see Specific instructions): **\$ 508,637**

Gross Income	1 (a) Gross receipts or sales \$ (b) Less returns and allowances \$ Balance ▶	1(c)	1,721,748
	2 Cost of goods sold (Schedule A) and/or operations (attach schedule)	2	696,451
	3 Gross profit (subtract line 2 from line 1(c))	3	1,025,297
	4 Dividends (Schedule C)	4	
	5 Interest on obligations of the United States and U.S. instrumentalities	5	
	6 Other interest	6	
	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(a), Part II (attach Form 4797)	9(b)	
	10 Other income (see instructions—attach schedule)	10	1,937
11 TOTAL income—Add lines 3 through 10	11	1,027,234	
Deductions	12 Compensation of officers (Schedule E)	12	17,900
	13 (a) Salaries and wages 13(b) Less WIN and jobs credit(s) Balance ▶	13(c)	410,053
	14 Repairs (see instructions)	14	33,731
	15 Bad debts (Schedule F if reserve method is used)	15	10,690
	16 Rents	16	39,092
	17 Taxes	17	9,369
	18 Interest	18	9,274
	19 Contributions (not over 5% of line 30 adjusted per instructions)	19	100
	20 Amortization (attach schedule)	20	
	21 Depreciation from Form 4562 (attach Form 4562) <u>66,007</u>, less depreciation claimed in Schedule A and elsewhere on return Balance ▶	21	66,007
	22 Depletion	22	
	23 Advertising	23	24,264
	24 Pension, profit-sharing, etc. plans (see instructions)	24	22,178
	25 Employee benefit programs (see instructions)	25	
26 Other deductions (attach schedule)	26	375,426	
27 TOTAL deductions—Add lines 12 through 26	27	1,018,084	
28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)	28	9,150	
29 Less: (a) Net operating loss deduction (see instructions—attach schedule) <u>29(a)</u>	29		
(b) Special deductions (Schedule C) <u>29(b)</u>	29		
30 Taxable income (subtract line 29 from line 28)	30	9,150	
Tax	31 TOTAL TAX (Schedule J)	31	None
	32 Credits: (a) Overpayment from 1980 allowed as a credit		
	(b) 1981 estimated tax payments		
	(c) Less refund of 1981 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 C3 for depository method of payment . (Check <input type="checkbox"/> if Form 2220 is attached. See instruction D.) ▶ \$.....	33	None	
34 OVERPAYMENT (subtract line 31 from line 32)	34		
35 Enter amount of line 34 you want: Credited to 1982 estimated tax ▶ Refunded ▶	35		

Please 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: _____
 Preparer's signature: **JONES, McGINTY & PARQUET** Check if self-employed Preparer's social security no. **443 20 1885**
AN ACCOUNTANCY CORPORATION
 Firm's name (or yours, if self-employed) and address: **7660 LIBERTY AVENUE** E.I. No. **951 3583975**
HUNTINGTON BEACH, CALIF 92647 ZIP code **92647**
 (714) 847-4044

1 Inventory at beginning of year 252,321
 2 Merchandise bought for manufacture or sale 159,094
 3 Salaries and wages 537,353
 4 Other costs (attach schedule) : 948,773
 5 Total—Add lines 1 through 4 252,322
 6 Inventory at end of year 696,451
 7 Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1
 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 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
 (e) If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? 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 and Special Deductions (See instructions for Schedule C)

	(A) Dividends received	(B) %	(C) Special deductions: multiply (A) X (B)
1 Domestic corporations subject to 85% deduction		85	
2 Certain preferred stock of public utilities		59.13	
3 Foreign corporations subject to 85% deduction		85	
4 Wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))		100	
5 Total—Add lines 1 through 4. See instructions for limitation		100	
6 Affiliated groups subject to the 100% deduction (section 243(a)(3))			
7 Other dividends from foreign corporations not included in lines 3 and 4			
8 Income from controlled foreign corporations under subpart F (attach Forms 3646)			
9 Foreign dividend gross-up (section 78)			
10 DISC or former DISC not included in line 1 (section 246(d))			
11 Other dividends			
12 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
13 Total dividends—Add lines 1 through 11. Enter here and on line 4, page 1			
14 Total deductions—Add lines 5 through 12. Enter here and on line 29(b), page 1			

