

STATE OF SOUTH CAROLINA
IN THE
COURT OF APPEALS

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SC Court of Appeals

Appeal from the Court of Common Pleas
For Charleston County
Honorable J. C. Nicholson, Jr., Circuit Judge
Civil Action Nos.: 2010-CP-10-9096
And 2011-CP-10-8840
Appellate Case Tracking No. 2014-001247

Frank Gordon, Jr., Individually and as Trustee
of Dorothy S. Gordon (Deceased) Trust,

Respondent,

v.

Donald W. Lancaster,

Appellant.

**Record on Appeal
(Volume III)**

Stephen P. Groves, Sr., Esquire
S.C. Bar No. 007854
NEXSEN PRUET, LLC
205 King Street, Suite 400
Charleston, South Carolina 29401
Telephone: 843.720.1725
Telecopier: 843.414.8206
E-Mail: SGroves@nexsenpruet.com

John J. Dodds, III, Esquire
S.C. Bar No. 001707
CISA & DODDS
858 Lowcountry Boulevard, Suite 101
Mount Pleasant, South Carolina 29464
Telephone: 843.881.6530
E-Mail: john@cisadodds.com

Attorneys for the Appellant

Justin O'Toole Lucey, Esquire
S.C. Bar No. 15348
Stephanie D. Drawdy, Esquire
S.C. Bar No. 70205
JUSTIN O'TOOLE LUCEY, P.A.
415 Mill Street
Mt. Pleasant, So. Carolina 29464
Telephone: 843.849.8400
Telecopier: 843.849.8406
E-Mail: jlucey@lucey-law.com

Attorneys for the Respondent

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STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE NO. 2010-CP-10-9096

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

IN THE PROBATE COURT
CASE NO. 10-ES-10-0000494

FRANK GORDON, JR. as
Attorney-in-Fact for DOROTHY
GORDON,

Plaintiffs,

v.

JESSIE B. ATKINSON, Individually,
and as Personal Representative of the
Estate of EFFIE D. DREWS;
DONALD W. LANCASTER; and
SHIRRESE BROCKINGTON as
Special Administrator of the Estate
of RUDOLPH ROBERT DREWS,

Defendants.

AFFIDAVIT OF
DONALD W. LANCASTER

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JULIE J. ARMSTRONG
CLERK OF COURT

PERSONALLY APPEARED before me, Donald W. Lancaster, who, first being duly sworn, deposes and says as follows:

1. My name is Donald W. Lancaster and I am fifty-nine (59) years old. I graduated from Clemson University in 1974 with a Bachelor of Science in Financial Management. I am currently employed as a Business Analyst for Haynes, Inc. which provides contracting services for the United States Department of State.

2. My mother and Rudolph Robert Drews, were siblings. Uncle Bob, as I referred to him as, was born December 27, 1922. Uncle Bob was married to Effie D. Drews ("Aunt Effie") in 1943. Uncle Bob died September 25, 2007. Aunt Effie died February 27, 2010.

3. Uncle Bob owned and operated a construction business in Charleston, South

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Carolina known as "The Drews Company" from approximately 1946 until approximately 1992. At various times during high school and college, particularly during the summer, I worked for Uncle Bob at The Drews Company. During these times, I became very close with Uncle Bob and Aunt Effie.

4. After Hurricane Hugo in September, 1989, The Drews Company fell upon "hard times". In an effort to keep The Drews Company going, Uncle Bob associated with a man named Eddie Pelton. The plan was to begin performing larger, more lucrative jobs with the goal of generating more income. Unfortunately, Mr. Pelton proved unscrupulous, collecting deposits from customers, then ultimately skipping town with their money. Uncle Bob and The Drews Company were left "holding the bag" and were compelled to finish the jobs with no profit to be had. Uncle Bob and Aunt Effie began borrowing heavily on their home in an effort to pump money into The Drews Company. Unfortunately, things simply got worse as the Internal Revenue Service filed liens against Uncle Bob and The Drews Company for unpaid payroll taxes. Ultimately, Uncle Bob determined, after forty-six (46) years, it was time to quit. Uncle Bob sold what was left of the business to Dorsey Biller who had worked for Uncle Bob at The Drews Company as General Manager. Shortly thereafter, Uncle Bob and Aunt Effie decided to sell their residence in Edgewater Park to satisfy the various liens filed by the IRS and pay the outstanding loans associated with The Drews Company.

5. In April, 1992, Uncle Bob asked me to go to lunch with him. During lunch, Uncle Bob told me he and Aunt Effie had decided to sell their residence in Edgewater Park to pay off the IRS and other loans associated with The Drews Company. Uncle Bob figured he would have approximately \$100,000.00 left after selling his residence and inquired whether I would consider doing for him and Aunt Effie what I had done for my parents, namely, purchase him and Effie a home and allow them to live there during their lives. Uncle Bob offered to give me \$100,000.00 from the sale of the Edgewater Park residence which I would use to purchase the home he and Effie would live in during their lives.

Otherwise, it was clear he and Effie would not have enough money to buy another residence.

6. After selling their Edgewater Park residence, Uncle Bob and Aunt Effie gave me \$100,000.00. Uncle Bob and Aunt Effie subsequently located a residence at 17 Bainbridge Drive ("Bainbridge Drive"), Charleston, South Carolina, which Uncle Bob and Effie found suitable for their needs. On May 22, 1992, I purchased the Bainbridge Drive residence for the sum of \$160,000.00. I also spent approximately \$5,000.00 to replace the air conditioning system and perform some repairs to the residence. A copy of the Title to Real Estate reflecting my purchase of Bainbridge Drive is attached hereto as Exhibit "A" and incorporated herein by express reference. Also, on May 22, 1992, I entered into a written Agreement with Uncle Bob and Aunt Effie reflecting my purchase of Bainbridge Drive and acknowledging Uncle Bob and Aunt Effie's right to live in the residence during their lives. A copy of the Agreement is attached hereto as Exhibit "B" and incorporated herein by express reference. I paid the real property taxes associated with Bainbridge Drive while Uncle Bob and Aunt Effie paid for the utilities and hazard insurance. Following my purchase of Bainbridge Drive, Uncle Bob and Aunt Effie began living in the residence. Unfortunately, however, Uncle Bob and Aunt Effie had no income after closing The Drews Company and were paying their living expenses using credit cards. At various times between 1993 and 1995, Uncle Bob and Aunt Effie borrowed \$40,000.00 from me for, among other things, to pay off toward their credit card debt. A handwritten statement from Uncle Bob to me setting forth the date and amount of loans I made is attached hereto as Exhibit "C" and incorporated herein by express reference.

7. In April, 1995, Uncle Bob approached me about selling Bainbridge Drive and purchasing a one (1) story residence for him and Aunt Effie to live in. Uncle Bob's knee had deteriorated badly and he was unable to get up and down the stairs at Bainbridge Drive. Soon thereafter, Uncle Bob and Aunt Effie found a single story residence at 2 Nuffield Road, Charleston, South Carolina ("Nuffield

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Road”), which they found suitable. On May 16, 1995, I purchased Nuffield Road for \$125,000.00. I subsequently expended approximately \$14,500.00 for an air conditioning system, appliances and repairs to the residence. A copy of the Title regarding my purchase of Nuffield Road is attached hereto as Exhibit “D” and incorporated herein by express reference. As promised, I also entered into a written Agreement with Uncle Bob and Aunt Effie allowing them to live at Nuffield Road during their lives. A copy of the Agreement is attached hereto as Exhibit “E” and incorporated herein by express reference. I paid all the real property taxes for Nuffield Road while Uncle Bob and Aunt Effie paid the utilities and hazard insurance. Uncle Bob and Aunt Effie lived at Nuffield Road until their deaths in 2007 and 2010, respectively.

8. In addition to the \$40,000.00 in loans made to Uncle Bob and Aunt Effie between 1993 and 1995, I also loaned Uncle Bob and Aunt Effie \$20,000.00 in 1999 to pay off loans to First Citizens Bank and South Trust Bank associated with a failed business known as “Builders Station” which Uncle Bob started in 1996 with a man named Ray Beasley. Following this loan of \$20,000.00, Uncle Bob and Aunt Effie owed me \$63,738.11, which included the interest that had accrued on the loans.

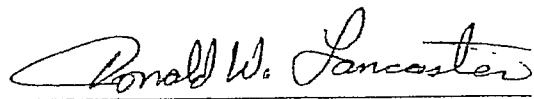
9. In November, 2001, Uncle Bob and Aunt Effie sold a warehouse property they owned at 1705 Meeting Street, Charleston, South Carolina to Charleston Antique District for \$190,000.00. Although most of the purchase price was financed, Uncle Bob and Aunt Effie were able to pay me \$10,693.63 from the sale proceeds, reducing their total loan balance to me to \$50,912.00. Following the sale to Charleston Antique District, Uncle Bob and Aunt Effie’s attorney, Kerry Koon, prepared a Promissory Note in the sum of \$50,912.00 which Aunt Effie signed, as well as an Assignment of the Charleston Antique District Mortgage to secure my Note. A copy of the Note and Assignment are attached hereto as Exhibits “F” and “G”, respectively.

10. In September, 2005, Charleston Antique District sold 1705 Meeting Street. I was paid \$35,621.12, which was the balance due on the loans I had made to Uncle Bob and Aunt Effie, as set forth the Promissory Note signed by Aunt Effie on November 7, 2011.

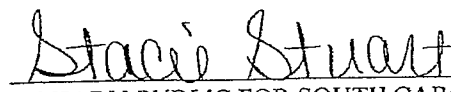
11. Attached hereto as Exhibit "H" is an itemization of all loans from me to Uncle Bob and Aunt Effie, calculations of interest owed on such loans, monies paid on such loans and the balances due thereon, which said exhibit is incorporated herein by express reference.

12. That the Plaintiff secured a Judgment against Uncle Bob on or about December 1, 2001, as a result of Plaintiff's purchase of stock in the failed business known as "Builders Station". A copy of the Judgment is attached hereto as Exhibit "I" and incorporated herein by express reference. As noted in the Order of Judgment, Plaintiff did not purchase shares of stock in Builders Station until September 9, 1996. Like the Plaintiff, I had purchased \$30,000.00 in stock in Builders Station from Uncle Bob and Mr. Beasley, only to learn later that the stock was worthless and that the sale of the stock was not done in accordance with South Carolina law.

13. In all my dealings with Uncle Bob and Aunt Effie, I was always fair and attempted to do the right thing. I have never participated in any transaction or scheme to defraud the Plaintiff. All the monies paid to me by Uncle Bob and Aunt Effie were in consideration of loans I made to them over the years.


DONALD W. LANCASTER

SWORN to before me this
21st day of February, 2012.


NOTARY PUBLIC FOR SOUTH CAROLINA
My commission expires: 3-17-2015

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT, ROBERT B. AVERY, in the State aforesaid, for and in consideration of the sum of ONE HUNDRED SIXTY THOUSAND AND NO/100S (\$160,000.00), to me in hand paid at and before the sealing of these presents by DONALD W. LANCASTER, in the State aforesaid, for which the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said DONALD W. LANCASTER, his heirs and assigns, forever, in fee simple, the following described real property, to-wit:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section 1, as shown and designated on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section 1, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated and recorded in Plat Book R, Page 94.

This being the same property as conveyed to Robert B. Avery by deed of Richard H. Lee and Virginia G. Lee dated July 15, 1980 and recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina in Book W-122 at Page 263.

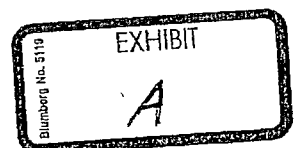
Grantee's Address: [REDACTED] Drive, Charleston, SC 29407

TMS #: 415-03-00-135

TOGETHER with all and singular, the Rights, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises

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before mentioned unto the said DONALD W. LANCASTER, his Heirs and Assigns forever.

AND I do hereby bind myself and my Heirs, Personal Representatives, Executors and Administrators, to warrant and forever defend, all and singular, the said Premises unto the said DONALD W. LANCASTER, his Heirs and Assigns, against me and my Heirs, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

WITNESS my Hand and Seal, this 22nd day of May in the year of our Lord one thousand nine hundred and ninety-two (1992) and in the two hundred and sixteenth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Diane C. Jaeger
Lee W. Ailshie

Robert B. Avery
ROBERT B. AVERY

SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me _____ and made oath that _____ saw the within named ROBERT B. AVERY, sign, seal, and as his act and deed, deliver the within written Deed, and that _____ with Lee W. Ailshie witnessed the execution thereof.

Diane C. Jaeger

SWORN to before me, this 22nd
day of May, 1992.

John W. Allshouse
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 10-31-98

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

AGREEMENT

WHEREAS, on May 22, 1992, Donald W. Lancaster, ~~R. R. Drews and Effie D. Drews~~ purchased the real property known as Lot 22, Block A, Charlestowne Estates Subdivision, Section I, Charleston County, South Carolina, from Robert B. Avery for the purchase price of \$160,000.00; and

WHEREAS, it is the intent of the parties hereto to grant R. R. Drews and Effie D. Drews a life estate in the hereinafter described real property;

This Agreement is entered into this 22nd day of May, 1992, by and between Donald W. Lancaster, R. R. Drews and Effie D. Drews.

That DONALD W. LANCASTER, in consideration of the sum of TEN (\$10.00) AND NO/100S DOLLARS and love and affection for my uncle and aunt, to me in hand paid by R. R. DREWS AND EFFIE D. DREWS in the State aforesaid (the receipt of which is hereby acknowledged) has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said R. R. DREWS AND EFFIE D. DREWS, a life estate in fee simple, in the following described real property, to-wit:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section I, as shown and designated on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section I, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated and recorded in Plat Book R, Page 94.

TOGETHER with all and singular, the Rights, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said R. R. DREWS AND EFFIE D. DREWS, a life estate in fee simple.

And Witness my hand and seal this 22nd day of May, 1992

Donald W. Lancaster
Donald W. Lancaster

Jimmy A. Hoover
[Signature]

ACKNOWLEDGED:

R. R. Drews
R. R. Drews

Effie D. Drews
Effie D. Drews

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STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Personally appeared before me TAMM A. HOOVER who, after
being duly sworn, says that s/he saw DONALD W. LANCASTER sign
the within written Agreement and as his act and deed deliver the same, and that
s/he with LEE W. AILSHIE witnessed the execution thereof.

Tammy A. Hoover

Sworn to before me this 22ND
day of MAY, 1992

[Signature]
Notary Public for South Carolina
My Commission Expires: _____

Donald W. Lancaster

2-6-93 Loan \$5,000.00

4-14-93 Loan 3,000.00

7-9-93 Loan 7,000.00

8-28-93 Loan 6,000.00

12-21-93 Loan 3,000.00

1-18-94 Loan (top) 6,000.00

6-20-94 Loan 5,000.00

1-30-95 Loan (Bus) 5,000.00

\$40,000.00

773



STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT WE, WILLIAM L. JOYE, JR. and KAREN JOYE PAYNE, in the State aforesaid, for and in consideration of the sum of ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/HUNDREDS DOLLARS (\$125,000.00) to us in hand paid at and before the sealing of these presents by DONALD W. LANCASTER in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said DONALD W. LANCASTER, his Heirs and Assigns forever, the following described real property, to wit:

ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot 12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property as was conveyed to the Grantors herein by deed of distribution from William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248), dated September 4, 1994, and recorded February 6, 1995, in Book G252, Page 591, in the R.M.C. Office for Charleston County.

TMS # 352-07-00-032

PROPERTY STREET ADDRESS: [REDACTED] Road
Charleston SC 29407

774



TOGETHER with all and singular the Rights, Member, Heridita-
ments and Appurtenances to the said Premises belonging or in
anywise incident or appertaining.

TO HAVE AND HOLD, all and singular, the said Premises before
mentioned unto the said DONALD W. LANCASTER, his Heirs and Assigns
forever.

AND we do hereby bind ourselves, our Heirs, Assigns, Executors
and Administrators, to warrant and forever defend, all and
singular, the said Premises unto the said DONALD W. LANCASTER, his
Heirs and Assigns, against us and our Heirs, and all persons
whomsoever lawfully claiming, or to claim the same or any part
thereof.

WITNESS our Hands and Seals, this 16th day of May in the year
of our Lord One Thousand Nine Hundred and Ninety-Five and in the
two hundred and éighteenth year of the Sovereignty and Independence
of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Witness

Witness

Witness

Witness

WILLIAM L. JOYE, JR.

KAREN JOYE PAYNE

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, did depose and say that s/he saw the within named WILLIAM L. JOYE, JR. sign, seal and, as his act and deed, deliver the within written Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

Wray P. Hutchison

SWORN TO BEFORE ME THIS
16th day of May, 1995.

Notary Public, of South Carolina

My Commission Expires: 7-1-2001

STATE OF GEORGIA)
COUNTY OF Cobb)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, did depose and say that s/he saw the within named KAREN JOYE PAYNE sign, seal and, as her act and deed, deliver the within written Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

Arnold J. Maki

SWORN TO BEFORE ME THIS
15 day of May, 1995.

Marion C. Brown
Notary Public of Georgia
My Commission Expires: _____

Notary Public, Cobb County, Georgia.
My Commission Expires May 26, 1997

lease return to

Ray Hutchins

147 Wappoo Creek Dr

Suite 601

Charleston SC 29412

(Encl.)

7/10/95

EX L 255PG131

FILED

L255-127 /
95 MAY 17 AM 11:10

CHARL L. LUTHERAND
REGISTER
CHARLESTON COUNTY SC

10.00

325.00

137.50

472.50 B

TMS VERIFIED	
BAC	<i>M.A.</i>
DTD	<i>5/19/95</i>

recorded this 17 day of May 1995
On Property Record Card

Roggy A. Moultrie
Auditor Charleston Town

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

MEMORANDUM OF LEASE
AND SUBORDINATION AGREEMENT

THIS MEMORANDUM OF LEASE, entered as of this 17th day of May, 1995, by and among Donald W. Lancaster, [REDACTED] Avenue, Mount Pleasant SC 29464 (hereinafter the "Lessor"), and R. R. Drews and Effie D. Drews, [REDACTED] Drive, Charleston SC 29407 (hereinafter the "Lessees"), witnesseth as follows:

WHEREAS, Lessor owns real property including buildings and improvements located at 2 Nuffield Road, Charleston SC 29407 (TMS # 352-07-00-032), which property is more particularly described on Exhibit A attached hereto and incorporated herein by reference (hereinafter the "Property"), the deed to which Property was dated and recorded May 17, 1995, in Book L255, Page 127, in the R.M.C. Office for Charleston County; and

WHEREAS, Lessor has executed a mortgage in favor of the National Bank of South Carolina (hereinafter "NBSC"), which mortgage, dated and recorded May 17, 1995, in Book L255, Page 446, in the R.M.C. Office for Charleston County, constitutes a first and paramount lien on the Property; and

WHEREAS, Lessor has leased the Property to Lessees pursuant to terms and conditions set forth in an unrecorded lease, a memorandum of which the parties hereto have agreed to place on the public record;

NOW, THEREFORE, in consideration of the sum of Ten and No/Hundreds Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessees hereby agree as follows:

1. Term of Lease. Lessor has granted to Lessees, and Lessees have received from Lessor, a life tenancy in the Property beginning as of the date hereof.

2. Subordination of Lease to Mortgage. Lessees acknowledge that Lessor has executed a mortgage to NBSC, which mortgage constitutes a first and paramount lien on the Property; and Lessees hereby subordinate their leasehold interest in the Property to the lien of the NBSC mortgage.



IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date first written above.

LeRoy P. Hutchinson
Witness
[Signature]
Witness

"LESSOR"
Donald W. Lancaster
Donald W. Lancaster

"LESSEES"

LeRoy P. Hutchinson
Witness
[Signature]
Witness

R. R. Drews
R. R. Drews
Ellie D. Drews
Ellie D. Drews

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw DONALD W. LANCASTER sign, seal and as his act and deed deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

LeRoy P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

[Signature]
Notary Public for South Carolina
My Commission Expires: 10/24/04

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw R. R. DREWS sign, seal and deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

W. P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

W. P. Hutchinson
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw EFFIE D. DREWS sign, seal and deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

W. P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

W. P. Hutchinson
Notary Public for South Carolina
My Commission Expires: 10/24/04

EXHIBIT A

ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot .12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property conveyed to Donald W. Lancaster —
by deed of William L. Joye, Jr. and Karen Joye Payne dated May 17, 1995, and recorded May 17, 1995, in Book L255, Page 127 in the R.M.C. Office for Charleston County; and being the same property conveyed to William L. Joye, Jr. and Karen Joye Payne by deed of distribution from William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248), dated January 31, 1995, and recorded February 6, 1995, in Book G252, Page 591, in the R.M.C. Office for Charleston County.

Please return to
Roy Hutchinson
John Martin & Associates
147 Wappler Creek Drive
Suite 601
Charleston SC 29412

(Encl)

J.H.V.

BA Z255PF.23

10-6

FILED

Z255-119

95 JUN -1 AM 11:38

CHARLES H. GRAND
REGISTER
CHARLESTON COUNTY SC

South Carolina

\$ 50,912.00

November 18, 2001

FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of _____

DONALD W. LANCASTER

at MOUNT PLEASANT, South Carolina, in lawful money of the United States of America,
the principal sum of

Fifty Thousand Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars,
together with interest at the rate of five percent (5.00%) per
annum, payable in one hundred twenty equal, consecutive monthly
installments of principal and interest of Five Hundred Forty and
00/100 (\$540.00) Dollars, commencing December 6, 2001, and
continuing the sixth day of each month until fully paid. 7 C.B.

This note may be prepaid without penalty.

January 6, 2002 D.A.

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

It is expressly agreed and declared that this note is given for an actual loan of Fifty Thousand
Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars.

This note is secured by a mortgage of even date conveying property in Charleston
County, South Carolina.

Witness the hand and seal of each of the signers hereof.

Witness:

Wynne K. Koon
Shera Blacklock

Effie M. Drews (L.S.)
EFFIE M. DREWS
D. (L.S.)

784



8
X K 1965

L. K. 1965

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

For good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Effie D. Drews, hereby grants, sells, bargains, conveys and assigns unto Donald W. Lancaster, that certain mortgage of Charleston's Antiques District, LLC, to Rudolph Robert Drews dated November 7th, 2001, and recorded in the RMC Office for Charleston County in Book H387, Page 431.

This assignment is made to secure the repayment of a Note to the said Donald W. Lancaster dated November 6, 2001, and shall become null and void upon payment in full of the Note.

WITNESS my hand and seal this 7th day of November, 2001.

[Signature]
Lorena Blacklocke

[Signature]
EFFIE D. DREWS

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

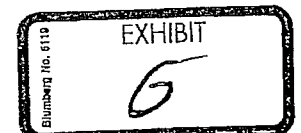
EFFIE D. DREWS

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 7th day of November, 2001.