Schedule E Compensation of Officers (See instruction for line 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	516-38-0442	100%	100%		17,900	
Total compensation of officers—Enter here and on line 12, page 1					17,900	

Schedule F Bad Debts—Reserve Method (See instruction for line 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		
1976						
1977						
1978						
1979						
1980						
1981						

Schedule J Tax Computation (See instructions for Schedule J on pages 7 and 8)

Note: Fiscal year corporations, see instructions on pages 10 and 11. Omit line 1, complete line 2(a) and, if applicable, line 2(b), and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.

1	Taxable income (line 30, page 1)		9,150
2	(a) Are you a member of a controlled group? <input 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) \$..... (ii) \$..... (iii) \$..... (iv) \$.....		
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"/>		1,479
4	(a) Foreign tax credit (attach Form 1118)		
	(b) Investment credit (attach Form 3468)	1,479	
	(c) Work incentive (WIN) credit (attach Form 4874)		
	(d) Jobs credit (attach Form 5884)		
	(e) Other credits (see instructions—attach forms and schedule)		
5	Total—Add lines 4(a) through 4(e)		1,479
6	Subtract line 5 from line 3		
7	Personal holding company tax (attach Schedule PH (Form 1120))		
8	Tax from recomputing prior-year investment credit (attach Form 4255)		
9	Minimum tax on tax preference items (see instructions—attach Form 4626)		
10	Total tax—Add lines 6 through 9. Enter here and on line 31, page 1		

Additional Information (See page 8 of instructions)

	Yes	No
G Did you claim a deduction for expenses connected with:		
(1) Entertainment facility (boat, resort, ranch, etc.)?		X
(2) Living accommodations (except employees on business)?		X
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h))		X
(4) Employees' families at conventions or meetings? If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))		X
(5) Employee or family vacations not reported on Form W-2?		X
H (1) Did you at the end of the tax 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	
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 tax year ending with or within your tax 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.		
(2) Did any individual, partnership, corporation, estate or trust at the end of the tax 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	
(a) Attach a schedule showing name, address, and identifying number. Sch E		
(b) Enter percentage owned		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions). If "Yes," enter owner's country		
(d) Enter highest amount owed by you to such owner during the year		

	Yes	No
(e) Enter highest amount owed to you by such owner during the year		
(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)		
I If you were a member of a controlled group subject to the provisions of section 1561, check the type of relationship: (1) <input type="checkbox"/> parent-subsidiary (2) <input type="checkbox"/> brother-sister (3) <input type="checkbox"/> combination of (1) and (2) (See section 1563.)		
J Refer to page 9 of instructions and state the principal: Business activity <u>Publishing-Management</u> Product or service <u>Nutrition Literature</u>		
K 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
L 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 instructions)?		X
M 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? If "Yes," you may have to file Forms 3520, 3520-A or 926.		X
N During this tax 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). 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.		X
O During this tax year was any part of your tax accounting records maintained on a computerized system?		X

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash		42,972		(22,054)
2 Trade notes and accounts receivable	77,477		54,219	
(a) Less allowance for bad debts	16,000	61,477	26,053	28,166
3 Inventories		276,674		251,472
4 Gov't obligations: (a) U.S. and instrumentalities (b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule) Prepaid Assets		20,951		12,770
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets	363,547		379,772	
(a) Less accumulated depreciation	96,833	266,714	162,840	216,932
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)		21,351		21,351
14 Total assets		690,139		508,637
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable		167,070		138,412
16 Mtges, notes, bonds payable in less than 1 year		106,310		86,688
17 Other current liabilities (attach schedule)		133,446		20,927
18 Loans from stockholders		129,832		104,037
19 Mtges, notes, bonds payable in 1 year or more		41,454		36,804
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock (b) Common stock	1,050	1,050		1,050
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated		110,977		118,719
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity		690,139		508,637

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

1 Net income per books	9,150	7 Income recorded on books this year not included in this return (itemize) (a) Tax-exempt interest \$	
2 Federal income tax			
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 in this return (itemize) (a) Depreciation \$ (b) Contributions carryover \$		8 Deductions in this tax return not charged against book income this year (itemize) (a) Depreciation \$ (b) Contributions carryover \$	
6 Total of lines 1 through 5	9,150	9 Total of lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less 9	9,150

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

1 Balance at beginning of year	110,977	5 Distributions: (a) Cash	
2 Net income per books	9,150	(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize) Prior yrs Income Tax	
			1,408
4 Total of lines 1, 2, and 3	120,127	7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less 7)	118,719

Computation of Investment Credit

▶ Attach to your tax return.
 ▶ Schedule B (Business Energy Investment Credit) on back.

Name(s) as shown on return

Lowell ... Institute of Natural H.S.

Identifying number

95-3106850

- PART I.—Elections**
- 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 and all later tax 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.)

		(1)	(2)	(3)	(4)		
1 Recovery Property		Line	Class of Property	Unadjusted Basis	Applicable Percentage	Qualified Investment (Column 2 x column 3)	
PART II.—Qualified Investment	Regular Percentage	(a)	3-year		60		
		(b)	Other	<i>15,487</i>	100	<i>15,847</i>	
	Used Property	(c)	3-year		60		
		(d)	Other		100		
	§48(q) Election to Reduce Credit (instead of adjusting basis) FY 1982-83 filers only (see instr.)	(e)	3-year		40		
		(f)	Other		80		
		(g)	3-year		40		
		(h)	Other		80		
2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)					2		
3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(2))					3		
4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(2))					4		
5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits)					5	<i>15,847</i>	
6 Qualified rehabilitation expenditures—Enter total qualified investment for:							
a 30-year-old buildings					6a		
b 40-year-old buildings					6b		
c Certified historic structures (Enter the Dept. of Interior assigned project number)					6c		
7 Corporations checking election box A above—add lines 5, 6a, 6b, and 6c					7		
PART III.—Tentative Regular Investment Credit	8 10% of line 5					8	<i>1,585</i>
	9 15% of line 6a					9	
	10 20% of line 6b					10	
	11 25% of line 6c					11	
	12 Corporations checking election box A (See Instruction D(1))—						
	a Basic 1% credit—Enter 1% of line 7 (1982-83 fiscal-year filers, see instructions for line 12)					12a	
	b Matching credit (not more than 0.5%)—Allowable percentage times adjusted line 7 (attach schedule)					12b	
	13 Credit from cooperative—Enter regular investment credit from cooperatives					13	
	14 Current year regular investment credit—Add lines 8 through 13					14	<i>1,585</i>
	15 Carryover of unused credits					15	<i>3,740</i>
16 Carryback of unused credits					16		
17 Tentative regular investment credit—Add lines 14, 15, and 16					17	<i>5,325</i>	
PART IV.—Tax Liability Limitations	18 a Individuals—From Form 1040, enter tax from line 38, page 2, plus any additional taxes from Form 4970					18	<i>1,479</i>
	b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts						
	c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3						
	d Other organizations—Enter tax before credits from return						
	19 a Individuals—From Form 1040, enter credits from lines 41 and 42 of page 2					19	<i>1,479</i>
	b Estates and trusts—From Form 1041, enter any foreign tax credit from line 27a						
	c Corporations (1120 filers)—From Form 1120, Schedule J, enter any foreign tax credit from line 4(a), plus any possessions tax credit from line 4(f)						
	d Other organizations—Enter any foreign or possessions tax credit						
	20 Income tax liability as adjusted (subtract line 19 from line 18)					20	<i>1,479</i>
	21 a Enter smaller of line 20 or \$25,000. See instruction for line 21					21a	<i>1,479</i>
b If line 20 is more than \$25,000—Enter 90% of the excess					21b		
22 Regular investment credit limitation—Add lines 21a and 21b					22	<i>1,479</i>	
23 Allowed regular investment credit—Enter the smaller of line 17 or line 22					23	<i>1,479</i>	
24 Business energy investment credit limitation—Subtract line 23 from line 20					24		
25 Business energy investment credit—From line 14 of Schedule B (Form 3468)					25		
26 Allowed business energy investment credit—Enter smaller of line 24 or line 25					26		
27 Total allowed regular and business energy investment credit—Add lines 23 and 26. Enter here and on Form 1040, line 43; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns					27	<i>1,479</i>	

Schedule B Business Energy Investment Credit

1 Enter on lines 1(a) through 1(e) your qualified investment in business energy property that is the kind listed in the instructions for line 1, column (3).