[Signature]
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

785



DODDS & HENNESSY, L.L.P.
ATTORNEYS AT LAW

DK K 387PG066

asst
b.w
A

FILED

K387-65

2001 NOV -8 AM 10:35

CHARLES LEONARD
REGISTER
CHARLESTON COUNTY SC

ASSIGNMENT

786

RRD Note -- 3/01/95						Rev 2/03/97	
\$40,000 compounded annually @ 7.00% from 3/01/95, date of the note							
				Interest	Interest	Total Balance	
				current	cumulative	Due	
No Days 7% / 365							
Forward					\$3,603.49		
02/28/95	\$40,000						
1995							
03/31/95	\$40,000	31	0.00019178	\$237.81	\$3,841.30	\$40,000.00	
04/30/95	\$40,000	30	0.00019178	230.14	\$4,071.43	\$40,230.14	
05/31/95	\$40,000	31	0.00019178	237.81	\$4,309.24	\$40,467.95	
06/30/95	\$40,000	30	0.00019178	230.14	\$4,539.38	\$45,007.33	
							(\$3,000.00) paid interest 8/03/96
							(\$100.00) paid interest 11/29/96
							(\$300.00) paid interest 2/03/97
07/31/95	\$40,000	31	0.00019178	237.81	\$1,139.38	\$46,146.71	
08/31/95	\$40,000	31	0.00019178	237.81	\$1,377.18	\$46,384.51	
09/30/95	\$40,000	30	0.00019178	230.14	\$1,607.32	\$46,614.65	
10/31/95	\$40,000	31	0.00019178	237.81	\$1,845.13	\$46,852.46	
11/30/95	\$40,000	30	0.00019178	230.14	\$2,075.26	\$47,082.59	
12/31/95	\$40,000	31	0.00019178	237.81	\$2,313.07	\$47,320.40	
				\$2,347.39	=====		
1996	(\$40,000 + \$2,347 1995 interest = \$42,347)						
1/31/96	\$42,347	31	0.00019178	\$251.76	\$251.76	\$47,572.16	
2/29/96	\$42,347	29	0.00019178	235.52	\$487.28	\$47,807.68	
3/31/96	\$42,347	31	0.00019178	251.76	\$739.04	\$48,059.44	
4/30/96	\$42,347	30	0.00019178	243.64	\$982.68	\$48,303.08	
5/31/96	\$42,347	31	0.00019178	251.76	\$1,234.44	\$48,554.84	
6/30/96	\$42,347	30	0.00019178	243.64	\$1,478.08	\$48,798.48	
7/31/96	\$42,347	31	0.00019178	251.76	\$1,729.84	\$49,050.24	
8/31/96	\$42,347	31	0.00019178	251.76	\$1,981.60	\$49,302.00	
9/30/96	\$42,347	30	0.00019178	243.64	\$2,225.24	\$49,545.64	
10/31/96	\$42,347	31	0.00019178	251.76	\$2,477.00	\$49,797.40	
11/30/96	\$42,347	30	0.00019178	243.64	\$2,720.64	\$50,041.04	
12/31/96	\$42,347	31	0.00019178	251.76	\$2,972.40	\$50,292.80	
		366		\$2,972.40	=====		

788

RRD Note -- 3/01/95							Rev. 12/31/98
\$40,000 compounded annually @ 7.00% from 3/01/95, date of the note							

785

6/07/99 balance	+	\$5,000 to RD to pay off First Citizens	+	\$15,000 to SouthTrust

Payment due on 1st, by 10th

	Balance

790

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2002									
12/8/01 - 1/7/02	\$50,912.00	0.416667%	5.00%	\$212.13	\$212.13	\$51,124.13	\$540.00	01/07/2002	01/07/2002
1/8 - 2/7/02	\$50,584.13	0.416667%	5.00%	\$210.77	\$422.90	\$50,794.90	\$540.00	02/07/2002	02/07/2002
2/8 - 3/7/02	\$50,254.90	0.416667%	5.00%	\$209.40	\$632.30	\$50,464.30	\$540.00	03/07/2002	03/15/2002
3/8 - 4/7/02	\$49,924.30	0.416667%	5.00%	\$208.02	\$840.31	\$50,132.31	\$540.00	04/07/2002	05/13/2002
4/8 - 5/7/02	\$49,592.31	0.416667%	5.00%	\$206.63	\$1,046.95	\$49,798.95	\$540.00	05/07/2002	05/13/2002
5/8 - 6/7/02	\$49,258.95	0.416667%	5.00%	\$205.25	\$1,252.19	\$49,464.19	\$540.00	06/07/2002	06/14/2002
6/8 - 7/7/02	\$48,924.19	0.416667%	5.00%	\$203.85	\$1,456.04	\$49,128.04	\$540.00	07/07/2002	07/08/2002
7/8 - 8/7/02	\$48,588.04	0.416667%	5.00%	\$202.45	\$1,658.50	\$48,790.50	\$540.00	08/07/2002	08/12/2002
8/8 - 9/7/02	\$48,250.50	0.416667%	5.00%	\$201.04	\$1,859.54	\$48,451.54	\$540.00	09/07/2002	10/10/2002
9/8 - 10/7/02	\$47,911.54	0.416667%	5.00%	\$199.63	\$2,059.17	\$48,111.17	\$540.00	10/07/2002	11/30/2002
10/8 - 11/7/02	\$47,571.17	0.416667%	5.00%	\$198.21	\$2,257.38	\$47,769.38	\$540.00	11/07/2002	12/26/2002
11/8 - 12/7/02	\$47,229.38	0.416667%	5.00%	\$196.79	\$2,454.17	\$47,426.17	\$540.00	12/07/2002	01/28/2003
				\$2,454.17			\$6,480.00		

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate. 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2003									
12/8/03 - 1/7/03	\$46,886.17	0.416667%	5.00%	\$195.36	\$195.36	\$47,081.53	\$540.00	01/07/2003	12/31/2003
1/8 - 2/7/03	\$46,541.53	0.416667%	5.00%	\$193.92	\$389.28	\$46,735.45	\$540.00	02/07/2003	12/31/2003
2/8 - 3/7/03	\$46,195.45	0.416667%	5.00%	\$192.48	\$581.76	\$46,387.94	\$540.00	03/07/2003	12/31/2003
3/8 - 4/7/03	\$45,847.94	0.416667%	5.00%	\$191.03	\$772.80	\$46,038.97	\$540.00	04/07/2003	12/31/2003
4/8 - 5/7/03	\$45,498.97	0.416667%	5.00%	\$189.58	\$962.38	\$45,688.55	\$540.00	05/07/2003	12/31/2003
5/8 - 6/7/03	\$45,148.55	0.416667%	5.00%	\$188.12	\$1,150.49	\$45,336.67	\$540.00	06/07/2003	12/31/2003
6/8 - 7/7/03	\$44,796.67	0.416667%	5.00%	\$186.65	\$1,337.15	\$44,983.32	\$540.00	07/07/2003	12/31/2003
7/8 - 8/7/03	\$44,443.32	0.416667%	5.00%	\$185.18	\$1,522.33	\$44,628.50	\$540.00	08/07/2003	12/31/2003
8/8 - 9/7/03	\$44,088.50	0.416667%	5.00%	\$183.70	\$1,706.03	\$44,272.20	\$540.00	09/07/2003	12/31/2003
9/8 - 10/7/03	\$43,732.20	0.416667%	5.00%	\$182.22	\$1,888.25	\$43,914.42	\$540.00	10/07/2003	12/31/2003
10/8 - 11/7/03	\$43,374.42	0.416667%	5.00%	\$180.73	\$2,068.97	\$43,555.15	\$540.00	11/07/2003	12/31/2003
11/8 - 12/7/03	\$43,015.15	0.416667%	5.00%	\$179.23	\$2,248.20	\$43,194.38	\$540.00	12/07/2003	12/31/2003
				\$2,248.20			\$6,480.00		

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2004									
12/8/03 - 1/7/04	\$42,654.38	0.416667%	5.00%	\$177.73	\$177.73	\$42,832.10	\$540.00	01/07/2004	01/13/2004
1/8 - 2/7/04	\$42,292.10	0.416667%	5.00%	\$176.22	\$353.94	\$42,468.32	\$540.00	02/07/2004	02/10/2004
2/8 - 3/7/04	\$41,928.32	0.416667%	5.00%	\$174.70	\$528.64	\$42,103.02	\$540.00	03/07/2004	03/16/2004
3/8 - 4/7/04	\$41,563.02	0.416667%	5.00%	\$173.18	\$701.82	\$41,736.20	\$540.00	04/07/2004	04/10/2004
4/8 - 5/7/04	\$41,196.20	0.416667%	5.00%	\$171.65	\$873.48	\$41,367.85	\$540.00	05/07/2004	05/24/2004
5/8 - 6/7/04	\$40,827.85	0.416667%	5.00%	\$170.12	\$1,043.59	\$40,997.97	\$540.00	06/07/2004	06/10/2004
6/8 - 7/7/04	\$40,457.97	0.416667%	5.00%	\$168.57	\$1,212.17	\$40,626.54	\$540.00	07/07/2004	07/10/2004
7/8 - 8/7/04	\$40,086.54	0.416667%	5.00%	\$167.03	\$1,379.19	\$40,253.57	\$540.00	08/07/2004	08/19/2004
8/8 - 9/7/04	\$39,713.57	0.416667%	5.00%	\$165.47	\$1,544.67	\$39,879.04	\$540.00	09/07/2004	09/14/2004
9/8 - 10/7/04	\$39,339.04	0.416667%	5.00%	\$163.91	\$1,708.58	\$39,502.96	\$540.00	10/07/2004	06/10/2005
10/8 - 11/7/04	\$38,962.96	0.416667%	5.00%	\$162.35	\$1,870.92	\$39,125.30	\$540.00	11/07/2004	06/10/2005
11/8 - 12/7/04	\$38,585.30	0.416667%	5.00%	\$160.77	\$2,031.70	\$38,746.07	\$540.00	12/07/2004	06/10/2005
				\$2,031.70			\$6,480.00		

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2005									
12/8/04 - 1/7/05	\$38,206.07	0.416667%	5.00%	\$159.19	\$159.19	\$38,365.27	\$540.00	01/07/2005	06/10/2005
1/8 - 2/7/05	\$37,825.27	0.416667%	5.00%	\$157.61	\$316.80	\$37,982.87	\$540.00	02/07/2005	06/10/2005
2/8 - 3/7/05	\$37,442.87	0.416667%	5.00%	\$156.01	\$472.81	\$37,598.88	\$540.00	03/07/2005	06/10/2005
3/8 - 4/7/05	\$37,058.88	0.416667%	5.00%	\$154.41	\$627.22	\$37,213.29	\$540.00	04/07/2005	06/10/2005
4/8 - 5/7/05	\$36,673.29	0.416667%	5.00%	\$152.81	\$780.03	\$36,826.10	\$540.00	05/07/2005	06/10/2005
5/8 - 6/7/05	\$36,286.10	0.416667%	5.00%	\$151.19	\$931.22	\$36,437.29	\$540.00	06/07/2005	07/19/2005
6/8 - 7/7/05	\$35,897.29	0.416667%	5.00%	\$149.57	\$1,080.79	\$36,046.86	\$540.00	07/07/2005	07/19/2005
7/8 - 8/7/05	\$35,506.86	0.416667%	5.00%	\$147.95	\$1,228.74	\$35,654.81	\$35,621.12	08/07/2005	09/29/2005
8/8 - 9/7/05	\$33.69	write off		(\$33.69)	\$1,195.05	\$0.00			
9/8 - 10/7/05	\$0.00								
10/8 - 11/7/05	\$0.00								
11/8 - 12/7/05	\$0.00								
				\$1,195.05			\$39,401.12		

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ORIGINAL

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE No. 99-CP-10-1407

2001 DEC -5 PM 3:30
L.C. Mr. W. Koon

FRANK GORDON, JR. as attorney-in-fact
for DOROTHY GORDON,

Plaintiff,

vs.

RUDOLPH ROBERT DREWS, and
RAYMOND BEASLEY

Defendants.

ORDER GRANTING JUDGMENT IN FAVOR OF PLAINTIFF

Plaintiff's Attorney:	Justin Lucy
Defendant Drew's Attorney:	Kerry W. Koon
Defendant Beasley:	<i>Pro se</i>
Date of Hearing:	December 3-4, 2001

BACKGROUND

The plaintiff's complaint alleges both defendants violated S.C. Code §§ 35-1-1490 and 1500 arising out of a sale of stock in a closely-held corporation called Builders Station, Inc. The plaintiff also alleges both defendants misrepresented material facts when he purchased the stock, and he further alleges the defendant Drews breached fiduciary duties owed to him arising out of that stock sale. Drews denied all of the allegations. Beasley, in a *pro se* answer, admitted the allegations were true, but declared it was all Drews' fault. The matter was referred to this court for final disposition by order of Judge Gregory on January 29, 2001.

FINDINGS OF FACTS

Based upon the record in this action and the evidence produced at trial, this court finds the following facts to have been established for the purposes of the record in this proceeding:



1. In 1996, the defendants were the original incorporators of a corporation called Builders Station, Inc. ("Builders Station").
2. In order to open a store called Builders Station, they decided to capitalize the business by selling stock in the company for \$1,000 per share.
3. Under the terms of an agreement with the corporation, the defendants were to receive one-half of a share of stock each for every share of stock sold to investors.
4. The defendants did not register these securities with the Securities Commissioner of _____ South Carolina.
5. Both defendants found investors who purchased shares of stock in Builders Station.
6. Both defendants received one-half of a share of stock for each share of stock sold to these investors.
7. On September 9, 1996, the plaintiff purchased 50 shares of stock in Builders Station in consideration of the sum of \$50,000.00.
8. A preponderance of the evidence shows the defendants represented to the plaintiff the status of the Small Business Administration ("SBA") loan when the plaintiff purchased stock in Builders Station was that it was a "done deal" or "in the bag." This finding is based upon the testimony of the plaintiff and the defendant Beasley.
9. This representation about the status of the SBA loan was a material fact upon which the plaintiff relied when he purchased stock on behalf of his mother in Builders Station.
10. A preponderance of the evidence shows the defendants did not know the SBA was going to require all or almost all of the defendant Drews' property as collateral for the loan at the time the defendants represented to the plaintiff that the SBA loan was a "done deal" or "in the bag" on or before September 9, 1996. This finding of fact is based on several pieces of evidence. First, the defendant Drews testified that he did not know he was going to be required to pledge all of the property the SBA loan commitment required until September 27, 1996, which was the date he received the SBA loan

commitment letter dated September 25, 1996 from Business Development Corporation ("BDC"). Second, there is no documentary evidence which shows the SBA would require Drews to pledge his property at the time of the loan application, and the documentary evidence placed in evidence does not give Drews any notice of such a requirement prior to the September 25, 1996 letter. In fact, a BDC letter to Drews of September 9, 1996 only mentions the lender was concerned about the store's inventory when mentioning collateral. Third, none of the corporate minutes prior to September 25, 1996 indicate the corporation expected Drews use his property as collateral for the SBA loan. Fourth, there was no testimony from any of the loan brokers who procured the SBA loan about what they had made Drews aware of prior to September 25, 1996 concerning what property was expected to be used collateral for the loan. Finally, the corporation's attorney testified that he had no indication the SBA was seeking to have Drews use his property as collateral prior to September 25, 1996.

CONCLUSIONS OF LAW

Under S.C. Code § 35-1-50, the defendants were required to file with the Securities Commissioner of South Carolina "any prospectus, pamphlet, circular, form letter, advertisement or other sales literature or advertising communication addressed or intended for distribution to prospective investors . . . unless the security or transaction is exempted by Section 35-1-310 or 35-1-320, or the security is a federal covered security or the transaction is with respect to a federal covered security." S.C. Code § 35-1-810 makes it unlawful "for any person to offer or sell any security in this State unless (a) it is registered under this chapter, (b) the security or transaction is exempted under Section 35-1-310 or 35-1-320, or (c) it is a federal covered security."

S.C. Code §35-1-320(9), which is known as the limited offering exception, provides that:

Any transaction pursuant to an offer directed by the offeror to not more than twenty-five persons . . . in this State during any period of twelve consecutive months, whether or not the offeror or any of the offerees is then present in this State, if (a) the seller reasonably

believes that all the buyers in this State . . . are purchasing for investment and (b) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this State

Under S.C. Code § 35-1-340, the defendants have the burden of proving they are entitled to an exemption under either S.C. Code § 35-1-310 or 320.¹ Thus, under § 35-1-320(9), the defendants have a threshold burden of proving they did not offer to sell shares in Builders Station to more than 25 persons within a 12 month period. The defendants have not proven this by a preponderance of the evidence. Drews denial of offering to sell the stock to more than 25 people was as vague as Beasley's assertion that Drews had to have offered it to more than 25 people. Furthermore, the evidence is uncontroverted the defendants received remuneration of one-half of a share of stock in Builders Station every time an investor purchased a share of stock. The defendants maintain this issuance of stock was simply to maintain their one-quarter share each ownership in the stock of Builders Station, and thus it was not compensation. This court is not persuaded by this characterization. Black's Law Dictionary defines remuneration as "payment; compensation" and "the act of paying or compensating."² Issuing stock to the defendants when they procured an investor who purchased stock is textbook compensation, either directly or indirectly, and is even referred to as additional compensation in the defendants' employment contracts. Thus, even if the offer was not made to more than 25 in-state investors, the defendants are not entitled to exemption from registration under S.C. Code § 35-1-320(9) because they received remuneration in the form of one-half of a share of stock every time a share of Builders Station stock was sold to an investor.

Under S.C. Code § 35-1-1490(1), "Any person who offers or sells a security in violation of . . . Section 35-1-810 . . . is liable to the person buying the security from him, who may sue either at law or in equity to recover the consideration paid for the security, together with interest

¹See S.C. Code § 35-1-340 which states: "In any proceeding under this chapter the burden of proving an exemption or an exception from a definition is upon the person claiming it"

²Black's Law Dictionary, 1298 (7th ed. 1999).

at six percent per year from the date of payment, costs, and reasonable attorneys' fees, less the amount of any income received on the security, upon the tender of the security" The plaintiff tendered the stock at trial, meeting the requirement of S.C. Code § 35-1-1510 which states: "Any tender specified in Section 35-1-1490 may be made at any time before entry of judgment." In addition, both defendants are jointly and severally liable under S.C. Code § 35-1-1500 since they both materially aided in the sale of the stock. Therefore, the plaintiff is entitled to recover from the defendants under S.C. Code § 35-1-1490(1)³ the consideration paid for the stock, which the evidence showed to be \$50,000.00, plus interest at six percent per year from September 9, 1996, plus costs and reasonable attorney's fees. The evidence is uncontroverted no income was ever received on the security.

Under S.C. Code § 35-1-1490(2), "Any person who . . . [o]ffers or sells a security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, the buyer not knowing of the untruth or omission, and who does not sustain the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the untruth or omission . . ."⁴ is also liable for the same damages as for a violation of S.C. Code § 35-1-1490(1).

This court has made a finding of fact that a preponderance of the evidence shows the defendants represented to the plaintiff that the status of the Small Business Administration ("SBA") loan when the plaintiff purchased stock in Builders Station was the loan was a "done deal" or "in the bag." This is based primarily on the testimony of the plaintiff, who stated that he

³At the conclusion of the trial the court allowed the plaintiff to amend his complaint to conform to the evidence to delineate that he was complaining of a violation of S.C. Code § 35-1-1490(1) and (2). His original amended complaint only stated a violation of section 35-1-1490. The defendant Drews objected; however, it is clear Drews answered the original complaint as if there were violation of both subsections, he presented evidence to controvert both subsections, and even argued against a violation of either subsection in closing. It does not appear Drews suffered any prejudice by allowing this clarifying amendment.

⁴One wonders if the author of that sentence has an aversion to the English language.

was told by the defendants that the SBA loan was a "done deal" or "in the bag," and the testimony of the defendant Beasley, who admitted to making that statement to the plaintiff. This court further made a finding of fact that this representation about the status of the SBA loan was a material fact upon which the plaintiff relied when he purchased stock in Builders Station, and that the plaintiff relied on this representation in deciding whether or not to purchase stock in Builders Station. However, this court also made a finding of fact that a preponderance of the evidence shows the defendants did not know the SBA was going to require all or almost all of

the defendant Drews' property as collateral for the loan at the time the defendants represented to the plaintiff that the SBA loan was a "done deal." Therefore, under S.C. Code § 35-1-1490(2), while the defendants were persons who offered or sold a security by means of an untrue statement of a material fact, the defendants have sustained "the burden of proof that [t]he[y] did not know, and in the exercise of reasonable care could not have known, of the untruth or omission" As a result, the plaintiff cannot prevail against the defendants under S.C. Code § 35-1-1490(2).

For the same reasons as outlined above in dismissing the plaintiff's complaint of a violation of S.C. Code § 35-1-1490(2), this court finds the plaintiff is not entitled to judgment against the defendants for his cause of action for common-law misrepresentation. The defendants reasonably believed their statements made to the plaintiff on or before September 9, 1996 about the status of the SBA loan were true and had no reason to believe they were untrue at the time they were made.

The plaintiff's cause of action for breach of fiduciary duty was against the defendant Drews only. This complaint is essentially that Drews breached his fiduciary duties to the plaintiff when he refused to pledge his property as collateral for the SBA loan. As noted above, this court has already made a finding of fact that a preponderance of the evidence did not show Drews knew the SBA required him to pledge his property as collateral for the loan prior to September 27, 1996, the date when Drews received the loan commitment letter from BDC.

reasonableness of the attorney's fee request submitted by the plaintiff at trial.

The court shall amend this order on the issue of attorney's fees at a later time.

2. That the plaintiff's cause of action against both defendants for violation of S.C. Code § 35-1-1490(2) is dismissed, with prejudice.
3. That the plaintiff's cause of action against both defendants for common-law misrepresentation is dismissed, with prejudice.
4. That the plaintiff's cause of action against the defendant Rudolph Robert Drews for breach of fiduciary duty is dismissed, with prejudice.

AND IT IS SO ORDERED.

Judge Roger M. Young
Master-in-Equity for Charleston County

Charleston, South Carolina
December 5, 2001

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE NO 2010-CP-10-9096

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE PROBATE COURT
CASE NO 10-ES-10-0000494

FRANK GORDON, JR. as
Attorney-in-Fact for DOROTHY
GORDON,

Plaintiffs,

v.

JESSIE B. ATKINSON, Individually,
and as Personal Representative of the
Estate of EFFIE D. DREWS;
DONALD W. LANCASTER; and
SHIRRESE BROCKINGTON as
Special Administrator of the Estate
of RUDOLPH ROBERT DREWS,

Defendants.

SUPPLEMENTAL AFFIDAVIT OF
DONALD W. LANCASTER

BY

JULIE J. ARMSTRONG
CLERK OF COURT

2012 APR 24 PM 4:29

FILED

PERSONALLY APPEARED before me, Donald W. Lancaster, who, first being duly sworn, deposes and says as follows:

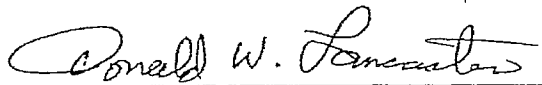
1. My name is Donald W. Lancaster and I am executing this Affidavit to supplement my Affidavit of February 21, 2012 which was filed in the Clerk's Office on February 22, 2012.
2. As mentioned in Paragraph 8 of my Affidavit, I loaned my uncle, Robert Drews, and his wife, Effie D. Drews, the total sum of \$20,000.00 in 1999 to pay off two (2) outstanding loans, namely, a loan to First Citizens Bank in the amount of \$5,000.00 and a loan to SouthTrust Bank in the amount of \$15,000.00. The loans to First Citizens Bank and SouthTrust Bank were associated with a failed business known as "Builders Station" which my uncle, Robert Drews, started in 1996 with a man

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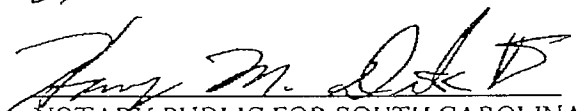


named Ray Beasley. A copy of my check to First Citizens Bank in the amount of \$5,000.00, dated June 2, 1999, is attached hereto as Exhibit "A" and incorporated herein by express reference. Also attached hereto as Exhibit "B" and incorporated herein by express reference is a copy of my line Wachovia of credit statement for June, 1999 reflecting Check Number 9101 in the amount of \$15,000.00 issued from my line of credit on June 7, 1999. Check Number 9101 was exchanged for an Official Check from Wachovia payable to SouthTrust Bank, a copy of which is attached hereto as Exhibit "C" and incorporated herein by express reference.

3. That the total sum of \$20,000.00 which I loaned to my uncle, Robert Drews, and aunt, Effie D. Drews, in June, 1999 are evidenced by the attached Exhibits "A", "B" and "C", respectively.


DONALD W. LANCASTER

SWORN to before me this
23rd day of April, 2012


NOTARY PUBLIC FOR SOUTH CAROLINA
My commission expires: 6/13/2017

First Citizens Bank

Member FDIC

DONALD W LANCASTER
[REDACTED] AVE
MT PLEASANT SC 29464

H

Statement Period: May 13, 1999
Thru June 10, 1999

Account Number: [REDACTED]

DONALD W LANCASTER
1234 LANCASTER AVENUE, MT PLEASANT SC 29464
CH# 4500
Date: May 31, 99
Pay to the order of: Katherine Lancaster \$260.00
Five hundred sixty and 00/100 #807 DEPOSIT
FIRST CITIZENS BANK
DONALD W LANCASTER

Chk# 4500

\$260.00

DONALD W LANCASTER
1234 LANCASTER AVENUE, MT PLEASANT SC 29464
CH# 4502
Date: June 2, 99
Pay to the order of: First Citizens Bank \$5,000.00
Five thousand and 00/100
FIRST CITIZENS BANK
DONALD W LANCASTER

Chk# 4502

\$5,000.00

DONALD W LANCASTER
1234 LANCASTER AVENUE, MT PLEASANT SC 29464
CH# 4503
Date: June 1, 99
Pay to the order of: Donald W Lancaster \$150.00
One hundred fifty and 00/100
FIRST CITIZENS BANK
DONALD W LANCASTER

Chk# 4503

\$150.00

803A



Line of Credit Statement

May 26, 1999 - June 23, 1999

Page 1 of 1

No Enclosures

Equity BankLine Summary

Account Number [REDACTED]

BEGINNING BALANCE	-	PAYMENTS & CREDITS	+	ADVANCES	+	OTHER FEES	+	FINANCE CHARGE**	=	ENDING BALANCE
0.00		0.00		15,000.00		0.00		54.14		15,054.14

Your line of credit is \$ 90,000.00.

Your available credit is \$ 74,945.86.

Finance charges paid year-to-date are \$ 0.00.

** The average daily balance (\$8,793.10) is multiplied by the number of days in the billing cycle (29) and the daily periodic rate (021233%) is applied to the product to determine the amount of FINANCE CHARGE. A FINANCE CHARGE is applied each day there is an Equity BankLine balance owed to Wachovia. The ANNUAL PERCENTAGE RATE is 7.75%.

Daily Activity

DATE	DESCRIPTION	+/-	AMOUNT	BALANCE
05-26	BEGINNING BALANCE			0.00
06-07	Check Number 9101	+	15,000.00	15,000.00
06-23	Finance Charge	+	54.14	15,054.14
06-23	ENDING BALANCE			15,054.14

FOR INFORMATION OR ASSISTANCE CONTACT US AT:

Charleston 843-724-3539
Columbia 803-256-3539
Florence 843-679-3539
Greenville 864-239-3539
Elsewhere 1-800-768-3539

All locations 1-800-WACHOVIA
(1-800-922-4684)

Call WACHOVIA PHONE ACCESS for automated telephone banking. Use Phone Access for routine activities such as checking your balance, transferring funds, reordering checks, requesting statements and placing stop payments.

Call WACHOVIA ON-CALL for situations that require person-to-person assistance. Use Wachovia On-Call for customer service inquiries, to request product information, to open an account or apply for a loan.

Visit our web site at www.wachovia.com

EXHIBIT

Exhibit No. 8119

803B

905415
7/8/99
"4520

PO Box 700
Charleston SC 29402

10

DONALD W LANCASTER
[REDACTED] AVENUE
MT PLEASANT SC 29464

Equity BankLine
Closing Date 9-24-99
New Balance 0.00
Minimum Payment None

Amount Enclosed \$

50 120 188 71

TOP PORTION OF THIS STATEMENT IS YOUR PAYMENT COUPON

Line of Credit Statement

August 25, 1999 - September 24, 1999

Page 1 of 1

10 Enclosures

Equity BankLine Summary

Account Number [REDACTED]

003C

THIS CHECK CONTAINS A HOLOGRAM ON THE FRONT AND AN ARTIFICIAL WATERMARK ON THE BACK WHICH MUST BE VIEWED AT AN ANGLE

Official Check
3001920022
50-763/537
WACHOVIA

To replace this Official Check for any reason
we require an Indemnifying Agreement or a Bond.

Issuing Office SE1080 dcw

Date June 7, 1999

PAY TO THE ORDER OF *****SouthTrust Bank***** \$15,000.00**

THE SUM OF FIFTEEN THOUSAND DOLLARS

For P. R. DREWS
Wachovia Bank, N.A. Raleigh, NC

AUTHORIZED AGENT OF PAYING BANK

3001920022

EXHIBIT
C
Blumberg No 6119

804

RRD LOANS

7.00%, non-compounded		from date posted, through 4/30/94			(6% Prime + 1% at SCN)		
7.25%, non-compounded		from date posted, from 5/01/94			(7.25% Prime + 0 at First Federal)		
6.95%, non-compounded		for \$25,000 from 6/01/94; variable rate for the remainder					
7.75%, non-compounded		from 9/01/94			(7.75% Prime + 0 at First Federal)		
8.50%, non-compounded		from 12/01/94			(8.50% Prime + 0 at First Federal)		
9.50%, non-compounded		from 01/01/95			(8 50% Prime + 1 at Wachovia)		
				Interest	Interest		
		No. Days	7% / 365	current	cumulative		
02/28/1993	\$5,000	20	0.00019178	\$19.18	\$19.18	\$5,000	02/08/1993 SCN 103
03/31/1993	\$5,000	31		\$29.73	\$48.90		
04/30/1993	\$5,000	30		\$28.77	\$77.67		
	\$3,000	10		\$5.75	\$83.42	\$3,000	04/20/1993 SCN 104
05/31/1993	\$8,000	31		\$47.56	\$130.99		
06/30/1993	\$8,000	30		\$46.03	\$177.01		
07/31/1993	\$8,000	31		\$47.56	\$224.57		
	\$7,000	18		\$24.16	\$248.74	\$7,000	07/13/1993 SCN 105
08/31/1993	\$15,000	31		\$89.18	\$337.92	\$6,000	08/31/1993 SCN 106
09/30/1993	\$21,000	30		\$120.82	\$458.74		
10/31/1993	\$21,000	31		\$124.85	\$583.59		
11/30/1993	\$21,000	30		\$120.82	\$704.41		
12/31/1993	\$21,000	31		\$124.85	\$829.26		
	\$3,000	9		\$5.18	\$834.43	\$3,000	12/22/1993 SCN 107
01/31/1994	\$24,000	31		\$142.68	\$977.12		
	\$6,000	12		\$13.81	\$990.93	\$6,000	01/19/1994 SCN 109
02/28/1994	\$30,000	28		\$161.10	\$1,152.02		
03/31/1994	\$30,000	31		\$178.36	\$1,330.38		
04/30/1994	\$30,000	30		\$172.60	\$1,502.98		
05/31/1994	\$30,000	31		\$184.73	\$1,687.71		
			7.25% / 365 =	0.00019863			
			6.95% / 365 =	0.00019040			
06/30/1994	\$5,000	30	0.00019863	\$29.79	\$1,717.50		
	\$5,000	8	0.00019863	\$7.95	\$1,725.45	\$5,000	06/22/1994 FFed 1001
	\$25,000	30	0.00019040	\$142.80	\$1,868.25		
07/31/1994	\$10,000	31	0.00019863	\$61.58	\$1,929.82		
	\$25,000	31	0.00019040	\$147.56	\$2,077.38		
08/31/1994	\$10,000	31	0.00019863	\$61.58	\$2,138.96		
	\$25,000	31	0.00019040	\$147.56	\$2,286.52		
			7.75% / 365 =	0.00021233			
09/30/1994	\$10,000	30	0.00021233	\$63.70	\$2,350.22		
	\$25,000	30	0.00019040	\$142.80	\$2,493.02		
10/31/1994	\$10,000	31	0.00021233	\$65.82	\$2,558.84		
	\$25,000	31	0.00019040	\$147.56	\$2,706.40		
11/30/1994	\$10,000	30	0.00021233	\$63.70	\$2,770.10		
	\$25,000	30	0.00019040	\$142.80	\$2,912.90		
			8.50% / 365 =	0.00023288			
12/31/1994	\$10,000	31	0.00023288	\$72.19	\$2,985.09		
	\$25,000	31	0.00019040	\$147.56	\$3,132.65		
			9.50% / 365 =	0.00026027			
01/31/95	\$10,000	31	0.00026027	\$80.63	\$3,213.33		
	\$25,000	31	0.00019040	\$147.56	\$3,360.89		
02/28/95	\$15,000	28	0.00026027	\$109.31	\$3,470.21	\$5,000	02/01/95 SCN 115
	\$25,000	28	0.00019040	\$133.28	\$3,603.49		
				\$3,603.49	\$40,000.00		



804A

PRD Note - 3/01/95							Rev. 2/03/97
0,000 compounded annually @ 7.00% from 3/01/95, date of the note							
				Interest	Interest	Total Balance	
		No. Days	7% / 365	current	cumulative	Due	
Forward							
02/28/95	\$40,000				\$3,603.49		
1995							
03/31/95	\$40,000	31	0.00019178	\$237.81	\$3,841.30	\$40,000.00	
04/30/95	\$40,000	30	0.00019178	230.14	\$4,071.43	\$40,230.14	
05/31/95	\$40,000	31	0.00019178	237.81	\$4,309.24	\$40,467.95	
06/30/95	\$40,000	30	0.00019178	230.14	\$4,539.38	\$45,007.33	
							(\$3,000.00) paid interest 8/03/96
							(\$100.00) paid interest 11/29/96
07/31/95	\$40,000	31	0.00019178	237.81	\$1,139.38	\$46,146.71	(\$300.00) paid interest 2/03/97
08/31/95	\$40,000	31	0.00019178	237.81	\$1,377.18	\$46,384.51	
09/30/95	\$40,000	30	0.00019178	230.14	\$1,607.32	\$46,614.65	
10/31/95	\$40,000	31	0.00019178	237.81	\$1,845.13	\$46,852.46	
11/30/95	\$40,000	30	0.00019178	230.14	\$2,075.26	\$47,082.59	
12/31/95	\$40,000	31	0.00019178	237.81	\$2,313.07	\$47,320.40	
				\$2,347.39	=====		
1996	(\$40,000 + \$2,347 1995 interest = \$42,347)						
1/31/96	\$42,347	31	0.00019178	\$251.76	\$251.76	\$47,572.16	
2/29/96	\$42,347	29	0.00019178	235.52	\$487.28	\$47,807.68	
3/31/96	\$42,347	31	0.00019178	251.76	\$739.04	\$48,059.44	
4/30/96	\$42,347	30	0.00019178	243.64	\$982.68	\$48,303.08	
5/31/96	\$42,347	31	0.00019178	251.76	\$1,234.44	\$48,554.84	
6/30/96	\$42,347	30	0.00019178	243.64	\$1,478.08	\$48,798.48	
7/31/96	\$42,347	31	0.00019178	251.76	\$1,729.84	\$49,050.24	
8/31/96	\$42,347	31	0.00019178	251.76	\$1,981.60	\$49,302.00	
9/30/96	\$42,347	30	0.00019178	243.64	\$2,225.24	\$49,545.64	
10/31/96	\$42,347	31	0.00019178	251.76	\$2,477.00	\$49,797.40	
11/30/96	\$42,347	30	0.00019178	243.64	\$2,720.64	\$50,041.04	
12/31/96	\$42,347	31	0.00019178	251.76	\$2,972.40	\$50,292.80	
		366		\$2,972.40	=====		

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					Rev. 12/31/98	
RD Note -- 3/01/95						
10,000 compounded annually @ 7.00% from 3/01/95, date of the note						
		No. Days	7% / 365	Interest current	Interest cumulative	Total Balance Due
1997 (Original \$40,000 + \$1,539 1995 interest outstanding at 12/31/96 + \$2,972 1996 interest = \$44,511)						
1/31/97	\$44,511	31	0.00019178	\$264.63	\$264.63	\$40,116.39 (\$148.24) remaining from \$400 int paid 7/18/97
2/28/97	\$44,511	28	0.00019178	239.02	\$503.64	\$40,355.40
3/31/97	\$44,511	31	0.00019178	264.63	\$768.27	\$40,620.03
4/30/97	\$44,511	30	0.00019178	256.09	\$1,024.36	\$40,876.12 (\$3,000.00) principal paid 5/10/97
(\$41,276 balance at 4/30/97 - \$3,000 principal paid 5/10/97 = \$38,276)						
5/31/97	\$38,276	31	0.00019178	227.56	\$1,251.92	\$38,103.68
6/30/97	\$38,276	30	0.00019178	220.22	\$1,472.13	\$38,323.89
7/31/97	\$38,276	31	0.00019178	227.56	\$1,699.69	\$38,551.45
8/31/97	\$38,276	31	0.00019178	227.56	\$1,927.25	\$38,779.01
9/30/97	\$38,276	30	0.00019178	220.22	\$2,147.47	\$38,999.23
10/31/97	\$38,276	31	0.00019178	227.56	\$2,375.02	\$39,226.78
11/30/97	\$38,276	30	0.00019178	220.22	\$2,595.24	\$39,447.00
12/31/97	\$38,276	31	0.00019178	227.56	\$2,822.80	\$39,674.56
		365		\$2,822.80		
1998 (\$39,674.56 (Balance at 12/31/97))						
01/31/1998	\$39,675	31	0.00019178	\$235.87	\$235.87	\$39,910.43
02/28/1998	\$39,675	28	0.00019178	213.05	\$448.92	\$40,123.48
3/31/1998	\$39,675	31	0.00019178	235.87	\$684.79	\$40,359.35
4/30/1998	\$39,675	30	0.00019178	228.26	\$913.05	\$40,587.61
05/31/1998	\$39,675	31	0.00019178	235.87	\$1,148.93	\$40,823.49
06/30/1998	\$39,675	30	0.00019178	228.26	\$1,377.19	\$41,051.75
07/31/1998	\$39,675	31	0.00019178	235.87	\$1,613.06	\$41,287.62
08/31/1998	\$39,675	31	0.00019178	235.87	\$1,848.94	\$41,523.49
09/30/1998	\$39,675	30	0.00019178	228.26	\$2,077.20	\$41,751.76
10/31/1998	\$39,675	31	0.00019178	235.87	\$2,313.07	\$41,987.63
11/30/1998	\$39,675	30	0.00019178	228.26	\$2,541.33	\$42,215.89
12/31/1998	\$39,675	31	0.00019178	235.87	\$2,777.21	\$42,451.77
		365		\$2,777.21		

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RD LOANS
7/99 balance + \$5,000 to RD to pay off First Citizens + \$15,000 to SouthTrust

Interest Rate 7%, calculated daily

Payment due on 1st, by 10th

Payment due on 1st, by 10th										
	Balance	#	Daily	Annual	Monthly	YTD	Month-End	Payment	Due	Payment
	1st of Month	Days	Interest Rate	Rate	Interest	Interest	Balance	Amount	Date	Date
1999	\$42,451.77	(Balance at 12/31/98)					\$42,451.77			
01/31/1999	\$42,452	31	0.00019178	7.00%	\$252.38	\$252.38	\$42,704.15			
02/28/1999	\$42,452	28	0.00019178	7.00%	\$227.96	\$480.34	\$42,932.11			
03/31/1999	\$42,452	31	0.00019178	7.00%	\$252.38	\$732.73	\$43,184.50			
04/30/1999	\$42,452	30	0.00019178	7.00%	\$244.24	\$976.97	\$43,428.74			
05/31/1999	\$42,452	31	0.00019178	7.00%	\$252.38	\$1,229.35	\$43,681.12			
6/1 - 6/07/99	\$42,452	7	0.00019178	7.00%	\$56.99	\$1,286.34	\$43,738.11			
"	\$20,000.00						\$63,738.11			
6/8 - 6/30/99	\$63,738.11	23	0.00019178	7.00%	\$281.15	\$1,567.49	\$64,019.26	\$450.00	07/01/1999	07/12/1999
7/1 - 7/31/99	\$63,569.26	31	0.00019178	7.00%	\$377.93	\$1,945.42	\$63,947.19	\$450.00	08/01/1999	08/03/1999
8/1 - 8/31/99	\$63,497.19	31	0.00019178	7.00%	\$377.50	\$2,322.92	\$63,874.69	\$450.00	09/01/1999	09/03/1999
9/1 - 9/30/99	\$63,424.69	30	0.00019178	7.00%	\$364.91	\$2,687.83	\$63,789.60	\$450.00	10/01/1999	10/07/1999
10/1 - 10/31/99	\$63,339.60	31	0.00019178	7.00%	\$376.57	\$3,064.40	\$63,716.17	\$450.00	11/01/1999	11/15/1999
11/1 - 11/30/99	\$63,266.17	30	0.00019178	7.00%	\$364.00	\$3,428.40	\$63,630.17	\$450.00	12/01/1999	12/06/1999
1 - 12/31/99	\$63,180.17	31	0.00019178	7.00%	\$375.62	\$3,804.02	\$63,555.78		01/01/2000	
		365			\$3,804.02			\$2,700.00		

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EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2002									
12/8/01 - 1/7/02	\$50,912.00	0.416667%	5.00%	\$212.13	\$212.13	\$51,124.13	\$540.00	01/07/2002	01/07/2002
1/8 - 2/7/02	\$50,584.13	0.416667%	5.00%	\$210.77	\$422.90	\$50,794.90	\$540.00	02/07/2002	02/07/2002
2/8 - 3/7/02	\$50,254.90	0.416667%	5.00%	\$209.40	\$632.30	\$50,464.30	\$540.00	03/07/2002	03/15/2002
3/8 - 4/7/02	\$49,924.30	0.416667%	5.00%	\$208.02	\$840.31	\$50,132.31	\$540.00	04/07/2002	05/13/2002
4/8 - 5/7/02	\$49,592.31	0.416667%	5.00%	\$206.63	\$1,046.95	\$49,798.95	\$540.00	05/07/2002	05/13/2002
5/8 - 6/7/02	\$49,258.95	0.416667%	5.00%	\$205.25	\$1,252.19	\$49,464.19	\$540.00	06/07/2002	06/14/2002
6/8 - 7/7/02	\$48,924.19	0.416667%	5.00%	\$203.85	\$1,456.04	\$49,128.04	\$540.00	07/07/2002	07/08/2002
7/8 - 8/7/02	\$48,588.04	0.416667%	5.00%	\$202.45	\$1,658.50	\$48,790.50	\$540.00	08/07/2002	08/12/2002
8/8 - 9/7/02	\$48,250.50	0.416667%	5.00%	\$201.04	\$1,859.54	\$48,451.54	\$540.00	09/07/2002	10/10/2002
9/8 - 10/7/02	\$47,911.54	0.416667%	5.00%	\$199.63	\$2,059.17	\$48,111.17	\$540.00	10/07/2002	11/30/2002
10/8 - 11/7/02	\$47,571.17	0.416667%	5.00%	\$198.21	\$2,257.38	\$47,769.38	\$540.00	11/07/2002	12/26/2002
11/8 - 12/7/02	\$47,229.38	0.416667%	5.00%	\$196.79	\$2,454.17	\$47,426.17	\$540.00	12/07/2002	01/28/2003
				\$2,454.17			\$6,480.00		

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2003									
12/8/03 - 1/7/03	\$46,886.17	0.416667%	5.00%	\$195.36	\$195.36	\$47,081.53	\$540.00	01/07/2003	12/31/2003
1/8 - 2/7/03	\$46,541.53	0.416667%	5.00%	\$193.92	\$389.28	\$46,735.45	\$540.00	02/07/2003	12/31/2003
2/8 - 3/7/03	\$46,195.45	0.416667%	5.00%	\$192.48	\$581.76	\$46,387.94	\$540.00	03/07/2003	12/31/2003
3/8 - 4/7/03	\$45,847.94	0.416667%	5.00%	\$191.03	\$772.80	\$46,038.97	\$540.00	04/07/2003	12/31/2003
4/8 - 5/7/03	\$45,498.97	0.416667%	5.00%	\$189.58	\$962.38	\$45,688.55	\$540.00	05/07/2003	12/31/2003
5/8 - 6/7/03	\$45,148.55	0.416667%	5.00%	\$188.12	\$1,150.49	\$45,336.67	\$540.00	06/07/2003	12/31/2003
6/8 - 7/7/03	\$44,796.67	0.416667%	5.00%	\$186.65	\$1,337.15	\$44,983.32	\$540.00	07/07/2003	12/31/2003
7/8 - 8/7/03	\$44,443.32	0.416667%	5.00%	\$185.18	\$1,522.33	\$44,628.50	\$540.00	08/07/2003	12/31/2003
8/8 - 9/7/03	\$44,088.50	0.416667%	5.00%	\$183.70	\$1,706.03	\$44,272.20	\$540.00	09/07/2003	12/31/2003
9/8 - 10/7/03	\$43,732.20	0.416667%	5.00%	\$182.22	\$1,888.25	\$43,914.42	\$540.00	10/07/2003	12/31/2003
10/8 - 11/7/03	\$43,374.42	0.416667%	5.00%	\$180.73	\$2,068.97	\$43,555.15	\$540.00	11/07/2003	12/31/2003
11/8 - 12/7/03	\$43,015.15	0.416667%	5.00%	\$179.23	\$2,248.20	\$43,194.38	\$540.00	12/07/2003	12/31/2003
				\$2,248.20			\$6,480.00		

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2004									
12/8/03 - 1/7/04	\$42,654.38	0.416667%	5.00%	\$177.73	\$177.73	\$42,832.10	\$540.00	01/07/2004	01/13/2004
1/8 - 2/7/04	\$42,292.10	0.416667%	5.00%	\$176.22	\$353.94	\$42,468.32	\$540.00	02/07/2004	02/10/2004
2/8 - 3/7/04	\$41,928.32	0.416667%	5.00%	\$174.70	\$528.64	\$42,103.02	\$540.00	03/07/2004	03/16/2004
3/8 - 4/7/04	\$41,563.02	0.416667%	5.00%	\$173.18	\$701.82	\$41,736.20	\$540.00	04/07/2004	04/10/2004
4/8 - 5/7/04	\$41,196.20	0.416667%	5.00%	\$171.65	\$873.48	\$41,367.85	\$540.00	05/07/2004	05/24/2004
5/8 - 6/7/04	\$40,827.85	0.416667%	5.00%	\$170.12	\$1,043.59	\$40,997.97	\$540.00	06/07/2004	06/10/2004
6/8 - 7/7/04	\$40,457.97	0.416667%	5.00%	\$168.57	\$1,212.17	\$40,626.54	\$540.00	07/07/2004	07/10/2004
7/8 - 8/7/04	\$40,086.54	0.416667%	5.00%	\$167.03	\$1,379.19	\$40,253.57	\$540.00	08/07/2004	08/19/2004
8/8 - 9/7/04	\$39,713.57	0.416667%	5.00%	\$165.47	\$1,544.67	\$39,879.04	\$540.00	09/07/2004	09/14/2004
9/8 - 10/7/04	\$39,339.04	0.416667%	5.00%	\$163.91	\$1,708.58	\$39,502.96	\$540.00	10/07/2004	06/10/2005
10/8 - 11/7/04	\$38,962.96	0.416667%	5.00%	\$162.35	\$1,870.92	\$39,125.30	\$540.00	11/07/2004	06/10/2005
11/8 - 12/7/04	\$38,585.30	0.416667%	5.00%	\$160.77	\$2,031.70	\$38,746.07	\$540.00	12/07/2004	06/10/2005
				\$2,031.70			\$6,480.00		

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EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2005									
12/8/04 - 1/7/05	\$38,206.07	0.416667%	5.00%	\$159.19	\$159.19	\$38,365.27	\$540.00	01/07/2005	06/10/2005
1/8 - 2/7/05	\$37,825.27	0.416667%	5.00%	\$157.61	\$316.80	\$37,982.87	\$540.00	02/07/2005	06/10/2005
2/8 - 3/7/05	\$37,442.87	0.416667%	5.00%	\$156.01	\$472.81	\$37,598.88	\$540.00	03/07/2005	06/10/2005
3/8 - 4/7/05	\$37,058.88	0.416667%	5.00%	\$154.41	\$627.22	\$37,213.29	\$540.00	04/07/2005	06/10/2005
4/8 - 5/7/05	\$36,673.29	0.416667%	5.00%	\$152.81	\$780.03	\$36,826.10	\$540.00	05/07/2005	06/10/2005
5/8 - 6/7/05	\$36,286.10	0.416667%	5.00%	\$151.19	\$931.22	\$36,437.29	\$540.00	06/07/2005	07/19/2005
6/8 - 7/7/05	\$35,897.29	0.416667%	5.00%	\$149.57	\$1,080.79	\$36,046.86	\$540.00	07/07/2005	07/19/2005
7/8 - 8/7/05	\$35,506.86	0.416667%	5.00%	\$147.95	\$1,228.74	\$35,654.81	\$35,621.12	08/07/2005	09/29/2005
8/8 - 9/7/05	\$33.69	write off		(\$33.69)	\$1,195.05	\$0.00			
9/8 - 10/7/05	\$0.00								
10/8 - 11/7/05	\$0.00								
11/8 - 12/7/05	\$0.00			\$1,195.05			\$39,401.12		

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DETACH HERE

Form **4868**

Department of the Treasury
Internal Revenue Service (99)

Application for Automatic Extension of Time To File U.S. Individual Income Tax Return

For calendar year 2001, or other tax year beg. , 2001, end. ,

OMB No. 1545-0188

2001

Part I Identification

1 Your name(s) (see instructions)

Rudolph R. and Effie D. Drews

Address (see instructions)

██████████ Road

City, town or post office, state, and ZIP code

Charleston SC 29407

2 Your social security number

██████████-██████████-██████████

3 Spouse's social security no.

██████████-██████████-██████████

Part II Complete ONLY if Filing Gift/GST Tax Return

Caution: Only for gift/GST tax extension! Checking box(es) may result in correspondence if Form 709 or 709-A is not filed.