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 x column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 1/3	
	(d)	5 or more but less than 7			66 2/3	
	(e)	7 or more			100	

2 Total 10% energy investment property—Add lines 1(a) through 1(e), column (6) . . . | 2

3 Enter on lines 3(a) through 3(e) the basis in qualified hydroelectric generating property. Enter nameplate capacity of the property (see instructions for line 3) ▶

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 x column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 1/3	
	(d)	5 or more but less than 7			66 2/3	
	(e)	7 or more			100	

4 Total 11% energy investment property—Add lines 3(a) through 3(e), column (6) . . . | 4

5 Enter on lines 5(a) through 5(e) the basis in energy property that is solar equipment, wind equipment, ocean thermal equipment, or geothermal equipment. (See instructions for line 5, column (3).)

(1) Type of Property	Line	(2) Class of property or life years	(3) Code	(4) Unadjusted basis/ Basis	(5) Applicable Percentage	(6) Qualified investment (Column 4 x column 5)
Recovery	(a)	3-year			60	
	(b)	Other			100	
Nonrecovery	(c)	3 or more but less than 5			33 1/3	
	(d)	5 or more but less than 7			66 2/3	
	(e)	7 or more			100	

6 Total 15% energy investment property—Add lines 5(a) through 5(e), column (6) . . . | 6

7 Enter 10% of line 2 | 7

8 Enter 11% of line 4 | 8

9 Enter 15% of line 6 | 9

10 Cooperative credit—Enter business energy investment credit from cooperatives . . . | 10

11 Current year business energy investment credit—Add lines 7 through 10 | 11

12 Carryover of unused credit(s) | 12

13 Carryback of unused credit(s) | 13

14 Tentative business energy investment credit—Add lines 11 through 13. Enter here and on line 25 of Form 3468 | 14

Instructions for Schedule B (Form 3468)

Energy property must meet the same requirements as regular investment credit property, except that the provisions of sections 48(a)(1) and 48(a)(3) do not apply. See Instructions for Form 3468 for definitions and rules regarding regular investment credit property.

Energy property must be acquired new. See sections 46(a)(2)(C) and 48(l)(1) through (17) for details.

See section 48(l)(17) for special rules on public utility property, and section 48(l)(11) (as amended by the Crude Oil Windfall Profit Tax Act of 1980) for special rules on property financed by Industrial Development Bonds.

Specific Instructions

One Credit Only.—If property qualifies as more than one kind of energy property, you may take only one credit for the property.

Lines 1, 3, and 5—Type of Property.—For definition of recovery and nonrecovery

property, see the separate Instructions for Form 3468.

Line 1—Column (3).—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. If you enter more than one kind of property on a line, enter the code letter for each kind of property in column (3) and the code letter and dollar amount of each kind of property in the right hand margin.

The code letters are:

- a. Alternative energy property, including biomass property
- b. Specially defined energy property that reduces the energy consumed in an existing process, installed in connection with an existing industrial or commercial facility (see regulations section 1.48-9(f)).
- c. Recycling equipment
- d. Shale oil equipment
- e. Equipment to produce natural gas from geopressured brine
- f. Cogeneration equipment installed in an existing facility, but only if the cogeneration energy capacity of the facility is expanded. See section 48(l)(14).

g. Qualified intercity buses (see section 48(l)(16)(C) for the limitation on qualified investment for intercity buses based on the increase in operating seating capacity).

Line 3.—Figure your qualified investment in hydroelectric generating property. If the installed capacity is more than 25 megawatts, the 11% energy credit is allowed for only part of the qualified investment. See section 48(l)(13)(C).

In the space provided in line 3, enter the megawatts capacity of the generator as shown on the nameplate of the generator. **Line 5—Column (3).**—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. Be sure to put the code or codes on the line for the correct recovery period or life years as explained in the instruction for line 1, column (3).

- h. Solar equipment (but not passive solar equipment)
 - i. Wind equipment
 - j. Ocean thermal equipment
 - k. Geothermal equipment
- See sections 48(l)(4) and 48(l)(3)(A)(viii) and (ix) for definitions and special rules that apply to these kinds of property.

CORPORATION FRANCHISE OR INCOME TAX RETURN

or Income year begun 11/1 1981, and ended 10/31 1982

TYPE OF TAX (Check one)
[X] Franchise Tax
[] Income Tax
Total Assets From Balance Sheet on Federal Return \$

PLEASE AFFIX PREAMDRESSED LABEL, PRINT OR TYPE
International Institute of Natural Health Sciences
7422 Mount Joy
Huntington Beach, CA 92647
CORPORATION NUMBER (if label is not used): 0728068
Federal Employer Identification Number (FEIN) 95-3106850

Table with columns: SN, CN, PC, IYE, RC, CY, DE, CA, AC, RS, REMITTANCE

NOTICE: TO MEET FILING REQUIREMENTS, A COPY OF THE FEDERAL RETURN MUST BE ATTACHED

A. Date incorporated 1/1/77 Where? CA
B. Date began business in California or date income was first derived from California sources 1/1/77
C. Business group code no. (federal instructions) 5129
D. Principal business activity Publishing Management
E. Accounting method used Accrual
F. FIRST RETURN? [] New business [] Successor to previously existing business
G. FINAL RETURN? [] Dissolved [] Withdrawn [] Merge/Reorg.
H. Location of principal accounting records As Above
I. Is income included in a combined report of a unitary group? [] Yes [X] No

J. Has federal government redetermined your income tax liability for any prior year(s) which has not previously been reported? [] Yes [X] No
K. At any time during the income year, was more than 50% of voting stock:
(a) of this corporation owned by any single interest? [X] Yes [] No
(b) of another corporation owned by this corporation? [X] Yes [] No
(c) of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? [] Yes [] No
L. Did this corporation own real property in California on March 1, 1981? [] Yes [X] No

Table with 2 columns: Description and Amount. Rows include Net income for State purposes (6,772), TAX (650), BALANCE (650), TOTAL TAX (650), BALANCE DUE (773), OVERPAYMENT (773).

Under penalties of perjury, the undersigned declares: I have examined this return, and to my knowledge and belief, it is true, correct, and complete.

Date Signature of Officer Title Area Code/Telephone Number
JONES, MCGINTY & PAROLIET
AN ACCOUNTANCY CORPORATION
7660 LIBERTY AVENUE
HUNTINGTON BEACH, CALIF 92647
(714) 847-4044

STATE ADJUSTMENTS

1. From FEDERAL RETURN—Taxable income before net operating loss deduction and special deductions	9,150
2. Amount deducted for foreign or domestic tax on or according to or measured by income or profits	
3. Amount deducted for tax under provisions of the Bank and Corporation Tax Law	5,592
4. Interest on government obligations (see instruction B)	
5. Net capital loss carryover deducted on Federal Schedule D	
6. (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)	(7,790)
Amortization in excess of amount allowed under State law (Schedule G)	
Other adjustments (attach schedule)	
7. Total of lines 1 through 6	6,772
8. 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	
9. Capital losses not deducted on Federal Schedule D . . (attach schedule)	
10. Contributions in excess of allowable Federal deduction	
11. (a) Other deductions (attach schedule)	
(b) Adjustment to Federal wages due to Jobs Tax Credit	
12. Total of lines 8 through 11	
13. Net income after State adjustments (Subtract line 12 from line 7) enter on page 1, line 14 or, 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 page 1, line 14.	6,772

SCHEDULE A—TAX CREDITS

SCHEDULE B—TAXES

SCHEDULE A—TAX CREDITS		SCHEDULE B—TAXES		
1. Agricultural Irrigation Equipment		NATURE OF TAX	TAXING AUTHORITY	AMOUNT
2. Jobs Tax Credit(s)		Franchise Tax	CA	5,592
3. Pollution Abatement Equipment		Personal Prop.	Org. County	1,186
4. Vehicle Conversion to Alcohol Fuel		Real Estate	Org. County	2,591
5. Solar Pump				
6. Solar Energy				
7. Energy Conservation				
8. Ridesharing				
Total (Enter on page 1, line 20.)		Total		9,369