This form also extends the time for filing a gift or generation-skipping transfer (GST) tax return if you file a calendar (not fiscal) year income tax return. Enter your gift or GST tax payment(s) in Part IV and:

Check this box ☐ if **you** are requesting a **Gift or GST tax** return extension.

Check this box ☐ if **your spouse** is requesting a **Gift or GST tax** return extension.

Part III Individual Income Tax

4 Estimate of total tax liability for 2001 \$ 0

5 Total 2001 payments 0

6 Balance due. Subtract 5 from 4 0

Part IV Gift/GST Tax -- If you are **not** filing a gift or GST tax return, go to Part V now. See the instructions.

7 Your gift or GST tax payment \$ 0

8 Your spouse's gift/GST tax payment 0

Part V Total

9 Total liability. Add lines 6, 7, and 8 \$ 0

10 Amount you are paying 0

Confirmation Number

If you file electronically, you will receive a confirmation number telling you that your Form 4868 has been accepted. Enter the confirmation number here and keep it for your records

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **4868** (2001)

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Form 1040 (2001)

Drews

-5,041

Tax and Credits

Standard deduction

• People who checked any box on line 35a or 35b or who can be claimed as dependent, see inst.

• All others:

- Single, \$4,550
- Head of household, \$6,650
- Married filing jointly or Qualifying widow(er), \$7,600
- Married filing separately, \$3,800

34 Amount from line 33 (adjusted gross income) **34**

35a Check if: ☐ You were 65/older, ☐ Blind, ☐ Spouse was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here **35a**

b If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see instructions and check here **35b** ☐

36 Itemized deductions (from Schedule A) or your standard deduction (see left margin) **36**

37 Subtract line 36 from line 34. **37**

38 If line 34 is \$99,725 or less, multiply \$2,900 by the total number of exemptions claimed on line 6d. If line 34 is over \$99,725, see the worksheet in the instructions. **38**

39 Taxable income. Subtract line 38 from line 37. If line 38 is more than line 37, enter -0- **39**

40 Tax (see inst.). Check if any tax is from **a** ☐ Form(s) 8814 **b** ☐ Form 4972. **40**

41 Alternative minimum tax (see instructions). Attach Form 6251. **41**

42 Add lines 40 and 41. **42**

43 Foreign tax credit. Attach Form 1116 if required. **43**

44 Credit for child & dependent care expenses. Attach Form 2441. **44**

45 Credit for the elderly or the disabled. Attach Schedule R. **45**

46 Education credits. Attach Form 8863. **46**

47 Rate reduction credit. See the worksheet in the instructions. **47**

48 Child tax credit (see instructions). **48**

49 Adoption credit. Attach Form 8839. **49**

50 Other credits from: **a** ☐ Form 3800 **b** ☐ Form 8396 **c** ☐ Form 8801 **d** ☐ Form **50**

51 Add lines 43 through 50. These are your total credits. **51**

52 Subtract line 51 from line 42. If line 51 is more than line 42, enter -0- **52**

Other Taxes

53 Self-employment tax. Attach Schedule SE. **53**

54 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137. **54**

55 Tax on qualified plans, including IRAs, & other tax-favored accts. Attach Form 5329 if required. **55**

56 Advance earned income credit payments from Form(s) W-2. **56**

57 Household employment taxes. Attach Schedule H. **57**

58 Add lines 52 through 57. This is your total tax. **58**

Payments

If you have a qualifying child, attach Schedule EIC.

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59 Federal income tax withheld from Forms W-2 and 1099. **59**

60 2001 estimated tax payments & amt. applied from 2000 return. **60**

61a Earned income credit (EIC). **61a**

b Nontaxable earned income. **61b** **61b**

62 Excess social security and RRTA tax withheld (see instructions). **62**

63 Additional child tax credit. Attach Form 8812. **63**

64 Amount paid with request for extension to file (see instructions). **64**

65 Other payments. Check if from **a** ☐ Form 2439 **b** ☐ Form 4136. **65**

66 Add lines 59, 60, 61a, and 62 through 65. These are your total payments. **66**

67 If line 66 is more than line 58, subtract line 58 from line 66. This is the amount you overpaid. **67**

Refund

Direct deposit? See inst. and fill in 68b, 68c, and 68d.

68a Amount of line 67 you want refunded to you. **68a**

b Routing no. **b**

c Type: ☐ Checking ☐ Savings. **c**

d Account no. **d**

69 Amt. of line 67 you want applied to your 2002 estimated tax. **69**

Amount You Owe

70 Amount you owe. Subtract line 66 from line 58. For details on how to pay, see instructions. **70**

71 Estimated tax penalty. Also include on line 70. **71**

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No. **P0002-908**

Designee's name **Jerry Gambrell, CPA** Phone no. **843-722-0049** Personal identification number (PIN) **P0002-908**

Sign Here

Joint return? See instructions. Keep a copy for your records.

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

Your signature _____ Date _____ Your occupation _____ Daytime phone number _____

Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation _____ Housewife _____

Paid Preparer's Use Only

Preparer's signature _____ Date **02-12-2003** Check if self-employed ☒ **814**

Firm's name (or yours if self-employed), address, & ZIP code **JERRY D. GAMBRELL, CPA, LLC** EIN **41-6029974**

Phone no. **843-722-0049**

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Schedule A -- Itemized Deductions

OMB No. 1545-0074

2001

Attachment
Sequence No. **07**

▶ Attach to Form 1040. ▶ See Instructions for Schedule A (Form 1040).

Your social security no.

Name(s) shown on Form 1040

Rudolph R. and Effie D. Drews

**Medical
and
Dental
Expenses**

Caution: Do not include expenses reimbursed or paid by others.

1 Medical and dental expenses

SEE DEDUCTION STATEMENT

1 9,493

2 Enter amount from Form 1040, line 34 **2** -5,041

3 Multiply line 2 above by 7.5% (.075)

3

4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-

4 9,493

**Taxes You
Paid**

5 State and local income taxes

5

6 Real estate taxes (see instructions)

6

(See
instructions)

7 Personal property taxes

7 80

8 Other taxes ▶

8

9 Add lines 5 through 8

9 80

**Interest
You Paid**

(See
instructions.)

10 Home mortgage interest and points reported to you on Form 1098 ..

10

11 Home mortgage interest not reported to you on Form 1098. If paid to
seller, show that person's name, ID no., & address ▶

11

Note.
Personal
interest is
not
deductible.

12 Points not reported to you on Form 1098. See inst. for special rules ...

12 0

13 Investment interest. Attach Form 4952 if required. (See instructions.)

13 65

14 Add lines 10 through 13

14 65

**Gifts to
Charity**

15 Gifts by cash or check.

15 605

Misc Charities

If you made
a gift and got
a benefit for
it, see
instructions

16 Other than by cash or check. If any gift of \$250 or more,
see instructions. You **must** attach Form 8283 if over \$500

16 605

17 Carryover from prior year

17 4,610

18 Add lines 15 through 17

18 0

19 Casualty or theft loss(es). Attach Form 4684. (See instructions)

19 0

Casualty and
Theft Losses

20 Unreimbursed empl. exp. You **must** attach Form 2106 or 2106-EZ if required. ▶

20

**Job
Expenses
and Most
Other
Miscel-
laneous
Deduc-
tions**

21 Tax preparation fees

21 113

22 Other expenses ▶

22

(See
inst. for
expenses to
deduct here)

23 Add lines 20 through 22

23 113

24 Enter amount from Form 1040, line 34 **24** -5,041

24

25 Multiply line 24 above by 2% (.02)

25 113

26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-

26 113

27 Other -- from list in instructions. List type and amount ▶

27

**Other
Miscel-
laneous
Deductions**

**Total
Itemized
Deduc-
tions**

28 Is Form 1040, line 34, over \$132,950 (over \$66,475 if married filing separately)?

☒ **No.** Your deduction is not limited. Add the amounts in the far right column
for lines 4 through 27. Also, enter this amount on Form 1040, line 36.

☐ **Yes.** Your deduction may be limited. See instructions for the amount to enter.

28 9,751

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Preparers Edition Schedule A (Form 1040) 2001

875

Schedule B -- Interest and Ordinary Dividends 2001

Attachment Sequence No. 08 OMB No. 1545-0074

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security no.

Rudolph R. and Effie D. Drews

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Part I Interest

(See the instructions for Schedule B, and the instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address.
 - New York Life Insurance
 - Wachovia Bank
 - Edward Jones
 - SELLER FINANCED MORTGAGE (SEE STATEMENT)

Amount

15
41

1,583

1

- 2 Add the amounts on line 1.
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. You must attach Form 8815.
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a.

1,639

3

1,639

4

Note. If line 4 is over \$400, you must complete Part III.

Part II Ordinary Dividends

(See the instructions for Schedule B, and the instructions for Form 1040, line 9.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5 List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13.
 - Edward Jones

Amount

18

5

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9.

6

18

Note. If line 6 is over \$400, you must complete Part III.

Part III Foreign Accounts and Trusts

(See instructions.)

You must complete this part if you (a) had over \$400 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2001, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1.
- b If "Yes," enter the name of the foreign country.
- 8 During 2001, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions.

Yes No

X

X

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No 1545-0074

2001

Attachment
Sequence No. 12

Your social security no.

ame(s) shown on Form 1040

Rudolph R. and Effie D. Drèws

Rudolph R. and Effie D. Drews

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

Part 1 Short-Term Capital Gains and Losses — Assets Held One Year or Less					
(a) Description of property (Example: 100 sh. XYZ 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	Enter your short-term totals, if any, from Schedule D-1, line 2		2		
3	Total short-term sales price amounts. Add lines 1 and 2 in column (d)		3		
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824			4	
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1			5	
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your 2000 Capital Loss Carryover Worksheet			6	()
7	Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)			7	

Part II Long-Term Capital Gains and Losses -- Assets Held More Than One Year			
1	2	3 (a) Cost or	4 (b) Gain or
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

Part II Long-Term Capital Gains and Losses -- Assets Held More Than One Year						
(a) Description of property (Example: 100 sh. XYZ 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)	(g) 28% rate gain or (loss) * (see instr. below)
8						
9	Enter your long-term totals, if any, from Schedule D-1, line 9		9			
10	Total long-term sales price amounts. Add lines 8 and 9 in column (d)		10			
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824				11	11,791
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1				12	
13	Capital gain distributions. See the instructions				13	
14	Long-term capital loss carryover. Enter in both columns (f) and (g) the amount, if any, from line 13 of your 2000 Capital Loss Carryover Worksheet				14	() ()
15	Combine lines 8 through 14 in column (g)				15	
16	Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f).				16	11,791

Next: Go to Part III on page 2.

Next: Go to Part III on page 2.

Next: Go to Part III on page 2.

***28% rate gain or loss** includes all "collectibles gains and losses" (as defined in the instructions) and up to 50% of the eligible gain on qualified small business stock (see the instructions).

1 D12 NTF 2554299 Copyright 2001 Greatland/Neico LP - Forms Software Corporation
Proprietary Edition Schedule D (Form 1040) 2001

For Paperwork Reduction Act Notice, see Form 1040 instructions.

1 D12

NTF 2554299

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Preparers Edition Schedule D (Form 1040) 20

C.

Schedule D (Form 1040) 2001

Part III Taxable Gain or Deductible Loss**17** Combine lines 7 and 16 and enter the result. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13, and complete Form 1040 through line 39**17**

11,791

Next: • If both lines 16 and 17 are gains and Form 1040, line 39, is more than zero, complete Part IV below.

• Otherwise, skip the rest of Schedule D and complete Form 1040.

18 If line 17 is a loss, enter here and on Form 1040, line 13, the smaller of (a) that loss or (b) (\$3,000) (or, if married filing separately, (\$1,500)). Then complete Form 1040 through line 37**18**

Next: • If the loss on line 17 is more than the loss on line 18 or if Form 1040, line 37, is less than zero, skip Part IV below and complete the Capital Loss Carryover Worksheet in the instructions before completing the rest of Form 1040.

• Otherwise, skip Part IV below and complete the rest of Form 1040.

Part IV Tax Computation Using Maximum Capital Gains Rates**19** Enter your unrecaptured section 1250 gain, if any, from line 17 of the worksheet in the instructions.**19**

If line 15 or line 19 is more than zero, complete the worksheet in the instructions to figure the amount to enter on lines 22, 29, and 40 below, and skip all other lines below. Otherwise, go to line 20.

20 Enter your taxable income from Form 1040, line 39**20****21** Enter the smaller of line 16 or line 17 of Schedule D**21****22** If you are deducting investment interest expense on Form 4952, enter the amount from Form 4952, line 4e. Otherwise, enter -0-**22**

0

23 Subtract line 22 from line 21. If zero or less, enter -0-**23**

0

24 Subtract line 23 from line 20. If zero or less, enter -0-**24**

0

25 Figure the tax on the amount on line 24. Use the Tax Table or Tax Rate Schedules, whichever applies**25****26** Enter the smaller of:

- The amount on line 20 or
- \$45,200 if married filing jointly or qualifying widow(er);
\$27,050 if single;
\$36,250 if head of household, or
\$22,600 if married filing separately

26

If line 26 is greater than line 24, go to line 27. Otherwise, skip lines 27 through 33 and go to line 34.

27 Enter the amount from line 24**27**

0

28 Subtract line 27 from line 26. If zero or less, enter -0- and go to line 34**28**

0

29 Enter your qualified 5-year gain, if any, from line 7 of the worksheet in the instructions.**29****30** Enter the smaller of line 28 or line 29**30****31** Multiply line 30 by 8% (.08)**31****32** Subtract line 30 from line 28**32****33** Multiply line 32 by 10% (.10)**33**

0

If the amounts on lines 23 and 28 are the same, skip lines 34 through 37 and go to line 38.

34 Enter the smaller of line 20 or line 23**34****35** Enter the amount from line 28 (if line 28 is blank, enter -0-)**35**

0

36 Subtract line 35 from line 34**36****37** Multiply line 36 by 20% (.20)**37**

0

38 Add lines 25, 31, 33, and 37**38****39** Figure the tax on the amount on line 20. Use the Tax Table or Tax Rate Schedules, whichever applies**39****40** Tax on all taxable income (including capital gains). Enter the smaller of line 38 or line 39 here and on Form 1040, line 40**40**

Schedule D (Form 1040) 2001

818

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

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.

OMB No. 1545-0184

2001

Attachment
Sequence No. **27**

Name(s) shown on return

Rudolph R. and Effie D. Drews

Identifying number

1 Enter the gross proceeds from sales or exchanges reported to you for 2001 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 11,791
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). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below. S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax. 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 Schedule D and skip lines 8, 9, 11, and 12 below. Nonrecaptured net section 1231 losses from prior years (see instructions)					7 11,791
8						8
9	Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below All others. 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 Schedule D.					9

Part II Ordinary Gains and Losses

10 Ordinary gains and losses not included on lines 11 through 17 (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	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	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)					17
18	Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: a For all except individual returns. Enter the gain or (loss) from line 18 on the return being filed. b For individual returns: (1) 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 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions. 18b(1) (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 18b(2)					

For Paperwork Reduction Act Notice, see the instructions.

Preparers Edition Form **4797** (2001)

CAA

1 479712

NTF 2554948

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820

Form 4797 (2001)

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

		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
3	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	01-01-1988	11-07-2001
AS1250 Building-1705 M			
B			
C			
D			
These columns relate to the properties on lines 19A - 19D. ▶		Property A	Property B
		Property C	Property D
20	Gross sales price (Note: See line 1 before completing) . . .	202395	
21	Cost or other basis plus expense of sale	37526	
22	Depreciation (or depletion) allowed or allowable	14258	
23	Adjusted basis. Subtract line 22 from line 21	23268	
24	Total gain. Subtract line 23 from line 20	179127	
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 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 inst.)	27b	
c	Enter the smaller of line 24 or 27b	27c	
28	If section 1254 property:		
a	Intangible drilling & 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.

		PROPERTIES TO 6252 - A	30	179,1
30	Total gains for all properties. Add property columns A through D, line 24		30	179,1
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	

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2001

Attachment
Sequence No. 67

Name(s) shown on return

Rudolph R. and Effie D. Drews

See separate instructions.

Attach to your tax return.

Business or activity to which this form relates

FOR SCHEDULE E #1

Identifying number

Part I

Election To Expense Certain Tangible 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	\$24,000
2	Total cost of section 179 property placed in service (see the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
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 the instructions.	5	24,000

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 2000 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	24,000
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 2002. 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.)

14	Special depreciation allowance for certain property (other than listed property) acquired after September 10, 2001 (see the instructions)	14	
15	Property subject to section 168(f)(1) election (see the instructions)	15	
16	Other depreciation (including ACRS) (see the instructions)	16	

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2001	17	972
18	If you are electing under section 168(f)(4) 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 2001 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (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			25 yrs.		S/L	
g 25-year property			27.5 yrs.	MM	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 2001 Tax Year Using the Alternative Depreciation System

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

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Part IV Summary (See the 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	972
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	

For Paperwork Reduction Act Notice, see separate instructions.

456212 NTF 2558226

Form 4562 (2001) (Rev. 3-2002)

Form 6252

Installment Sale Income

OMB No. 1545-0228

2001

Attachment
Sequence No. 79Department of the Treasury
Internal Revenue Service

► Attach to your tax return.
► Use a separate form for each sale or other disposition of
property on the installment method.

Identifying number

Name(s) shown on return

Rudolph R. and Effie D. Drews

1 Description of property ► 90 and 92 Sheppard Street

2a Date acquired (month, day, year) ► 04-16-1986

b Date sold (month, day, year) ► 05-01-1995

3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4. ☐ Yes ☒ No4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III ☐ Yes ☐ No

for the year of sale and the 2 years after the year of sale.

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7	Subtract line 6 from line 5	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16	Gross profit. Subtract line 15 from line 14	16	0
17	Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18	Contract price. Add line 7 and line 17	18	0

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19	Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	79.5140
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	0
22	Add lines 20 and 21	22	0
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	153,591
24	Installment sale income. Multiply line 22 by line 19	24	0
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	0

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☐ No

29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ►

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30	Selling price of property sold by related party	30	
31	Enter contract price from line 18 for year of first sale	31	
32	Enter the smaller of line 30 or line 31	32	
33	Total payments received by the end of your 2001 tax year (see instructions)	33	
34	Subtract line 33 from line 32. If zero or less, enter -0-	34	
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36	Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

For Paperwork Reduction Act Notice, see instructions.

C-A-A

1 62521

NTF 2558181

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Form 6252 (2001)

Form **6252**

Department of the Treasury
Internal Revenue Service

Installment Sale Income

► Attach to your tax return.
► Use a separate form for each sale or other disposition of property on the Installment method.

OMB No. 1545-0228

2001

Attachment
Sequence No. **79**

Name(s) shown on return

Rudolph R. and Effie D. Drews

Identifying number

[REDACTED]

- 1** Description of property ► **S1250 Building-1705 M**
- 2a** Date acquired (month, day, year) ... ► **01-01-1988** **b** Date sold (month, day, year) ... ► **11-07-2001**
- 3** Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 ... ☐ Yes ☒ No
- 4** Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale ... ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated ...	5	202,395
6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions) ...	6	
7 Subtract line 6 from line 5 ...	7	202,395
8 Cost or other basis of property sold ...	8	34,997
9 Depreciation allowed or allowable ...	9	14,258
10 Adjusted basis Subtract line 9 from line 8 ...	10	20,739
11 Commissions and other expenses of sale ...	11	2,529
12 Income recapture from Form 4797, Part III (see instructions) ...	12	
13 Add lines 10, 11, and 12 ...	13	23,268
14 Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions) ...	14	179,127
15 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0- ...	15	0
16 Gross profit. Subtract line 15 from line 14 ...	16	179,127
17 Subtract line 13 from line 6. If zero or less, enter -0- ...	17	0
18 Contract price. Add line 7 and line 17 ...	18	202,395

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19 Gross profit percentage. Divide line 16 by line 18 For years after the year of sale, see instructions ...	19	.88.5037
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0- ...	20	0
21 Payments received during year (see instructions). Do not include interest, whether stated or unstated ...	21	13,323
22 Add lines 20 and 21 ...	22	13,323
23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated ...	23	0
24 Installment sale income. Multiply line 22 by line 19 ...	24	11,791
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions) ...	25	0
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions) ...	26	11,791

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27** Name, address, and taxpayer identifying number of related party
- 28** Did the related party resell or dispose of the property ("second disposition") during this tax year? ... ☐ Yes ☐ No
- 29** If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.
- a** ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ...
- b** ☐ The first disposition was a sale or exchange of stock to the issuing corporation.
- c** ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d** ☐ The second disposition occurred after the death of the original seller or buyer.
- e** ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- 30** Selling price of property sold by related party
- 31** Enter contract price from line 18 for year of first sale
- 32** Enter the smaller of line 30 or line 31
- 33** Total payments received by the end of your 2001 tax year (see instructions)
- 34** Subtract line 33 from line 32. If zero or less, enter -0-
- 35** Multiply line 34 by the gross profit percentage on line 19 for year of first sale
- 36** Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)
- 37** Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)

For Paperwork Reduction Act Notice, see Instructions.

Form **6252** (2001)

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SCHEDULE A - DEDUCTION STATEMENT

Rudolph R. and Effie D. Drews

MEDICAL AND DENTAL EXPENSES

Medicines and Drugs

4,091

Medical Insurance

2,269

Medicare Premiums

1,200

Various Doctors

1,933

TOTAL TO SCHEDULE A LINE 1

9,493

825

SCHEDULE B - INTEREST SUMMARY

Rudolph R. and Effie D. Drews

Charleston's Antiques Dis
1600 Meeting Street Road
000-00-0000

1,583

TOTAL SELLER FINANCED MORTGAGE

1,583

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STATEMENT #1 - Medical Insurance (SCHEDULE A LINE 1)

STANDARD INSURANCE CO.....	2,269
MEDICARE	

TOTAL CARRIED TO SCHEDULE A LINE 1.....	2,269

STATEMENT #2 - Medicines & Drugs (SCHEDULE A LINE 1)

PRESCRIPTION CENTER.....	1,139
Walmart & Costco.....	1,256
MEDICINE SHOP.....	1,696
DEPT. OF VETERAN AFFAIRS	

TOTAL CARRIED TO SCHEDULE A LINE 1.....	4,091

STATEMENT #3 - Personal Property Tax (SCHEDULE A LINE 7)

1985 OLDS WAGON.....	15
1984 OLDS SEDAN.....	65
Mt. Pleasant City Tax	

TOTAL CARRIED TO SCHEDULE A LINE 7.....	80

STATEMENT #4 - Rents Received Prop A (SCHEDULE E PG 1 LINE 3)

1705A MEETING ST.....	5,000
1705B MEETING ST.....	8,500
1705B MEETING ST	

TOTAL CARRIED TO SCHEDULE E PG 1 LINE 3.....	13,500

STATEMENT #5 - A - Supplies (SCHEDULE E PG 1 LINE 15)

COPIER
POSTAGE

SCHEDULE E PG 1 LINE 15

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SOCIAL SECURITY BENEFITS WORKSHEET - Lines 20a and 20b

Rudolph R. and Effie D. Drews

Pub. 915

Keep for Your Records

Before you start: Is your filing status **Married** filing separately?

No. Go to line 1 below.

Yes. Did you live apart from your spouse all year?

No. Go to line 1 below.

Yes. Do the following if you file.

Form 1040: Enter "D" to the left of line 20a, then go to line 1 below.

Form 1040A: Enter "D" to the right of the word "benefits" on line 14a, then go to line 1 below.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099 1. 16,332
Note: If line 1 is zero or less, stop here: none of your benefits are taxable.
 Otherwise, go on to line 2.
2. Enter one-half of line 1 2. 8,166
3. Enter the total of the amounts from: 3. -5,041
 Form 1040: Lines 7, 8a, 8b, 9-14, 15b, 16b, 17-19, and 21.
 Form 1040A: Lines 7, 8a, 8b, 9, 10, 11b, 12b, and 13
4. Form 1040A filers: Enter the total of any exclusions for qualified U.S. savings bond interest
 (Form 8815, line 14) or for adoption benefits (Form 8839, line 26)
 Form 1040 filers: Enter the total of any exclusions/adjustments for:
 • Qualified U.S. savings bond interest (Form 8815, line 14)
 • Adoption benefits (Form 8839, line 26)
 • Foreign earned income or housing (Form 2555, lines 43 and 48, or Form 2555-EZ, line 18),
 and
 • Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico 4. 3,125
 5. Add lines 2, 3, and 4 5. 3,125
6. Form 1040A filers: Enter the amount from Form 1040A, line 16. Form 1040 filers: Enter the
 amount from Form 1040, line 32, minus any amount on Form 1040, line 24 6. 3,125
 7. Subtract line 6 from line 5 7. 3,125
8. Enter \$25,000 (\$32,000 if married filing jointly; \$0 if married filing separately and you lived with
 your spouse at any time during 2001) 8. 32,000
 9. Subtract line 8 from line 7. If zero or less, enter -0- 9. 32,000
- Note:** If line 9 is zero or less, stop here; none of your benefits are taxable. (Do not enter any
 amounts on Form 1040, line 20a or 20b, or on Form 1040A, line 14a or line 14b. But if you are
 married filing separately and you lived apart from your spouse for all of 2001, enter -0- on Form
 1040, line 20b, or on Form 1040A, line 14b.) Otherwise, go on to line 10.
10. Enter: \$9,000 (\$12,000 if married filing jointly; \$0 if married filing separately and you lived with
 your spouse at any time during 2001) 10. 0
 11. Subtract line 10 from line 9. If zero or less, enter -0- 11. 0
 12. Enter the **smaller** of line 9 or line 10 12. 0
 13. Enter one-half of line 12 13. 0
 14. Enter the **smaller** of line 2 or line 13 14. 0
 15. Multiply line 11 by 85% (85). If line 11 is zero, enter -0- 15. 0
 16. Add lines 14 and 15 16. 0
 17. Multiply line 1 by 85% (85) 17. 0
 18. Taxable social security benefits. Enter the **smaller** of line 16 or line 17 18. 0

- Enter the amount from line 1 above on Form 1040, line 20a, or on Form 1040A, line 14a
- Enter the amount from line 18 above on Form 1040, line 20b, or on Form 1040A, line 14b.

Note: If you received a lump-sum payment in this year that was for an earlier year, you may be able to report a lower taxable benefit. See Pub. 915 for details.

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NOL CARRYOVER FROM 2001 TO 2002 WORKSHEET

Rudolph R. and Effie D. Drews

NOL Year. 1996

(Keep for your records.)

1. Enter as a positive number your NOL deduction shown on your 2001 Form 1040, line 21	30,173
2. Enter your taxable income without the NOL deduction entered on Form 1040, line 21	9,581
3. Enter as a positive number any net capital loss deduction on Form 1040, line 13	
4. Enter any adjustments to your adjusted gross income (see instructions)	-3,217
5. Enter any adjustments to your itemized deductions from line 30 or line 44 below	5,800
6. Enter your deduction for personal exemptions from Form 1040, line 36	12,164
7. Modified taxable income. Combine lines 2 through 6. Enter result, but not less than zero	18,009
8. NOL carryforward to 2002. Subtract line 7 from line 1 and enter result (not less than zero)	

ADJUSTMENTS TO ITEMIZED DEDUCTIONS (Individuals Only)

9. Enter your AGI without the NOL deduction for the NOL year entered above or later years	25,132
10. Combine lines 3 and 4 above	
11. Modified adjusted gross income. Combine lines 9 and 10 above	25,132

ADJUSTMENT TO MEDICAL EXPENSES:

12. Enter your medical expenses from Schedule A (Form 1040), line 1	9,493
13. Multiply line 11 by .075	1,885
14. Subtract line 13 from line 12 and enter the result (but not less than zero)	7,608
15. Enter your medical expenses from Schedule A (Form 1040), line 4	9,493
16. Subtract line 14 from line 15	1,885

ADJUSTMENT TO CHARITABLE CONTRIBUTIONS:

17. Refigure your charitable contributions deduction using line 11 above as your AGI	5,215
18. Enter your charitable contributions deduction from Schedule A (Form 1040), line 18	
19. Subtract line 17 from line 18	-5,215

ADJUSTMENT TO CASUALTY AND THEFT LOSSES:

20. Enter your casualty and theft losses from Form 4684, line 16	2,513
21. Multiply line 11 by .10	
22. Subtract line 21 from line 20 and enter the result (but not less than zero)	
23. Enter your casualty and theft losses from Form 4684, line 18	
24. Subtract line 22 from line 23	

ADJUSTMENT TO MISCELLANEOUS DEDUCTIONS:

25. Enter your miscellaneous itemized deductions from Schedule A (Form 1040), line 23	113
26. Multiply line 11 by .02	503
27. Subtract line 26 from line 25	113
28. Enter your miscellaneous itemized deductions from Schedule A (Form 1040), line 28	
29. Subtract line 27 from line 28	113

TENTATIVE TOTAL ADJUSTMENT:

30. Combine lines 16, 19, 24, and 29. If line 11 is \$132,950 or less (\$66,475 or less if married filing separately), enter the amount from this line on line 5 above and stop here. Otherwise, complete lines 31 through 44	-3,217

ADJUSTMENT TO OVERALL ITEMIZED DEDUCTIONS LIMIT:

31. Add lines 14, 17, 22, and 27	
32. Add lines 9, 14, 27, and 28 of Schedule A (Form 1040)	
33. Combine lines 31 and 32	
34. Add lines 14 and 22	
35. Add any gambling losses included on line 27 of Schedule A (Form 1040) to line 13 of Schedule A	
36. Add lines 34 and 35	
37. Subtract line 36 from line 33	
38. Multiply line 37 by 80	
39. Subtract \$132,950 (\$66,475 if married filing separately) from the amount on line 11	
40. Multiply line 39 by .03	
41. Enter the smaller of line 38 or line 40	
42. Subtract line 41 from line 33	9,751
43. Enter the amount from line 29 of Schedule A (Form 1040)	
44. Subtract line 42 from line 43. Enter here and on line 5	

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RATE REDUCTION CREDIT WORKSHEET — Line 47

Rudolph R. and Effie D. Drews

Keep for your records

Before you begin:

If you received (before offset) an advance payment of your 2001 taxes equal to the amount shown below for your 2001 filing status, stop. You cannot take the credit because you have received the maximum amount of the credit.

- Single or married filing separately -- \$300
- Head of household -- \$500
- Married filing jointly or qualifying widow(er) -- \$600

If you, or your spouse if filing a joint return, can be claimed as a dependent on another person's return, stop. You cannot take the credit.

If you received (before offset) an advance payment and you filed a joint return for 2000, you and your spouse are each considered to have received one-half of the payment.

TIP: If you received Notice 1275, 1277, or 1278 have it available. The notice shows the amount of your advance payment (before offset).

1. Enter the amount from Form 1040, line 39. If line 39 is zero or blank, stop; you cannot take the credit. 1. _____
2. Enter the amount shown below for your filing status.
 - Single or married filing separately -- \$6,000
 - Head of household -- \$10,000
 - Married filing jointly or qualifying widow(er) -- \$12,000
 } → 2. 12,000
3. Is the amount on line 1 less than the amount on line 2?
 - No.** Enter: \$300 if single or married filing separately; \$500 if head of household; \$600 if married filing jointly or qualifying widow(er). } → 3. _____
 - Yes.** Multiply the amount on line 1 by 5%. Enter the result. 4. _____
4. Enter the amount from Form 1040, line 42 5. _____
5. Add the amounts from Form 1040, lines 43 through 46. Enter the total 6. _____
6. Subtract line 5 from line 4. If the result is zero or less, stop; you cannot take the credit. 7. _____
7. Enter the smaller of line 3 or line 6 8. _____
8. Enter the amount, if any, of your advance payment (before offset). If filing a joint return, include your spouse's advance payment with yours 9. _____
9. **Rate reduction credit.** Subtract line 8 from line 7. Enter the result here and, if more than zero, on Form 1040, line 47. If line 8 is more than line 7, you do not have to pay back the difference 9. _____

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SCHEDULE D TAX WORKSHEET

Rudolph R. and Effie D. Drews

Keep for Your Records.

CAPITAL LOSS CARRYOVER WORKSHEET - LINE 18

Use this worksheet to figure your capital loss carryovers from 2001 to 2002 if Schedule D, line 18, is a loss and (a) that loss is a smaller loss than the loss on Schedule D, line 17, or (b) Form 1040, line 37, is a loss. Otherwise, you do not have any carryovers.

1. Enter the amount from Form 1040, line 37. If a loss, enclose the amount in parentheses 1. _____
2. Enter the loss from Schedule D, line 18, as a positive amount 2. _____
3. Combine lines 1 and 2. If zero or less, enter -0- 3. 0
4. Enter the smaller of line 2 or line 3 4. _____
- If line 7 of Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.
5. Enter the loss from Schedule D, line 7, as a positive amount 5. _____
6. Enter any gain from Schedule D, line 16 6. _____
7. Add lines 4 and 6 7. _____
8. Short-term capital loss carryover to 2002. Subtract line 7 from line 5. If zero or less, enter -0- 8. 0
- If line 16 of Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.
9. Enter the loss from Schedule D, line 16, as a positive amount 9. _____
10. Enter any gain from Schedule D, line 7 10. _____
11. Subtract line 5 from line 4. If zero or less, enter -0- 11. 0
12. Add lines 10 and 11 12. _____
13. Long-term capital loss carryover to 2002. Subtract line 12 from line 9. If zero or less, enter -0- 13. _____

UNRECAPTURED SECTION 1250 GAIN WORKSHEET - LINE 19

If you are not reporting a gain on Form 4797, line 7, skip lines 1 through 9 and go to line 10.

1. If you had a section 1250 property in Part III of Form 4797 for which you made an entry in Part I of Form 4797 (but not on Form 6252), enter the smaller of line 22 or line 24 of Form 4797 for that property. If you did not have any such property, go to line 4. If you had more than one such property, see instructions 1. 14,258
2. Enter the amount from Form 4797, line 26g, for the property for which you made an entry on line 1 2. _____
3. Subtract line 2 from line 1 3. 14,258
4. Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of trade or business property held more than 1 year (see instructions) 4. _____
5. Enter the total of any amounts reported to you on Schedules K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain" 5. _____
6. Add lines 3 through 5 6. 14,258
7. Enter the smaller of line 6 or the gain from Form 4797, line 7 7. 11,791
8. Enter the amount, if any, from Form 4797, line 8 8. _____
9. Subtract line 8 from line 7. If zero or less, enter -0- 9. 11,791
10. Enter the amount of any gain from the sale or exchange of an interest in a partnership attributable to unrecaptured section 1250 gain (see instructions) 10. _____
11. Enter the total of any amounts reported to you on Schedule K-1, Form 1099-DIV, and Form 2439 as "unrecaptured section 1250 gain" from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company) 11. _____
12. Enter the total amount of any unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale (see instructions) 12. _____
13. Add lines 9 through 12 13. 11,791
14. Enter the gain or (loss) from Schedule D, line 15 14. _____
15. Enter the (loss), if any, from Schedule D, line 7. If Schedule D, line 7, is zero or a gain, enter -0- 15. _____
16. Combine lines 14 and 15. If the result is zero or a gain, enter -0-. If the result is a (loss), enter it as a positive amount 16. _____
17. Unrecaptured section 1250 gain. Subtract line 16 from line 13. If zero or less, enter -0-. Enter the result here and on Schedule D, line 19 17. 11,791

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SCHEDULE D BREAKOUT

Rudolph R. and Effie D. Drews

Schedule D - Part I

Short-Term Capital Gains and Losses

Gain (Loss)

Form 6252

Form 4684

Form 6781

Form 8824

Total to Schedule D, line 4

Schedule D - Part II

Long-Term Capital Gains and Losses

Gain (Loss)

28% Rate
Gain (Loss)

Form 4797 11,791

Form 6252

Form 2439

Form 6781

Form 4684

Form 8824

Total to Schedule D, line 11 11,791

882

2001 Federal Depreciation Schedule

Drews, Rudolph R.

02-12-2003

Description	Date	Method	Year	Cost	Land/ Other	§179	Spec Allow	Basis	Prior	Current
General										
Building-1705 M	01-01-88	S/L	31 5*	34,997	0	0	0	34,997	13,286	972
Storage Tank	01-01-88	200DB	10*	56,007	0	0	0	56,007	53,402	0
2 Assets			Totals:	91,004	0	0	0	91,004	66,688	972
2 Assets			Grand Totals:	91,004	0	0	0	91,004	66,688	972

* Asset disposed this year

~C Carryover basis in like-kind exchange transaction

~B Excess basis in like-kind exchange transaction

2001 Book Depreciation Schedule

02-12-2003

Drews, Rudolph R.

Description	Date	Method	Year	Cost	Land/ Other	\$179	Spec Allow	Basis	Prior	Current
<u>General</u>										
Building-1705 M	01-01-88	S/L	31 5*	34,997	0	0	0	34,997	13,286	972
Storage Tank	01-01-88	200DB	10*	56,007	0	0	0	56,007	53,402	0
2 Assets		Totals:		91,004	0	0	0	91,004	66,688	972
2 Assets		Grand Totals:		91,004	0	0	0	91,004	66,688	972

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* Asset disposed this year
 ~C Carryover basis in like-kind exchange transaction
 ~B Excess basis in like-kind exchange transaction

2002 CARRYFORWARD INFORMATION

Rudolph R. and Effie D. Drews

(Keep for your records.)

2001 taxable state and local tax refund (Only applicable if deductions were itemized in 2001)	5,215
Charitable contributions carryover to 2002	
Short-term capital loss carryover	
Long-term capital loss carryover	
2001 tax liability	
Form 8839: 2001 carryover	
Refund amount applied to 2002	
Disallowed investment interest in 2001	
Additional state taxes paid	
Form 8396: Mortgage interest credit from 1999	
Mortgage interest credit from 2000	
Mortgage interest credit from 2001	
Form 8801: Minimum tax credit carryforward	
Net operating loss carryforward from 1987	.. from 1994
. . . from 1988	.. from 1995
. . . from 1989	.. from 1996 18,009
. . . from 1990	.. from 1997
. . . from 1991	.. from 1998
. . . from 1992	.. from 1999
. . . from 1993	.. from 2000
	.. from 2001
	Absorbed in carryback period
	Net carryforward from 2000

- The amounts carried to next year from Schedule(s) E, pages 1 and/or 2, are found on Form 8582, Worksheet 5. Carryover AMT amounts are found on the AMT Form 8582, Worksheet 5.
- Any related credit carryforwards from Forms 3468, 5884, and 8586 are found on Form 3800. Credit carryforwards from Form 8582-CR are on Form 8582-CR, Worksheet 8.
- If there are Form(s) 6252 in this tax return, the gross profit ratio and prior payments received (including the current year payments) will carry forward from each Form 6252.
- Amounts at risk to be carried forward to next year are found at the bottom of Form 6198 for each amount at risk.
- Amounts from Form 6251, lines 16 through 18, lines 27 and 28, are automatically carried forward to 2002.

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SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURN

2001

For the year January 1 – December 31, 2001, or other tax year beginning

2001 and ending

20

Print Your first name and Initial (Sr, Jr, 2nd, 3rd, 4th) Last name
Rudolph R. Drews

Spouse's first name and Initial, if married filing jointly Spouse's last name, if different
Effie D. Drews

Present home address (number and street, or P. O. Box) Apt. No. Area Code Daytime telephone
20000000 Road

City, state and ZIP code
Charleston SC 29407

County code

Your Social Security number
50-30-0000

Spouse's Social Security number
50-30-0000

Do not write in this space — OFFICE USE

If you do not wish to receive a booklet next year, but need a name and address label for your 2002 return, check here. ☐

Check here, if you are filing SC Schedule NR (Part year/Nonresident). ☐

Check this box if filing a composite return for partnership or "S" corporation ☐

CHECK YOUR (1) ☐ Single (3) ☐ Married filing separately Enter spouse's SSN here: _____

FEDERAL FILING STATUS (2) ☒ Married filing jointly (4) ☐ Head of household (5) ☐ Widow(er) with dependent child

Federal Exemptions: Enter the number of exemptions from line 6 (d) of your 2001 federal return. **2**

How many of the exemptions listed above were under the age of 6 years on December 31, 2001? _____

Enter the number of taxpayers age 65 or older. _____

1 Enter Federal taxable income from your federal form 1040, line 39; 1040A, line 25; or 1040EZ, line 6 and enter it on line 33 of this return. If zero or less, enter zero here and enter the negative amount on line 49 of this form. **00**

STOP! Resident filers complete lines 34 through 57 and enter total from line 57. Nonresident filers complete Schedule NR and enter total from line 41.

2 South Carolina INCOME SUBJECT TO TAX Do not enter an amount less than zero. **00**

3 TAX: Enter tax from SOUTH CAROLINA tax tables **00**

4 TAX on Lump Sum Distribution (If using SC4972, please attach.) **00**

5 TOTAL South Carolina tax. Add lines 3 and 4. Enter the total. **00**

6 Child and Dependent Care (See instructions) **00**

7 Two Wage Earner Credit from Schedule W (See instructions) **00**

8 Other Non-refundable Credits. Attach SC1040TC. **00**

9 TOTAL Non-refundable Credits. Add lines 6 through 8 and enter the total. **00**

10 SUBTRACT line 9 from line 5. Enter the difference BUT NOT LESS THAN ZERO. **00**

11 SC INCOME TAX WITHHELD (Attach W-2/SC41) **00**

12 2001 Estimated Tax Payments **00**

13 Amount Paid with extension **00**

14 NR sale of real estate **00**

15 Other SC Withholding (Attach form 1099) **00**

16 Tuition Tax Credit (Attach form I-319) **00**

17 ADD lines 11 through 16 and enter the total. These are your Total Payments/Credits. **00**

18 If line 17 is LARGER than line 10, subtract line 10 from line 17 and enter the OVERPAYMENT. **00**

19 If line 10 is LARGER than line 17, subtract line 17 from line 10 and enter the AMOUNT DUE **00**

20 USE TAX (Due on Out-of-state Purchases. See instructions) **00**

21 Amount of line 18 to be credited to your 2002 ESTIMATED TAX. **00**

22 Endangered Wildlife Fund **00**

23 Children's Trust Fund **00**

24 Eldercare Trust Fund **00**

25 Veterans' Trust Fund **00**

26 Gift of Life Trust Fund **00**

27 DARE Fund **00**

28 First Steps Fund **00**

29 Heritage Trust Fund **00**

30 ADD lines 20 through 29 and enter the total. **00**

31 NET REFUND: If line 30 is larger than line 18, go to line 32. Otherwise, subtract line 30 from line 18 and enter the AMOUNT TO BE REFUNDED TO YOU. **00**

32 NET DUE: ADD lines 19 and 30 and, if applicable, penalty amount. If line 30 is larger than line 18, subtract line 18 from line 30. Enter the AMOUNT YOU OWE. If subject to penalty for Underpayment of Estimated Tax, attach Form SC2210. (See instructions). **00**

Attach a check or money order for the full amount payable to "SC Department of Revenue." Write your Social Security number and "2001 Form SC1040" on the check.

REFUND

BALANCE DUE

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed a SC Schedule NR, or claimed a Tuition Tax Credit.

33 Federal taxable income from your federal Form 1040, line 39; 1040A, line 25; or 1040EZ, line 6.

If zero or less, enter zero here and enter the negative amount on line 49 of this form

33

Dollars

Cents

00

PART 1 ADDITIONS TO FEDERAL TAXABLE INCOME

34 If itemizing your state and local income tax deduction, enter the amount from line 5 of Worksheet A in the instructions

34

00

35 Out-of-state losses (see instructions.)

35

00

36 Expenses related to National Guard and military reserve income.

36

00

37 Interest income on obligations of states and political subdivisions other than South Carolina.

37

00

38 Other additions to income. (See instructions.) Attach an explanation.

38

00

39 TOTAL ADDITIONS -- add lines 34 through 38 and enter your total additions to income here.

39

0

00

40 Add line 33 and line 39 and enter total here.

40

00

PART 2 SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

41 State tax refund, if included on line 10, on your federal 1040.

41

00

42 Interest income from obligations of the US government.

42

00

43 National Guard or Reserve annual training and drill pay. (See instructions.)

43

00

44 Permanent disability retirement income, if taxed on your federal return.

44

00

45 Social Security and/or railroad retirement, if taxed on your federal return.

45

00

46 Caution: Retirement Deduction -- (See instructions.)

a) Taxpayer: Birth Date

46a

00

b) Spouse: Birth Date

46b

00

c) Surviving Spouse(s): Birth Date

46c

00

47 Age 65 and older deduction -- (See instructions.)

a) Taxpayer: Birth date

47a

00

b) Spouse: Birth date

47b

00

48 Out-of-state income/gain -- Do not include personal service income. (See instructions.)

48

00

49 Negative amount of federal taxable income

49

20,592

00

50 44% of net capital gains held for more than one year (See instructions.)

50

00

51 Subsistence Allowance days @ \$5.00

51

00

52 Volunteer Firefighters/Rescue Squad Deduction. (See instructions.)

52

00

53 Dependents under 6 years of age. (See instructions.)

Birth Date

SSN

Birth Date

SSN

53

00

54 Additional self-employed health insurance deduction

54

00

55 Other subtractions (See instructions.)

55

00

56 TOTAL SUBTRACTIONS -- add lines 41 through 55 and enter the total

56

20,592

00

57 South Carolina INCOME SUBJECT TO TAX Subtract line 56 from line 40.

57

-20,592

00

Enter here and on line 2 of this return, but not less than zero.