PERSONAL PROPERTY/BUSINESS LICENSE TAXES REQUIRED TO BE PAID IN CALIFORNIA DURING INCOME YEAR

SCHEDULES: T1 * PERSONAL PROPERTY TAXES

T2 * BUSINESS LICENSE TAXES

SCHEDULES: T1 * PERSONAL PROPERTY TAXES						T2 * BUSINESS LICENSE TAXES			
1. Date Paid Month Year		2. County or city to which paid	3. Code area (if on bill)	4. Type of property as specified on tax bill	5. Net assessed value (dollars)	1. Date paid Month Year		2. County or city to which paid	3. Amount paid
8	82	Orange							1,186

* Refer to instruction on page 12. If uncertain about interpreting tax bills, send photocopies with this return. Financial corporations with offset carryovers, see Instruction No. 17 on page 9. Schedule T may be used to support offsets.

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

Part A. DEPRECIATION CLAIMED		1. Under Federal Rev. Proc. 77-10	2. Other	Part B.—AMORTIZATION CLAIMED	
1. Straight line method				1. Pollution control facilities	
2. Declining balance method				Cogeneration equipment	
3. Sum of 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			66,007	5. Trademark and trade name	
8. Allowable for State purposes			73,977	6. Other (specify)	
*9. Depreciation adjustment			(7,970)	7. Total amortization claimed	
Total of line 9, columns 1 and 2			(7,970)	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 6 (b) above.
 If line 8 is greater than line 7, enter difference at line 9 and also on line 11 (a) above.
 NOTE: California has not adopted the Federal Accelerated Cost Recovery System (ACRS).

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.

WRITE
COLUMN

1	2	3		
OTHER DEDUCTIONS				
1	Auto Allow.		1254	1
2	Auto Exp.		< 1721 >	2
3	Auto Lease		2521	3
4	Royalty		6249	4
5	Commissions		7823	5
6	Promotion		2877	6
7	Meetings + Conventions		4333	7
8	Travel + Lodging		5168	8
9	Bank Charges		1418	9
10	Collection		1788	10
11	Dues + Subscriptions		831	11
12	Equip. Lease + Rental		27075	12
13	Insurance		23058	13
14	Freight-In		2749	14
15	Accounting + Legal		30637	15
16	Licence + permits		1136	16
17	Employee Recruitment		600	17
18	Miscellaneous		3039	18
19	Office		24612	19
20	Outside Service		12419	20
21	Postage		82492	21
22	Professional Services		12498	22
23	Promotion		1074	23
24	Payroll Taxes		38223	24
25	Telephones		64360	25
26	Travel		2930	26
27	Utilities		11972	27
28	Employee Welfare		4011	28
29				29
30	TOTAL OTHER DEDUCTIONS		<u><u>375426</u></u>	30
31				31
OTHER COSTS				
32	Purchases - Printing		32753	32
33	Freight out		41747	33
34	Direct Labor		750	34
35	Operating Supplies		71074	35
36	Outside Services		79409	36
37	Equipment Rental		41625	37
38				38
39	TOTAL OTHER COSTS		<u><u>537358</u></u>	39
40				40

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10/199

COLUMN WRITE

OTHER ASSETS:

1 Security Deposits
 2 Subsidiary Investments
 3 TOTAL OTHER ASSETS:

1700
 - 19651

 21351

OTHER CURRENT LIABILITIES:

6 Payroll Taxes
 7 Sales Tax
 8 Accrued Payroll
 9 Accrued Pension Plan
 10 Misc. Loans
 11 TOTAL OTHER CURRENT LIABILITIES:

< 10291 >
 1895
 7207
 17905
 4211

 20927

TAXES:

14 Franchise Tax
 15 Personal Property
 16 Real Property
 17 TOTAL TAXES

5592
 1186
 2591

 9369

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