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed a SC Schedule NR, or claimed a Tuition Tax Credit.

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief

Your Signature

Date

Spouse's Signature (if jointly, BOTH must sign)

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer.

Yes ☒ No ☐

Preparer's Printed Name

JERRY D. GAMBRELL, CPA, LI

If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Paid
Preparer's
Use Only

Prepared by

02-12-2003

Date

PO BOX 21914

Address

EI Number

843-722-0049

Phone Number

CHARLESTON SC 29413-1914

City

State

Zip

MAIL RETURN TO: PROCESSING CENTER, P.O. BOX 1000, COLUMBIA SC 29211-0100

Use the label here to print or type.

Rudolph R. Drews
Effie D. Drews
[REDACTED] Road
Charleston SC 29407

Your social security number
[REDACTED]
Spouse's social security no.
[REDACTED]
A You must enter your SSN(s) above. A

Presidential Election Campaign

Note. Checking "Yes" will not change your tax or reduce your refund.

Do you, or your spouse if filing a joint return, want \$3 to go to this fund?

You ☒ Yes ☐ No Spouse ☒ Yes ☐ No

Filing Status

- 1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ▶

- 4 ☐ Head of household (with qualifying person). (See inst.) If qualifying person is a child but not your dependent, enter child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶). (See instructions.)

Exemptions

- 6a ☒ Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a
b ☒ Spouse

c Dependents: If more than five dependents, see inst.
(1) First name Last name

(2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If qualifying child for child tax credit (see inst.)

No. of boxes checked on 6a and 6b
No. of children on 6c who:
• lived with you
• did not live with you due to divorce or separation (see inst.)

Dependents on 6c not entered above

Add numbers on lines above ▶

2

2

d Total number of exemptions claimed.

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2

7 0

Attach

Forms W-2 and 2G here.
Do not attach Form(s) 1099-R if tax was withheld.

8a Taxable interest. Attach Schedule B if required

8a 16,686

b Tax-exempt interest. Do not include on line 8a 8b

9 Ordinary dividends. Attach Schedule B if required

9 22

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)

10

11 Alimony received

11

12 Business income or (loss). Attach Schedule C or C-EZ

12

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ▶

13 7,722

14 Other gains or (losses). Attach Form 4797

14

15a IRA distributions 15a

b Taxable amount (see inst.) 15b

16a Pensions and annuities 16a

b Taxable amount (see inst.) 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E

17

18 Farm income or (loss). Attach Schedule F

18

19 Unemployment compensation

19

20a Social security benefits 20a

b Taxable amount (see inst.) 20b

21 Other income. NET OPERATING LOSS \$-18009

21 -18,009

22 Add the amounts in the far right column for lines 7 through 21. This is your total income ▶

22 6,421

Adjusted Gross Income

23 Educator expenses (see instructions) 23

24 IRA deduction (see instructions) 24

25 Student loan interest deduction (see instructions) 25

26 Tuition and fees deduction (see instructions) 26

27 Archer MSA deduction. Attach Form 8853 27

28 Moving expenses. Attach Form 3903 28

29 One-half of self-employment tax. Attach Schedule SE 29

30 Self-employed health insurance deduction (see instructions) 30

31 Self-employed SEP, SIMPLE, and qualified plans 31

32 Penalty on early withdrawal of savings 32

33a Alimony paid b Recipient's SSN ▶

33a

34 0

34 Add lines 23 through 33a

35 6,421

35 Subtract line 34 from line 22. This is your adjusted gross income

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For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

JVA

Preparers Edition

Form 1040 (2002)



Tax and Credits	36	Amount from line 35 (adjusted gross income)	36	6,421
	37a	Check if: ☒ You were 65 or older, ☐ Blind; ☒ Spouse was 65 or older, ☐ Blind. Add the number of boxes checked above and enter the total here	37a	2
	b	If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see instructions and check here	37b	☐
Standard Deduction for:	38	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	38	9,650
• People who checked any box on line 37a or 37b or who can be claimed as dependent, see inst.	39	Subtract line 38 from line 36.	39	-3,229
• All others:	40	If line 36 is \$103,000 or less, multiply \$3,000 by the total number of exemptions claimed on line 6d. If line 36 is over \$103,000, see the worksheet in the instructions	40	6,000
Single, \$4,700	41	Taxable income. Subtract line 40 from line 39. If line 40 is more than line 39, enter -0-	41	0
Head of household, \$6,900	42	Tax (see inst.). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	42	0
Married filing jointly or Qualifying widow(er), \$7,850	43	Alternative minimum tax (see instructions). Attach Form 6251	43	
Married filing separately, \$3,925	44	Add lines 42 and 43	44	
	45	Foreign tax credit. Attach Form 1116 if required.	45	
	46	Credit for child & dependent care expenses. Attach Form 2441	46	
	47	Credit for the elderly or the disabled. Attach Schedule R	47	
	48	Education credits. Attach Form 8863	48	
	49	Retirement savings contributions credit. Attach Form 8880	49	
	50	Child tax credit (see instructions)	50	
	51	Adoption credit. Attach Form 8839	51	
	52	Credits from: a ☐ Form 8396 b ☐ Form 8859	52	
	53	Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Specify	53	
	54	Add lines 45 through 53. These are your total credits	54	0
	55	Subtract line 54 from line 44. If line 54 is more than line 44, enter -0-	55	0
Other Taxes	56	Self-employment tax. Attach Schedule SE	56	
	57	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	57	
	58	Tax on qualified plans, including IRAs, & other tax-favored accts. Attach Form 5329 if required	58	
	59	Advance earned income credit payments from Form(s) W-2	59	
	60	Household employment taxes. Attach Schedule H	60	
	61	Add lines 55 through 60. This is your total tax	61	0
Payments	62	Federal income tax withheld from Forms W-2 and 1099	62	
	63	2002 estimated tax payments & amt. applied from 2001 return	63	
	64	Earned income credit (EIC)	64	
	65	Excess social security and tier 1 RRTA tax withheld (see inst.)	65	
	66	Additional child tax credit. Attach Form 8812	66	
	67	Amount paid with request for extension to file (see instructions)	67	
	68	Other payments from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885	68	
	69	Add lines 62 through 68. These are your total payments	69	0
Refund	70	If line 69 is more than line 61, subtract line 61 from line 69. This is the amount you overpaid	70	0
	71a	Amount of line 70 you want refunded to you	71a	0
	b	Routing no. c Type: ☐ Checking ☐ Savings		
	d	Account no.		
	72	Amt. of line 70 you want applied to your 2003 estimated tax	72	
	73	Amount you owe. Subtract line 69 from line 61. For details on how to pay, see instructions	73	
You Owe	74	Estimated tax penalty (see instructions)	74	
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No			
Sign Here	Designee's name PREPARER	Phone no.	Personal identification number (PIN)	
Joint return? See instructions. Keep a copy for your records.	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Your signature	Date	Your occupation	Daytime phone number
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
			Housewife	
Preparer's Use Only	Preparer's signature	Date 04-15-2003	Check if self-employed ☐	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed), address, & ZIP code	JERRY D. GAMBRELL, LLC PO BOX 21914 CHARLESTON SC 29413-1914	EIN	843-722-0049

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Schedule A -- Itemized Deductions

▶ Attach to Form 1040. ▶ See Instructions for Schedule A (Form 1040).

OMB No. 1545-0074

2002

Attachment
Sequence No. **07**

Your social security no. **[REDACTED]**

Name(s) shown on Form 1040

Rudolph R. AND Effie D. Drews

Medical and Dental Expenses		Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses				
	MEDICARE PREMIUMS	1,296		1	1,296
	VARIOUS DOCTORS				
2	Enter amount from Form 1040, line 36 ..	2	6,421	3	482
3	Multiply line 2 by 7.5% (.075) ..			4	814
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-				
Taxes You Paid		5	State and local income taxes ..		
	6 Real estate taxes (see instructions) ..	6			
	7 Personal property taxes ..	7			
(See instructions.)	8 Other taxes ..	8			
	9 Add lines 5 through 8 ..			9	0
Interest You Paid		10	Home mortgage interest and points reported to you on Form 1098 ..		
(See instructions.)	11 Home mortgage interest not reported to you on Form 1098. If paid to person from whom you bought the home, show that person's name, ID no., & address ▶				
	12 Points not reported to you on Form 1098. See inst. for special rules ..	11	0		
Note. Personal interest is not deductible.	13 Investment interest. Attach Form 4952 if required. (See instructions.)	12			
	14 Add lines 10 through 13 ..	13		14	0
Gifts to Charity		15	Gifts by cash or check.		
	MISC CHARITIES				
If you made a gift and got a benefit for it, see instructions.	16 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 ..	15			
	17 Carryover from prior year ..	16			
	18 Add lines 15 through 17 ..	17	5,215	18	3,211
	19 Casualty or theft loss(es). Attach Form 4684. (See instructions.)		LIMITED..	19	0
Casualty and Theft Losses	20 Unreimbursed empl. exp. You must attach Form 2106 or 2106-EZ if required. ▶				
Job Expenses and Most Other Miscellaneous Deductions		20			
	21 Tax preparation fees ..	21			
	22 Other expenses ▶	22			
	23 Add lines 20 through 22 ..	23			
(See inst. for expenses to deduct here.)	24 Enter amount from Form 1040, line 36 ..	24	6,421	25	128
	25 Multiply line 24 by 2% (.02) ..			26	0
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-				
Other Miscellaneous Deductions	27 Other — from list in instructions. List type and amount ▶			27	
Total Itemized Deductions	28 Is Form 1040, line 36, over \$137,300 (over \$68,650 if married filing separately)?			28	4,025
	☒ No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 38.				
	☐ Yes. Your deduction may be limited. See instructions for amount to enter.				

For Paperwork Reduction Act Notice, see Form 1040 instructions

Preparers Edition

Schedule A (Form 1040) 2002

Schedules A&B (Form 1040) 2002

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security no.

Rudolph R. AND Effie D. Drews

Attachment
Sequence No. 08**Schedule B -- Interest and Ordinary Dividends****Part I
Interest**

(See the instructions for Schedule B and Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

	Amount
1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶ New York Life Insurance Wachovia Bank Edward Jones SELLER FINANCED MORTGAGE (SEE STATEMENT)	33 16,653
2 Add the amounts on line 1.	16,686
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989 from Form 8815, line 14. You must attach Form 8815.	
4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a. ▶	16,686

Note. If line 4 is over \$1,500, you must complete Part III.**Part II
Ordinary Dividends**

(See the instructions for Schedule B, and Form 1040, line 9.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

	Amount
5 List name of payer. Include only ordinary dividends. If you received any capital gain distributions, see the instructions for Form 1040, line 13 ▶ Edward Jones	22
6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9. ▶	22

Copyright Forms
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- 2002 TWNL**Part III
Foreign
Accounts
and Trusts**

(See instructions.)

Note. If line 6 is over \$1,500, you must complete Part III.
You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; OR (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

7a At any time during 2002, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1.	Yes	No
b If "Yes," enter the name of the foreign country		
8 During 2002, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions.	Yes	No

Schedule D (Form 1040) 2011

Part III Taxable Gain or Deductible Loss

17	Combine lines 7 and 16 and enter the result. If a loss, go to line 18. If a gain, enter the gain on Form 1040, line 13, and complete Form 1040 through line 41	17	7,722
Next: • If both lines 16 and 17 are gains and Form 1040, line 41, is more than zero, complete Part IV below. • Otherwise, skip the rest of Schedule D and complete Form 1040.			
18	If line 17 is a loss, enter here and on Form 1040, line 13, the smaller of (a) that loss or (b) (\$3,000) (or, if married filing separately, (\$1,500)). Then complete Form 1040 through line 39	18	()
Next: • If the loss on line 17 is more than the loss on line 18 or if Form 1040, line 39, is less than zero, skip Part IV below and complete the Capital Loss Carryover Worksheet in the instructions before completing the rest of Form 1040. • Otherwise, skip Part IV below and complete the rest of Form 1040.			

Part IV Tax Computation Using Maximum Capital Gains Rates

19	Enter your unrecaptured section 1250 gain, if any, from line 17 of the worksheet in the instructions	19	
If line 15 or line 19 is more than zero, complete the worksheet in the instructions to figure the amount to enter on lines 22, 29, and 40 below, and skip all other lines below. Otherwise, go to line 20.			
20	Enter your taxable income from Form 1040, line 41	20	
21	Enter the smaller of line 16 or line 17 of Schedule D	21	
22	If you are deducting investment interest expense on Form 4952, enter the amount from Form 4952, line 4e. Otherwise, enter -0-	22	0
23	Subtract line 22 from line 21. If zero or less, enter -0-	23	0
24	Subtract line 23 from line 20. If zero or less, enter -0-	24	0
25	Figure the tax on the amount on line 24. Use the Tax Table or Tax Rate Schedules, whichever applies	25	
26	Enter the smaller of: • The amount on line 20 or • \$46,700 if married filing jointly or qualifying widow(er); \$27,950 if single; \$37,450 if head of household; or \$23,350 if married filing separately	26	
If line 26 is greater than line 24, go to line 27. Otherwise, skip lines 27 through 33 and go to line 34.			
27	Enter the amount from line 24	27	0
28	Subtract line 27 from line 26. If zero or less, enter -0- and go to line 34	28	0
29	Enter your qualified 5-year gain, if any, from line 8 of the worksheet in the instructions	29	
30	Enter the smaller of line 28 or line 29	30	
31	Multiply line 30 by 8% (.08)	31	
32	Subtract line 30 from line 28	32	
33	Multiply line 32 by 10% (.10)	33	0
If the amounts on lines 23 and 28 are the same, skip lines 34 through 37 and go to line 38.			
34	Enter the smaller of line 20 or line 23	34	
35	Enter the amount from line 28 (if line 28 is blank, enter -0-)	35	0
36	Subtract line 35 from line 34	36	
37	Multiply line 36 by 20% (.20)	37	
38	Add lines 25, 31, 33, and 37	38	0
39	Figure the tax on the amount on line 20. Use the Tax Table or Tax Rate Schedules, whichever applies	39	
40	Tax on all taxable income (including capital gains). Enter the tax on line 38 or line 39 here and on Form 1040, line 42	40	842

1
SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

► Attach to Form 1040 or Form 1041. ► See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2002

Attachment
Sequence No. **13**

Name(s) shown on return

Rudolph R. AND Effie D. Drews

Your social security no.

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use **Schedule C** or **C-EZ** (see instructions). Report farm rental income or loss from **Form 4835** on page 2, line 39.

1 Show the kind and location of each rental real estate property:

A Building
1705 Meeting Street

B

C

2 For each rental real estate prop.
listed on line 1, did you or your
family use it during the tax year
for personal purposes for more
than the greater of:
• 14 days or
• 10% of the total days rented
at fair rental value?
(See instructions.)

	Yes	No
A		X
B		
C		

Income:	Properties			Totals (Add columns A, B, and C)
	A	B	C	
3 Rents received				3
4 Royalties received				4
Expenses:				
5 Advertising				
6 Auto and travel (see instructions)				
7 Cleaning and maintenance				
8 Commissions				
9 Insurance				
10 Legal and other professional fees				
11 Management fees				
12 Mortgage interest paid to banks, etc. (see instructions)				12
13 Other interest				
14 Repairs				
15 Supplies				
16 Taxes				
17 Utilities				
18 Other (list) ►				
19 Add lines 5 through 18				19
20 Depreciation expense or depletion (see instructions)				20
21 Total expenses. Add lines 19 and 20				21
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198				22
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582 . Real estate professionals must complete line 42 on page 2				23
24 Income. Add positive amounts shown on line 22. Do not include any losses				24
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				25
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 39 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 40 on page 2				26

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Preparers Edition Schedule E (Form 1040) 2002

Installment Sale Income

OMB No. 1545-0228

2002

Attachment
Sequence No. 79Department of the Treasury
Internal Revenue Service

► Attach to your tax return.
► Use a separate form for each sale or other disposition of
property on the installment method.

Identifying number

Name(s) shown on return

Rudolph R. AND Effie D. Drews

90 and 92 Sheppard Street

- 1 Description of property ► 90 and 92 Sheppard Street
- 2a Date acquired (month, day, year) . . . ► 04-16-1986 b Date sold (month, day, year) . . . ► 05-01-1995
- 3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4. ☐ Yes ☒ No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale. ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7	Subtract line 6 from line 5	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16	Gross profit. Subtract line 15 from line 14.	16	0
17	Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18	Contract price. Add line 7 and line 17.	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19	Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	79.5140
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	9,711
22	Add lines 20 and 21	22	9,711
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated.	23	153,591
24	Installment sale income. Multiply line 22 by line 19	24	7,722
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	7,722

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
- 28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☒ No
- 29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.
- a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year)
- b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.
- c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d ☐ The second disposition occurred after the death of the original seller or buyer.
- e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- | | | | |
|----|--|----|--|
| 30 | Selling price of property sold by related party | 30 | |
| 31 | Enter contract price from line 18 for year of first sale | 31 | |
| 32 | Enter the smaller of line 30 or line 31 | 32 | |
| 33 | Total payments received by the end of your 2002 tax year (see instructions) | 33 | |
| 34 | Subtract line 33 from line 32. If zero or less, enter -0- | 34 | |
| 35 | Multiply line 34 by the gross profit percentage on line 19 for year of first sale | 35 | |
| 36 | Enter the part of line 35 that is ordinary income under the recapture rules (see instructions) | 36 | |
| 37 | Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions) | 37 | |

For Paperwork Reduction Act Notice, see instructions.

Form 6252 (2001)

844

Installment Sale Income

OMB No. 1545-0228

Form **6252**

► Attach to your tax return.

2002

Department of the Treasury
Internal Revenue Service

► Use a separate form for each sale or other disposition of property on the installment method.

Attachment
Sequence No. **79**

Identifying number

Name(s) shown on return

Rudolph R. AND Effie D. Drews

1 Description of property ► S1250 Building-1705 M

2a Date acquired (month, day, year) . . . ► 01-01-1988

b Date sold (month, day, year) . . . ► 11-07-2001

3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 ☐ Yes ☒ No

4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7 Subtract line 6 from line 5	7	
8 Cost or other basis of property sold	8	
9 Depreciation allowed or allowable	9	
10 Adjusted basis. Subtract line 9 from line 8	10	
11 Commissions and other expenses of sale	11	
12 Income recapture from Form 4797, Part III (see instructions)	12	
13 Add lines 10, 11, and 12	13	
14 Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16 Gross profit. Subtract line 15 from line 14	16	0
17 Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18 Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	88.5037
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21 Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	0
22 Add lines 20 and 21	22	0
23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	13,323
24 Installment sale income. Multiply line 22 by line 19	24	0
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	0

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☒ No

29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year)

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30 Selling price of property sold by related party	30	
31 Enter contract price from line 18 for year of first sale	31	
32 Enter the smaller of line 30 or line 31	32	
33 Total payments received by the end of your 2002 tax year (see instructions)	33	
34 Subtract line 33 from line 32. If zero or less, enter -0-	34	
35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

Form **6252** (2002)

For Paperwork Reduction Act Notice, see instructions.

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SCHEDULE A - DEDUCTION STATEMENT

Rudolph R. AND Effie D. Drews

MEDICAL AND DENTAL EXPENSES	
MEDICARE PREMIUMS	1,296
Various Doctors	
TOTAL TO SCHEDULE A LINE 1	1,296

846

SCHEDULE B - INTEREST SUMMARY

Rudolph R. AND Effie D. Drews

Charleston's Antiques Dis
1600 Meeting Street Road
000-00-0000

16,653

TOTAL SELLER FINANCED MORTGAGE

16,653

847

SOCIAL SECURITY BENEFITS WORKSHEET - Lines 20a and 20b

Rudolph R. AND Effie D. Drews

Pub. 915

Keep for Your Records

Before you start: Is your filing status **Married filing separately**?

No. Go to line 1 below.

Yes. Did you live apart from your spouse all year?

No. Go to line 1 below.

Yes. Do the following if you file:

Form 1040: Enter "D" to the right of the word "benefits" on line 20a, then go to line 1 below.

Form 1040A: Enter "D" to the right of the word "benefits" on line 14a, then go to line 1 below.

1. Enter the total amount from box 5 of ALL your Forms SSA-1099 and RRB-1099	1.	16,716
Note: If line 1 is zero or less, stop here: none of your benefits are taxable. Otherwise, go on to line 2.		
2. Enter one-half of line 1	2.	8,358
3. Enter the total of the amounts from: Form 1040: Lines 7, 8a, 8b, 9-14, 15b, 16b, 17-19, and 21 Form 1040A: Lines 7, 8a, 8b, 9, 10, 11b, 12b, and 13	3.	6,421
4. Form 1040A filers: Enter the total of any exclusions for qualified U.S. savings bond interest (Form 8815, line 14) or for adoption benefits (Form 8839, line 30) Form 1040 filers: Enter the total of any exclusions/adjustments for: • Qualified U.S. savings bond interest (Form 8815, line 14) • Adoption benefits (Form 8839, line 30) • Foreign earned income or housing (Form 2555, lines 43 and 48, or Form 2555-EZ, line 18), and • Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico	4.	14,779
5. Add lines 2, 3, and 4	5.	14,779
6. Form 1040A filers: Enter the amount from Form 1040A, line 20, minus any amounts on Form 1040A, lines 18 and 19. Form 1040 filers: Enter the amount from Form 1040, line 34, minus any amounts on Form 1040, lines 25 and 26	6.	14,779
7. Subtract line 6 from line 5	7.	14,779
8. Enter \$25,000 (\$32,000 if married filing jointly; \$0 if married filing separately and you lived with your spouse at any time during 2002)	8.	32,000
9. Subtract line 8 from line 7. If zero or less, enter -0-	9.	32,000
Note: If line 9 is zero or less, stop here; none of your benefits are taxable. (Do not enter any amounts on Form 1040, line 20a or 20b, or on Form 1040A, line 14a or line 14b. But if you are married filing separately and you lived apart from your spouse for all of 2002, enter -0- on Form 1040, line 20b, or on Form 1040A, line 14b.) Otherwise, go on to line 10.		
10. Enter: \$9,000 (\$12,000 if married filing jointly; \$0 if married filing separately and you lived with your spouse at any time during 2002)	10.	0
11. Subtract line 10 from line 9. If zero or less, enter -0-	11.	0
12. Enter the smaller of line 9 or line 10	12.	0
13. Enter one-half of line 12	13.	0
14. Enter the smaller of line 2 or line 13	14.	0
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-	15.	0
16. Add lines 14 and 15	16.	0
17. Multiply line 1 by 85% (.85)	17.	0
18. Taxable benefits. Enter the smaller of line 16 or line 17	18.	0

- Enter the amount from line 1 above on Form 1040, line 20a, or on Form 1040A, line 14a.
- Enter the amount from line 18 above on Form 1040, line 20b, or on Form 1040A, line 14b.

Note: If you received a lump-sum payment in this year that was for an earlier year, you may be able to report a lower taxable benefit. See Pub. 915 for details.

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NOL CARRYOVER FROM 2002 TO 2003 WORKSHEET

Rudolph R. AND Effie D. Drews

NOL Year: 1996

(Keep for your records.)

1. Enter as a positive number your NOL deduction shown on your 2002 Form 1040, line 21.....	18,009
2. Enter your taxable income without the NOL deduction entered on Form 1040, line 21.....	8,780
3. Enter as a positive number any net capital loss deduction on Form 1040, line 13.....	
4. Enter any adjustments to your adjusted gross income (see instructions).....	
5. Enter any adjustments to your itemized deductions from line 30 or line 44 below.....	6,000
6. Enter your deduction for personal exemptions from Form 1040, line 38.....	14,780
7. Modified taxable income. Combine lines 2 through 6. Enter result, but not less than zero.....	3,229
8. NOL carryforward to 2003. Subtract line 7 from line 1 and enter result (not less than zero).....	

ADJUSTMENTS TO ITEMIZED DEDUCTIONS (Individuals Only)

9. Enter your AGI without the NOL deduction for the NOL year entered above or later years. . .	
10. Combine lines 3 and 4 above.	
11. Modified adjusted gross income. Combine lines 9 and 10 above.	

ADJUSTMENT TO MEDICAL EXPENSES:

12. Enter your medical expenses from Schedule A (Form 1040), line 1.....	1,296
13. Multiply line 11 by .075.....	
14. Subtract line 13 from line 12 and enter the result (but not less than zero).....	814
15. Enter your medical expenses from Schedule A (Form 1040), line 4.....	
16. Subtract line 14 from line 15.....	

ADJUSTMENT TO CHARITABLE CONTRIBUTIONS:

17. Refigure your charitable contributions deduction using line 11 above as your AGI.....	3,211
18. Enter your charitable contributions deduction from Schedule A (Form 1040), line 18.....	
19. Subtract line 17 from line 18.....	

ADJUSTMENT TO CASUALTY AND THEFT LOSSES:

20. Enter your casualty and theft losses from Form 4684, line 16.....	
21. Multiply line 11 by .10.....	
22. Subtract line 21 from line 20 and enter the result (but not less than zero).....	
23. Enter your casualty and theft losses from Form 4684, line 18.....	
24. Subtract line 22 from line 23.....	

ADJUSTMENT TO MISCELLANEOUS DEDUCTIONS:

25. Enter your miscellaneous itemized deductions from Schedule A (Form 1040), line 23.....	
26. Multiply line 11 by .02.....	
27. Subtract line 26 from line 25.....	
28. Enter your miscellaneous itemized deductions from Schedule A (Form 1040), line 26.....	
29. Subtract line 27 from line 28.....	

TENTATIVE TOTAL ADJUSTMENT:

30. Combine lines 16, 19, 24, and 29. If line 11 is \$137,300 or less (\$68,650 or less if married filing separately), enter the amount from this line on line 5 above and stop here . Otherwise, complete lines 31 through 44.....	

ADJUSTMENT TO OVERALL ITEMIZED DEDUCTIONS LIMIT:

31. Add lines 14, 17, 22, and 27.....	
32. Add lines 9, 14, 27, and 28 of Schedule A (Form 1040).....	
33. Combine lines 31 and 32.....	
34. Add lines 14 and 22.....	
35. Add any gambling losses included on line 27 of Schedule A (Form 1040) to line 13 of Schedule A.....	
36. Add lines 34 and 35.....	
37. Subtract line 36 from line 33.....	
38. Multiply line 37 by .80.....	
39. Subtract \$137,300 (\$68,650 if married filing separately) from the amount on line 11.....	
40. Multiply line 39 by .03.....	
41. Enter the smaller of line 38 or line 40.....	
42. Subtract line 41 from line 33.....	4,025
43. Enter the amount from line 29 of Schedule A (Form 1040).....	
44. Subtract line 42 from line 43. Enter here and on line 5.....	

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SCHEDULE D BREAKOUT

Rudolph R. AND Effie D. Drews

Gain (Loss)

Schedule D - Part I

Short-Term Capital Gains and Losses

Form 6252	_____
Form 4684	_____
Form 6781	_____
Form 8824	_____
Total to Schedule D, line 4.	_____

Schedule D - Part II

Long-Term Capital Gains and Losses

Gain (Loss)

28% Rate
Gain (Loss)

Form 4797	_____	_____
Form 6252	7,722	_____
Form 2439	_____	_____
Form 6781	_____	_____
Form 4684	_____	_____
Form 8824	_____	_____
Total to Schedule D, line 11.	7,722	_____

850

2003 CARRYFORWARD INFORMATION

Rudolph R. AND Effie D. Drews

Keep for Your Records

2002 taxable state and local tax refund (Only applicable if deductions were itemized in 2002)		2,004
Charitable contributions carryover to 2003		
Short-term capital loss carryover		
Long-term capital loss carryover		
2002 tax liability (for 2003 Form 2210 purposes)		
Form 8839: 2002 carryover		
Refund amount applied to 2003		
Disallowed investment interest in 2002		
Additional state taxes paid		
Form 8396: Mortgage interest credit from 2000		
Mortgage interest credit from 2001		
Mortgage interest credit from 2002		
Form 8801: Minimum tax credit carryforward		
Net operating loss carryforward from 1988	.. from 1995	
.. from 1989	.. from 1996	3,229
.. from 1990	.. from 1997	
.. from 1991	.. from 1998	
.. from 1992	.. from 1999	
.. from 1993	.. from 2000	
.. from 1994	.. from 2001	
	.. from 2002	
	Absorbed in carryback period	
	Net carryforward from 2001	

- The amounts carried to next year from Schedule(s) E, pages 1 and/or 2, are found on Form 8582, Worksheet 5. Carryover AMT amounts are found on the AMT Form 8582, Worksheet 5.
- Any related credit carryforwards from Forms 3468, 5884, and 5886 are found on Form 3800. Credit carryforwards from Form 8582-CR are on Form 8582-CR, Worksheet 8.
- If there are Form(s) 6252 in this tax return, the gross profit ratio and prior payments received (including the current year payments) will carry forward from each Form 6252.
- Amounts at risk to be carried forward to next year are found at the bottom of Form 6198 for each amount at risk.
- Amounts from Form 6251, lines 16 through 18, lines 27 and 28 are automatically carried forward to 2003.

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SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURN

2002

For the year January 1 – December 31, 2002, or other tax year beginning

2002 and ending

2003

Print Your first name and Initial (Sr, Jr, 2nd, 3rd, 4th) Last name
Rudolph R. Drews

Spouse's first name and Initial, if married filing jointly Spouse's last name, if different
Effie D. Drews

Present home address (number and street, or P. O. Box) Apt. No. Area Code Daytime telephone
██████████ Road

City, state and ZIP code County code
Charleston SC 29407

Your Social Security number
██████████

Spouse's Social Security number
██████████

Do not write in this space — OFFICE USE

If you do not wish to receive a booklet next year, but need a name and address label for your 2003 return, check here. ☐

Check here, if you are filing SC Schedule NR (Part year/Nonresident) ☐

Check this box if filing a composite return for partnership or "S" corporation ☐

CHECK YOUR (1) ☐ Single (3) ☐ Married filing separately. Enter spouse's SSN here: _____
 FEDERAL FILING STATUS (2) ☒ Married filing jointly (4) ☐ Head of household (5) ☐ Widow(er) with dependent child

Federal Exemptions: Enter the number of exemptions from line 6 (d) of your 2002 federal return. **2**
 How many of the exemptions listed above were under the age of 6 years on December 31, 2002? **2**
 Enter the number of taxpayers age 65 or older.

	Dollars	Cents
1 Enter Federal taxable income from your federal form 1040, line 41; 1040A, line 27; or 1040EZ, line 6 and enter it on line 33 of this return. If zero or less, enter zero here and enter the negative amount on line 49 of this form.	1	00
STOP! Resident filers complete lines 34 through 57 and enter total from line 57. Nonresident filers complete Schedule NR and enter total from line 43.		
2 South Carolina INCOME SUBJECT TO TAX. Do not enter an amount less than zero.	2	00
3 TAX: Enter tax from SOUTH CAROLINA tax tables.	3	00
4 TAX on Lump Sum Distribution (If using SC4972, please attach.)	4	00
5 TOTAL South Carolina tax. Add lines 3 and 4. Enter the total.	5	00
6 Child and Dependent Care. (See instructions)	6	00
7 Two Wage Earner Credit (See instructions)	7	00
8 Other Non-refundable Credits. Attach SC1040TC.	8	00
9 TOTAL Non-refundable Credits. Add lines 6 through 8 and enter the total.	9	00
10 SUBTRACT line 9 from line 5. Enter the difference BUT NOT LESS THAN ZERO.	10	00
11 SC INCOME TAX WITHHELD (Attach W-2/SC41.)	11	00
12 2002 Estimated Tax Payments	12	00
13 Amount Paid with extension	13	00
14 NR sale of real estate	14	00
15 Other SC Withholding (Attach form 1099)	15	00
16 Tuition Tax Credit (Attach form I-319)	16	00
17 ADD lines 11 through 16 and enter the total. These are your Total Payments/Credits.	17	00
18 If line 17 is LARGER than line 10, subtract line 10 from line 17 and enter the OVERPAYMENT.	18	00
19 If line 10 is LARGER than line 17, subtract line 17 from line 10 and enter the AMOUNT DUE.	19	00
20 USE TAX (Due on Out-of-state Purchases. See instructions.)	20	00
21 Amount of line 18 to be credited to your 2003 ESTIMATED TAX.	21	00
22 Endangered Wildlife Fund	22	00
23 Children's Trust Fund	23	00
24 Eldercare Trust Fund	24	00
25 Veterans' Trust Fund	25	00
26 Gift of Life Trust Fund	26	00
27 DARE Fund	27	00
28 First Steps Fund	28	00
29 War Between States Heritage Trust Fund	29	00
30 ADD lines 20 through 29 and enter the total.	30	00
31 NET REFUND: If line 30 is larger than line 18, go to line 32. Otherwise, subtract line 30 from line 18 and enter the AMOUNT TO BE REFUNDED TO YOU.	31	00
32 NET DUE: ADD lines 19 and 30 and, if applicable, penalty amount. If line 30 is larger than line 18, subtract line 18 from line 30. Enter the AMOUNT YOU OWE. If subject to penalty for Underpayment of Estimated Tax, attach Form SC2210. (See instructions).	32	00

Attach a check or money order for the full amount payable to "SC Department of Revenue." Write your Social Security number and "2002 SC1040" on the payment.

Penalty: \$ _____

REFUND

BALANCE DUE

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY if you have income and/or (loss) on federal Schedules C, D, E, F or fil a SC Schedule NR.

33 Federal taxable income from your federal Form 1040, line 41; 1040A, line 27; or 1040EZ, line 6.

If zero or less, enter zero here and enter the negative amount on line 49 of this form.

33

Dollars

Cents

00

PART 1 ADDITIONS TO FEDERAL TAXABLE INCOME

34 If itemizing your state and local income tax deduction, enter the amount from line 5 of Worksheet A (See instructions.)

34 00

35 Out-of-state losses (See instructions.)

35 00

36 Expenses related to National Guard and military reserve income.

36 00

37 Interest income on obligations of states and political subdivisions other than South Carolina.

37 00

38 Other additions to income. (See instructions.) Attach an explanation.

38 00

39 TOTAL ADDITIONS -- add lines 34 through 38 and enter your total additions to income here.

39

0

00

40 Add line 33 and line 39 and enter total here

40

00

PART 2 SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

41 State tax refund, if included on line 10, on your federal 1040.

41 00

42 Interest income from obligations of the US government.

42 00

43 National Guard or Reserve annual training and drill pay. (See instructions.)

43 00

44 Permanent disability retirement income, if taxed on your federal return.

44 00

45 Social Security and/or railroad retirement, if taxed on your federal return.

45 00

46 Caution: Retirement Deduction (See instructions.)

46a 00

a) Taxpayer: Birth Date

46b 00

b) Spouse: Birth Date

46c 00

c) Surviving Spouse(s): Birth Date

47 Age 65 and older deduction (See instructions.)

47a 15,000 00

a) Taxpayer: Birth date 12-27-1922

47b 15,000 00

b) Spouse: Birth date 10-12-1924

48 00

48 Out-of-state income/gain Do not include personal service income. (See instructions.)

49 9,229 00

Negative amount of federal taxable income.

50 00

44% of net capital gains held for more than one year (See instructions.)

51 00

51 Subsistence Allowance days @ \$5.00

52 00

52 Volunteer Firefighters/Rescue Squad Deduction. (See instructions.)

53 00

53 Dependents under the age of 6 years on December 31, 2002.

54 00

Birth Date SSN

55 00

Birth Date SSN

54 Additional self-employed health insurance deduction.

56 39,229 00

55 Other subtractions. (See instructions.)

57 -39,229 00

56 TOTAL SUBTRACTIONS -- add lines 41 through 55 and enter the total.

56

39,229

00

57 South Carolina INCOME SUBJECT TO TAX Subtract line 56 from line 40.

57

-39,229

00

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed a SC Schedule NR.

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

Your Signature

Date

Spouse's Signature (if jointly, BOTH must sign)

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer.

Yes ☒No ☐

Preparer's Printed Name

JERRY D. GAMBRELL, CPA, LI

If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Paid

04-15-2003

PO BOX 21914

Preparer's
Use Only

Prepared by

Date

Address

843-722-0049

CHARLESTON SC 29413-1914

EI Number

Phone Number

City

State

Zip

MAIL RETURN TO THE PROPER ADDRESS:

REFUNDS OR ZERO TAX: SC1040 PROCESSING CENTER, P.O. BOX 101100, COLUMBIA SC 29211-0100

BALANCE DUES: TAXABLE PROCESSING CENTER, P.O. BOX 101105, COLUMBIA SC 29211-0105

Use the IRS label. Otherwise, please print or type. LABEL HERE

For the year Jan. 1-Dec. 31, 2003, or other tax year beginning , 2003, ending , 20

Rudolph R. Drews
Effie D. Drews
[REDACTED] Road
Charleston SC 29407

Your social security number [REDACTED]
Spouse's social security no. [REDACTED]

A You must enter your SSN(s) above. **A**

Presidential Election Campaign **Note.** Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if filing a joint return, want \$3 to go to this fund? **You** ☒ Yes ☐ No **Spouse** ☒ Yes ☐ No

Filing Status

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here.

4 ☐ Head of household (with qualifying person). (See inst.) If qualifying person is a child but not your dependent, enter child's name here.

5 ☐ Qualifying widow(er) with dependent child (See inst.)

Exemptions

6a ☒ Yourself. If your parent (or someone else) can claim you as a dependent on his or her tax return, do not check box 6a

b ☒ Spouse.

c Dependents: If more than five dependents, see inst.

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ☒ If qualifying child for child tax credit (see inst.)
COPY FOR YOUR FILES				

No. of boxes checked on 6a and 6b **2**

No. of children on 6c who:

- ☐ lived with you
- ☐ did not live with you due to divorce or separation (see inst.)

Dependents on 6c not entered above

Add numbers on lines above **2**

d Total number of exemptions claimed.

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 **7** 0

8a Taxable interest. Attach Schedule B if required. **8a** 18,837

b Tax-exempt interest. Do not include on line 8a **8b**

9a Ordinary dividends. Attach Schedule B if required. **9a** 27

b Qualified dividends (see instructions) **9b** 27

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) **10**

11 Alimony received **11**

12 Business income or (loss). Attach Schedule C or C-EZ. **12**

13a Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ **13a** 12,295

b If box on 13a is checked, enter post-May 5 capital gain distributions **13b**

14 Other gains or (losses). Attach Form 4797 **14**

15a IRA distributions. **15a** **b** Taxable amount **15b**

16a Pensions and annuities **16a** **b** Taxable amount **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E **17**

18 Farm income or (loss). Attach Schedule F **18**

19 Unemployment compensation **19**

20a Social security benefits **20a** 16,948 **b** Taxable amount (see inst.) **20b** 2,202

21 Other income. **Net Operating Loss \$-3229** **21** -3,229

22 Add the amounts in the far right column for lines 7 through 21. This is your total income **22** 30,132

Adjusted Gross Income

23 Educator expenses (see instructions) **23**

24 IRA deduction (see instructions) **24**

25 Student loan interest deduction (see instructions) **25**

26 Tuition and fees deduction (see instructions) **26**

27 Moving expenses. Attach Form 3903 **27**

28 One-half of self-employment tax. Attach Schedule SE **28**

29 Self-employed health insurance deduction (see instructions) **29**

30 Self-employed SEP, SIMPLE, and qualified plans **30**

31 Penalty on early withdrawal of savings **31**

32a Alimony paid **b** Recipient's SSN **32a**

33 Add lines 23 through 32a **33**

34 Subtract line 33 from line 22. This is your adjusted gross income **34** 30,132

Form 1040 (2003)

Drews

Tax and Credits**Standard Deduction for --**

• People who checked any box on line 36a or 36b or who can be claimed as dependent, see inst.

• All others:

Single or Married filing separately, \$4,750

Married filing jointly or Qualifying widow(er), \$9,500

Head of household, \$7,000

35	Amount from line 34 (adjusted gross income)	35	30,132
36a	Check ☒ You were born before January 2, 1939, ☐ Blind. Total boxes checked 36a 2 if: ☒ Spouse was born before January 2, 1939, ☐ Blind.		
37	If you are married filing separately and your spouse itemizes deductions, or you were a dual-status alien, see instructions and check here. 36b ☐	37	11,400
38	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	38	18,732
39	Subtract line 37 from line 35.	39	6,100
40	If line 35 is \$104,625 or less, multiply \$3,050 by the total number of exemptions claimed on line 6d. If line 35 is over \$104,625, see the worksheet in the instructions.	40	12,632
41	Taxable income. Subtract line 39 from line 38. If line 39 is more than line 38, enter -0-	41	647
42	Tax (see inst.). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	42	
43	Alternative minimum tax (see instructions). Attach Form 6251.	43	647
44	Add lines 41 and 42.	44	
45	Foreign tax credit. Attach Form 1116 if required.	45	
46	Credit for child & dependent care expenses. Attach Form 2441	46	
47	Credit for the elderly or the disabled. Attach Schedule R.	47	
48	Education credits. Attach Form 8863.	48	
49	Retirement savings contributions credit. Attach Form 8880	49	
50	Child tax credit (see instructions).	50	
51	Adoption credit. Attach Form 8839.	51	
52	Credits from: a ☐ Form 8396 b ☐ Form 8859 Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Specify	52	
53	Add lines 44 through 52. These are your total credits	53	
54	Subtract line 53 from line 43. If line 53 is more than line 43, enter -0-	54	647
55	Self-employment tax. Attach Schedule SE.	55	
56	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	56	
57	Tax on qualified plans, including IRAs, & other tax-favored accts. Attach Form 5329 if required	57	
58	Advance earned income credit payments from Form(s) W-2.	58	
59	Household employment taxes. Attach Schedule H.	59	
60	Add lines 54 through 59. This is your total tax.	60	647
61	Federal income tax withheld from Forms W-2 and 1099	61	
62	2003 estimated tax payments & amt. applied from 2002 return	62	
63	Earned income credit (EIC)	63	
64	Excess social security and tier 1 RRTA tax withheld (see inst.)	64	
65	Additional child tax credit. Attach Form 8812	65	
66	Amount paid with request for extension to file (see instructions)	66	
67	Other payments from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885	67	
68	Add lines 61 through 67. These are your total payments	68	0
69	If line 68 is more than line 60, subtract line 60 from line 68. This is the amount you overpaid	69	
70a	Amount of line 69 you want refunded to you	70a	0
71	Routing no. ☐ Type: ☐ Checking ☐ Savings		
72	Account no. ☐		
73	Amt. of line 69 you want applied to your 2004 estimated tax ☐ 71	72	647
74	Amount you owe. Subtract line 68 from line 60. For details on how to pay, see instructions	73	
75	Estimated tax penalty (see instructions)		

Other Taxes

104012

TWF 4879A

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Payments

If you have a qualifying child, attach Schedule EIC.

Refund

Direct deposit?
See inst.
and fill in 70b,
70c, and 70d.

Amount You Owe**Third Party Designee****Sign Here**

Joint return?
See instructions.
Keep a copy
of your
records.

Do you want to allow another person to discuss this return with the IRS (see instructions)? ... ☒ Yes. Complete the following.	
Designee's name PREPARER	Phone no. 855
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
Your signature	Date
Your occupation	
Daytime phone number	
Spouse's signature. If a joint return, both must sign.	Date
Spouse's occupation	
Housewife	
Preparer's signature	Date 06-16-2004
Check if self-employed ☐	
Preparer's SSN or PTIN	
Firm's name (or yours if self-employed), address, & ZIP code JERRY D. GAMBRILL, CPA, LLC	
PO BOX 21914	
CHARLESTON SC 29413-1914	
EIN 855	
Phone no. 843-722-0049	

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Preparers Edition

Form 1040 (2003)

**SCHEDULE A
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Schedule A -- Itemized Deductions

OMB No. 1545-0074

2003

Attachment
Sequence No. **07**

▶ Attach to Form 1040. ▶ See Instructions for Schedule A (Form 1040).

Name(s) shown on Form 1040

Rudolph R. and Effie D. Drews

Your social security no.

Medical and Dental Expenses		Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses				
	Medicare Premiums	1,408			
2	Enter amount from Form 1040, line 35 ..	2	30,132		
3	Multiply line 2 by 7.5% (.075)	3	2,260		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			0
Taxes You Paid		5			
5	State and local income taxes				
6	Real estate taxes (see instructions)	6			
(See instructions.)	7 Personal property taxes	7	74		
8	Other taxes. ▶	8			
9	Add lines 5 through 8	9			74
Interest You Paid		10			
10	Home mortgage interest and points reported to you on Form 1098 ..				
(See instructions)	11 Home mortgage interest not reported to you on Form 1098. If paid to seller, show that person's name, ID no., & address ▶	11	0		
Note.	12 Points not reported to you on Form 1098. See inst. for special rules ...	12			
Personal interest is not deductible.	13 Investment interest. Attach Form 4952 if required. (See instructions.)	13			
14	Add lines 10 through 13	14			0
Gifts to Charity		15			
15	Gifts by cash or check. Misc Charities				
If you made a gift and got a benefit for it, see instructions.	16 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500.	16			
17	Carryover from prior year	17	2,004		
18	Add lines 15 through 17	18			2,004
Casualty and Theft Losses	19 Casualty or theft loss(es). Attach Form 4684. (See instructions.)	19			0
Job Expenses and Most Other Miscellaneous Deductions		20			
20	Unreimbursed empl. exp. You must attach Form 2106 or 2106-EZ if required. ▶				
21	Tax preparation fees	21	225		
22	Other expenses ▶	22			
(See inst. for expenses to deduct here.)	23 Add lines 20 through 22	23	225		
24	Enter amount from Form 1040, line 35 ..	24	30,132		
25	Multiply line 24 by 2% (.02)	25	603		
26	Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26			0
Other Miscellaneous Deductions	27 Other -- from list in instructions. List type and amount ▶	27			
Total Itemized Deductions	28 Is Form 1040, line 35, over \$139,500 (over \$69,750 if married filing separately)?				
	☒ No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 37. ▶	28			2,078
	☐ Yes. Your deduction may be limited. See instructions for the amount to enter.				

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule A (Form 1040) 2003

856

Schedule B (Form 1040) 2003

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security no.

Rudolph R. and Effie D. Drews

Attachment
Sequence No. 08

Schedule B -- Interest and Ordinary Dividends

Part I
Interest

(See the instructions for Schedule B and Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶

New York Life Insurance

Seller Financed Mortgage (SEE STATEMENT)

Amount

29

18,808

1

- 2 Add the amounts on line 1.

18,837

- 3 Excludable interest on series EE and I U S. savings bonds issued after 1989.

Attach Form 8815

4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶

18,837

Note. If line 4 is over \$1,500, you must complete Part III.

Amount

Part II
Ordinary Dividends

(See the instructions for Schedule B and Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

5 List name of payer ▶
Edward Jones

27

5

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a. ▶

27

Note. If line 6 is over \$1,500, you must complete Part III.

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Part III
Foreign
Accounts
and Trusts

(See instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends, or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust

7a At any time during 2003, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1

Yes No

X

b If "Yes," enter the name of the foreign country ▶

8 During 2003, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

If "Yes," you may have to file Form 3520. See instructions

X

For Paperwork Reduction Act Notice, see Form 1040 instructions

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3

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AB120

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Schedule B (Form 1040) 2003

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

- Attach to Form 1040. ► See Instructions for Schedule D (Form 1040).
► Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB-No. 1545-0074

2003

Attachment
Sequence No. **12**

Name(s) shown on Form 1040

Rudolph R. and Effie D. Drews

Your social security no. **230-12-1234**

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

(a) Description of property (Example: 100 sh. XYZ 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) for the entire year Subtract (e) from (d)	(g) Post-May 5 gain or (loss)* (see below)
1						
2 Enter your short-term totals, if any, from Schedule D-1, line 2		2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)		3				
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4	
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5	
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your 2002 Capital Loss Carryover Worksheet					6 ()	
7a Combine lines 1 through 5 in column (g). If the result is a loss, enter the result Otherwise, enter -0-. Do not enter more than zero					7a	() 0
b Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7b	

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

(a) Description of property (Example: 100 sh. XYZ 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) for the entire year Subtract (e) from (d)	(g) Post-May 5 gain or (loss)* (see below)
8						
9 Enter your long-term totals, if any, from Schedule D-1, line 9		9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)		10				
11 Gain from Form 4797, Part I, long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11 12,295	12,29
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12	
13 Capital gain distributions. See the instructions					13	
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your 2002 Capital Loss Carryover Worksheet					14 ()	
15 Combine lines 8 through 13 in column (g). If zero or less, enter -0-					15	12,29
Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f)					16 12,295	

Next: Go to Part III on page 2.

*Include in column (g) all gains and losses from column (f) from sales, exchanges, or conversions (including installment payments received) after May 5, 2003. However, do not include gain attributable to unrecaptured section 1223 gain, "collectibles gains and losses" (as defined in the instructions) or eligible gain on qualified small business stock (see the instructions).

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule D (Form 1040)

858

Part III Taxable Gain or Deductible Loss**17a** Combine lines 7b and 16 and enter the result. If a loss, enter -0- on line 17b and go to line 18.
If a gain, enter the gain on Form 1040, line 13a, and go to line 17b below.

17a	12,295
17b	12,295

b. Combine lines 7a and 15. If zero or less, enter -0-. Then complete Form 1040 through line 40.
Next: • If line 16 of Schedule D is a gain or you have qualified dividends on Form 1040, line 9b, complete **Part IV** below.

• Otherwise, skip the rest of Schedule D and complete the rest of Form 1040.

18 If line 17a is a loss, enter here and on Form 1040, line 13a, the smaller of (a) that loss or (b) (\$3,000) (or, if married filing separately, (\$1,500)) (see the instructions)**Next:** • If you have qualified dividends on Form 1040, line 9b, complete Form 1040 through line 40, and then complete **Part IV** below (but skip lines 19 and 20).
• Otherwise, skip **Part IV** below and complete the rest of Form 1040.**18** ()**Part IV Tax Computation Using Maximum Capital Gains Rates**

If line 16 or line 17a is zero or less, skip lines 19 and 20 and go to line 21. Otherwise, go to line 19.

19 Enter your unrecaptured section 1250 gain, if any, from line 18 of the worksheet in the instructions

19	
20	

20 Enter your 28% rate gain, if any, from line 7 of the worksheet in the instructions
If lines 19 and 20 are zero, go to line 21. Otherwise, complete the worksheet in the instructions to figure the amount to enter on lines 35 and 53 below, and skip all other lines below.**21** Enter your taxable income from Form 1040, line 40**21** 12,632**22** Enter the smaller of line 16 or line 17a, but not less than zero**22** 12,295**23** Enter your qualified dividends from Form 1040, line 9b**23** 27**24** Add lines 22 and 23**24** 12,322**25** Amount from line 4g of Form 4952 (investment interest expense)**25** 0**26** Subtract line 25 from line 24. If zero or less, enter -0-**26** 12,322**27** Subtract line 26 from line 21. If zero or less, enter -0-**27** 310**28** Enter the smaller of line 21 or:

- \$56,800 if married filing jointly or qualifying widow(er);
- \$28,400 if single or married filing separately; or
- \$38,050 if head of household

28 12,632

If line 27 is more than line 28, skip lines 29-39 and go to line 40.

29 Enter the amount from line 27**29** 310**30** Subtract line 29 from line 28. If zero or less, enter -0- and go to line 40**30** 12,322**31** Add lines 17b and 23***31** 12,322**32** Enter the smaller of line 30 or line 31**32** 12,322**33** Multiply line 32 by 5% (.05)**33** 616

If lines 30 and 32 are the same, skip lines 34-39 and go to line 40.

34 Subtract line 32 from line 30**34****35** Enter your qualified 5-year gain, if any, from line 8 of the worksheet in the instructions**35****36** Enter the smaller of line 34 or line 35**36****37** Multiply line 36 by 8% (.08)**37****38** Subtract line 36 from line 34**38****39** Multiply line 38 by 10% (.10)**39** 0

If lines 26 and 30 are the same, skip lines 40-49 and go to line 50.

40 Enter the smaller of line 21 or line 26**40****41** Enter the amount from line 30 (if line 30 is blank, enter -0-)**41** 0**42** Subtract line 41 from line 40**42****43** Add lines 17b and 23***43****44** Enter the amount from line 32 (if line 32 is blank, enter -0-)**44****45** Subtract line 44 from line 43**45****46** Enter the smaller of line 42 or line 45**46****47** Multiply line 46 by 15% (.15)**47****48** Subtract line 46 from line 42**48****49** Multiply line 48 by 20% (.20)**49****50** Figure the tax on the amount on line 27. Use the Tax Table or Tax Rate Schedules, whichever applies**50** 31**51** Add lines 33, 37, 39, 47, 49, and 50**51** 647**52** Figure the tax on the amount on line 21. Use the Tax Table or Tax Rate Schedules, whichever applies**52** 1,263**53** Tax on all taxable income. Enter the smaller of line 51 or line 52 on Form 1040, line 41**53** 647

* If lines 23 and 25 are more than zero, see Lines 31 and 43 of the instructions for the amount to enter.

Schedule D (Form 1040) 2003

Installment Sale Income

OMB No. 1545-0228

2003

Attachment
Sequence No 79Department of the Treasury
Internal Revenue Service

► Attach to your tax return.
► Use a separate form for each sale or other disposition of
property on the installment method.

Name(s) shown on return

Identifying number

Rudolph R. and Effie D. Drews

1 Description of property ► 90 and 92' Sheppard Street

2a Date acquired (month, day, year) ► 04-16-1986 b Date sold (month, day, year) ► 05-01-1995

3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4. ☐ Yes ☒ No4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III
for the year of sale and the 2 years after the year of sale. ☐ Yes ☐ No**Part I Gross Profit and Contract Price.** Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7	Subtract line 6 from line 5	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16	Gross profit. Subtract line 15 from line 14.	16	0
17	Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18	Contract price. Add line 7 and line 17.	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations

19	Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	79.5140
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	0
22	Add lines 20 and 21	22	0
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated.	23	153,591
24	Installment sale income. Multiply line 22 by line 19	24	0
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	0

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☒ No

29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year)

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30	Selling price of property sold by related party	30	
31	Enter contract price from line 18 for year of first sale	31	
32	Enter the smaller of line 30 or line 31	32	
33	Total payments received by the end of your 2003 tax year (see instructions)	33	
34	Subtract line 33 from line 32. If zero or less, enter -0-	34	
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36	Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

For Paperwork Reduction Act Notice, see instructions.

Form 6252 (200

860

Form **6252**Department of the Treasury
Internal Revenue Service**Installment Sale Income**

► Attach to your tax return.
► Use a separate form for each sale or other disposition of property on the installment method.

OMB No. 1545-0228

2003Attachment
Sequence No. **79**

Name(s) shown on return

Rudolph R. and Effie D. Drews

Identifying number

1 Description of property ► S1250 Building-1705 M**2a** Date acquired (month, day, year).... ► 01-01-1988 **b** Date sold (month, day, year).... ► 11-07-2001**3** Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4. ☐ Yes ☒ No**4** Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale. ☐ Yes ☐ No**Part I Gross Profit and Contract Price.** Complete this part for the year of sale only.

5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7 Subtract line 6 from line 5	7	
8 Cost or other basis of property sold	8	
9 Depreciation allowed or allowable	9	
10 Adjusted basis. Subtract line 9 from line 8	10	
11 Commissions and other expenses of sale	11	
12 Income recapture from Form 4797, Part III (see instructions)	12	
13 Add lines 10, 11, and 12	13	
14 Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16 Gross profit. Subtract line 15 from line 14	16	0
17 Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18 Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	88.5037
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21 Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	13,892
22 Add lines 20 and 21	22	13,892
23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	10,639
24 Installment sale income. Multiply line 22 by line 19	24	12,295
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	12,295

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☐ No

29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ►

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30 Selling price of property sold by related party	30	
31 Enter contract price from line 18 for year of first sale	31	
32 Enter the smaller of line 30 or line 31	32	
33 Total payments received by the end of your 2003 tax year (see instructions)	33	
34 Subtract line 33 from line 32. If zero or less, enter -0-	34	
35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

For Paperwork Reduction Act Notice, see instructions.

Form **6252** (2003)

2003 SCHEDULE B - INTEREST SUMMARY ATTACHMENT

Rudolph R. and Effie D. Drews

Charleston's Antiques Dis
1600 Meeting Street Road
000-00-0000

18,808

TOTAL SELLER FINANCED MORTGAGE

18,808

2003 SOCIAL SECURITY TAXABLE BENEFITS WORKSHEET - Lines 20a and 20b

Rudolph R. and Effie D. Drews

Keep for Your Records
Publication 915

Before you start: Is your filing status **Married filing separately**?

No. Go to line 1 below.

Yes. Did you live apart from your spouse all year?

No. Go to line 1 below.

Yes. Do the following if you file:

Form 1040: Enter "D" to the right of the word "benefits" on line 20a, then go to line 1 below.

Form 1040A: Enter "D" to the right of the word "benefits" on line 14a, then go to line 1 below.

1. Enter the total amount from box 5 of all your Forms SSA-1099 and RRB-1099	1.	16,948
Note: If line 1 is zero or less, stop here: none of your benefits are taxable. Otherwise, go to line 2.		
2. Enter one-half of line 1	2.	8,474
3. Enter the total of the amounts from: Form 1040: Lines 7, 8a, 8b, 9a, 10-13a, 14, 15b, 16b, 17-19, and 21 Form 1040A: Lines 7, 8a, 8b, 9a, 10a, 11b, 12b, and 13	3.	27,930
4. Form 1040 filers: Enter the total of any exclusions/adjustments for: • Qualified U.S. savings bond interest (Form 8815, line 14) • Adoption benefits (Form 8839, line 30) • Foreign earned income or housing (Form 2555, lines 43 and 48, or Form 2555-EZ, line 18), and • Certain income of bona fide residents of American Samoa (Form 4563, line 15) or Puerto Rico Form 1040A filers: Enter the total of any exclusions for: • Qualified U.S. savings bond interest (Form 8815, line 14) • Adoption benefits (Form 8839, line 30)	4.	
	5.	36,404
5. Add lines 2, 3, and 4		
6. Form 1040 filers: Enter the amount from Form 1040, line 33, minus any amounts on Form 1040, lines 25 and 26. Form 1040A filers: Enter the amount from Form 1040A, line 20, minus any amounts on Form 1040A, lines 18 and 19	6.	
7. Is the amount on line 6 less than the amount on line 5? No. STOP None of your social security benefits are taxable. Yes Subtract line 6 from line 5	7.	36,404
8. If you are: • Married filing jointly, enter \$32,000 • Single, head of household, qualifying widow(er), or married filing separately and you lived apart from your spouse for all of 2003, enter \$25,000	8.	32,000
Note: If you are married filing separately and you lived with your spouse at any time in 2003, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17.		
9. Is the amount on line 8 less than the amount on line 7? No STOP None of your benefits are taxable. Do not enter any amounts on Form 1040, line 20a or 20b, or on Form 1040A, line 14a or 14b. But if you are married filing separately and you lived apart from your spouse for all of 2003, enter -0- on Form 1040, line 20b, or on Form 1040A, line 14b. Yes Subtract line 8 from line 7	9.	4,404
10. Enter: \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you lived apart from your spouse for all of 2003	10.	12,000
11. Subtract line 10 from line 9. If zero or less, enter -0-	11.	0
12. Enter the smaller of line 9 or line 10	12.	4,404
13. Enter one-half of line 12	13.	2,202
14. Enter the smaller of line 2 or line 13	14.	2,202
15. Multiply line 11 by 85% (.85). If line 11 is zero, enter -0-	15.	0
16. Add lines 14 and 15	16.	2,202
17. Multiply line 1 by 85% (.85)	17.	14,406
18. Taxable benefits. Enter the smaller of line 16 or line 17 • Enter the amount from line 1 above on Form 1040, line 20a, or on Form 1040A, line 14a. • Enter the amount from line 18 above on Form 1040, line 20b, or on Form 1040A, line 14b.	18.	2,202

Note: If you received a lump-sum payment in this year that was for an earlier year, you may be able to report a lower taxable benefit. See Pub. 915 for details.

2003 NOL CARRYOVER TO 2004 WORKSHEET

Rudolph R. and Effie D. Drews

Keep for Your Records

NOL Year: 1996

1. Enter as a positive number your NOL deduction shown on your 2003 Form 1040, line 21 1. 3,229
2. Enter your taxable income without the NOL deduction entered on Form 1040, line 21 ... 2. 15,861
3. Enter as a positive number any net capital loss deduction on Form 1040, line 13 3. _____
4. Enter any adjustments to your adjusted gross income (see instructions) 4. _____
5. Enter any adjustments to your itemized deductions from line 30 or line 44 below 5. _____
6. Enter your deduction for personal exemptions from Form 1040, line 37 6. 6,100
7. Modified taxable income. Combine lines 2 through 6. Enter result, but not less than zero 7. 21,961
8. NOL carryforward to 2004. Subtract line 7 from line 1 and enter result (not less than zero) 8. _____

ADJUSTMENTS TO ITEMIZED DEDUCTIONS (Individuals Only)

9. Enter your AGI without the NOL deduction for the NOL year entered above or later years 9. _____
10. Combine lines 3 and 4 above. 10. _____
11. Modified adjusted gross income. Combine lines 9 and 10 above. 11. _____

ADJUSTMENT TO MEDICAL EXPENSES:

12. Enter your medical expenses from Schedule A (Form 1040), line 1 12. 1,408
13. Multiply line 11 by .075 13. _____
14. Subtract line 13 from line 12 and enter the result (but not less than zero) 14. _____
15. Enter your medical expenses from Schedule A (Form 1040), line 4 15. _____
16. Subtract line 14 from line 15 16. _____

ADJUSTMENT TO CHARITABLE CONTRIBUTIONS:

17. Refigure your charitable contributions deduction using line 11 above as your AGI. 17. _____
18. Enter your charitable contributions deduction from Schedule A (Form 1040), line 18 18. 2,004
19. Subtract line 17 from line 18 19. _____

ADJUSTMENT TO CASUALTY AND THEFT LOSSES:

20. Enter your casualty and theft losses from Form 4684, line 16 20. _____
21. Multiply line 11 by .10 21. _____
22. Subtract line 21 from line 20 and enter the result (but not less than zero) 22. _____
23. Enter your casualty and theft losses from Form 4684, line 18 23. _____
24. Subtract line 22 from line 23 24. _____

ADJUSTMENT TO MISCELLANEOUS DEDUCTIONS:

25. Enter your miscellaneous itemized deductions from Schedule A (Form 1040), line 23 25. 225
26. Multiply line 11 by .02 26. _____
27. Subtract line 26 from line 25 27. _____
28. Enter your miscellaneous itemized deductions from Schedule A (Form 1040), line 26 28. _____
29. Subtract line 27 from line 28 29. _____

TENTATIVE TOTAL ADJUSTMENT:

30. Combine lines 16, 19, 24, and 29. If line 11 is \$139,500 or less (\$69,750 or less if married filing separately), enter the amount from this line on line 5 above and stop here. Otherwise, complete lines 31 through 44 30. _____

ADJUSTMENT TO OVERALL ITEMIZED DEDUCTIONS LIMIT:

31. Add lines 14, 17, 22, and 27. 31. _____
32. Add lines 9, 14, 27, and 28 of Schedule A (Form 1040) 32. _____
33. Combine lines 31 and 32 33. _____
34. Add lines 14 and 22 34. _____
35. Add any gambling losses included on line 27 of Schedule A (Form 1040) to line 13 of Schedule A. 35. _____
36. Add lines 34 and 35 36. _____
37. Subtract line 36 from line 33 37. _____
38. Multiply line 37 by .80 38. _____
39. Subtract \$137,300 (\$68,650 if married filing separately) from the amount on line 11. 39. 1
40. Multiply line 39 by .03 40. _____
41. Enter the smaller of line 38 or line 40. 41. _____
42. Subtract line 41 from line 33 42. _____
43. Enter the amount from line 29 of Schedule A (Form 1040) 43. 2,076
44. Subtract line 42 from line 43. Enter here and on line 5. 44. _____

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2003 SCHEDULE D BREAKOUT

Rudolph R. and Effie D. Drews

Keep for Your Records

Schedule D - Part I

Short-Term Capital Gains and Losses

	Gain (Loss)	Post-May 5 Gain or (Loss)
Form 6252	_____	_____
Form 4684	_____	_____
Form 6781	_____	_____
Form 8824	_____	_____
Total to Schedule D, line 4	_____	_____

Schedule D - Part II

Long-Term Capital Gains and Losses

	Gain (Loss)	28% Rate Gain (Loss)	Post-May 5 Gain or (Loss)
Form 4797	_____	_____	_____
Form 6252	12,295	_____	12,295
Form 2439	_____	_____	_____
Form 6781	_____	_____	_____
Form 4684	_____	_____	_____
Form 8824	_____	_____	_____
Total to Schedule D, line 11	12,295	_____	12,295

2004 CARRYFORWARD INFORMATION

Rudolph R. and Effie D. Drews

Keep for Your Records

2003 taxable state and local tax refund (Only applicable if deductions were itemized in 2003).....	_____
Charitable contributions carryover to 2004.....	_____
Short-term capital loss carryover.....	_____
Long-term capital loss carryover.....	_____
2003 tax liability (for 2004 Form 2210 purposes).....	647
Form 8839: 2003 carryover.....	_____
Refund amount applied to 2004.....	_____
Disallowed investment interest in 2003.....	_____
Additional state taxes paid.....	_____
Form 8396: Mortgage interest credit from 2001.....	_____
Mortgage interest credit from 2002.....	_____
Mortgage interest credit from 2003.....	_____
Form 8801: Minimum tax credit carryforward.....	_____
Net operating loss carryforward from 1989.....	_____
.. from 1990.....	_____
.. from 1991.....	_____
.. from 1992.....	_____
.. from 1993.....	_____
.. from 1994.....	_____
.. from 1995.....	_____
.. from 1996.....	_____
.. from 1997.....	_____
.. from 1998.....	_____
.. from 1999.....	_____
.. from 2000.....	_____
.. from 2001.....	_____
.. from 2002.....	_____
.. from 2003.....	_____
Absorbed in carryback period.....	_____
Net carryforward from 2002.....	_____

- The amounts carried to next year from Schedule(s) E, pages 1 and/or 2, are found on Form 8582, Worksheet 6. Carryover AMT amounts are found on the AMT Form 8582, Worksheet 6.
- Any related credit carryforwards from Forms 3468, 5884, and 8586 are found on Form 3800. Credit carryforwards from Form 8582-CR are on Form 8582-CR, Worksheet 8.
- If there are Form(s) 6252 in this tax return, the gross profit ratio and prior payments received (including the current year payments) will carry forward from each Form 6252.
- Amounts at risk to be carried forward to next year are found at the bottom of Form 6198 for each amount at risk.
- Amounts from Form 6251, lines 16 through 18, lines 27 and 28 are automatically carried forward to 2004.

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SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURN

2003

For the year January 1 — December 31, 2003, or fiscal tax year beginning 2003 and ending 2004

LA BEL ACH E

Print Your first name and Initial (Sr, Jr, 2nd, 3rd, 4th) Last name
 Rudolph R. Drews

Spouse's first name and Initial, if married filing jointly Spouse's last name
 Effie D. Drews

Present home address (number and street, or P. O. Box) Apt. No. Area Code Daytime telephone Do not write in this space — OFFICE USE
 [REDACTED] Road

City, state and ZIP code County code
 Charleston SC 29407

If you do not wish to receive a booklet next year, but need a name and address label for your 2004 return, check here. ☐

Check this box, if you are filing SC Schedule NR (Part year/Nonresident) ☐

Check this box if filing a composite return for partnership or "S" corporation ☐

CHECK YOUR (1) ☐ Single (3) ☐ Married filing separately. Enter spouse's SSN here.
 FEDERAL FILING STATUS (2) ☒ Married filing jointly (4) ☐ Head of household (5) ☐ Widow(er) with dependent child

Federal Exemptions: Enter the number of exemptions from line 6 (d) of your 2003 federal return. 2
 How many of the exemptions listed above were under the age of 6 years on December 31, 2003? 2
 Enter the number of taxpayers age 65 or older, as of December 31, 2003.

STOP! Resident filers complete lines 35 through 60 and enter total from line 60.
 Nonresident filers complete Schedule NR and enter total from line 48.

1 Enter Federal taxable income from your federal Form 1040, line 40; 1040A, line 27; or 1040EZ, line 6 and enter it on line 35 of this return. 12,632 00

If zero or less, enter zero here and enter the negative amount on line 52 of this form.

2 South Carolina INCOME SUBJECT TO TAX. If less than zero, enter zero. 0 00

3 TAX: Enter tax from SOUTH CAROLINA tax tables. 0 00

4 TAX on Lump Sum Distribution (Attach SC4972) 0 00

5 TOTAL South Carolina tax. Add lines 3 and 4. Enter the total. 0 00

6 Child and Dependent Care (See instructions) 0 00

7 Two Wage Earner Credit (See instructions) 0 00

8 Other Non-refundable Credits (Attach SC1040TC) 0 00

9 TOTAL Non-refundable Credits. Add lines 6 through 8 and enter the total. 0 00

10 SUBTRACT line 9 from line 5. Enter the difference BUT NOT LESS THAN ZERO. 0 00

11 SC INCOME TAX WITHHELD (Attach W-2/SC41) 0 00

12 2003 Estimated Tax Payments 0 00

13 Amount Paid with extension 0 00

14 NR sale of real estate 0 00

15 Other SC Withholding (Attach form 1099) 0 00

16 Tuition Tax Credit (Attach I-319) 0 00

17 ADD lines 11 through 16 and enter the total. 0 00

18 If line 17 is LARGER than line 10, subtract line 10 from line 17 and enter the OVERPAYMENT. 0 00

19 If line 10 is LARGER than line 17, subtract line 17 from line 10 and enter the AMOUNT DUE. 0 00

20 USE TAX (Due on Out-of-state Purchases. See instructions) 0 00

21 Amount of line 18 to be credited to your 2004 ESTIMATED TAX. 0 00

22 Endangered Wildlife Fund 0 00

23 Children's Trust Fund 0 00

24 Eldercare Trust Fund 0 00

25 Veterans' Trust Fund 0 00

26 Gift of Life Trust Fund 0 00

27 DARE Fund 0 00

28 First Steps Fund 0 00

29 War Between States 0 00

30 Litter Control Fund 0 00

31 Police Chaplains Fund 0 00

32 ADD lines 20 through 31 and enter the total. 0 00

33 NET REFUND: If line 32 is larger than line 18, go to line 34. Otherwise, subtract line 32 from line 18 and enter the AMOUNT TO BE REFUNDED TO YOU. 0 00

34 NET DUE: ADD lines 19 and 32 and, if applicable, penalty amount. If line 32 is larger than line 18, subtract line 18 from line 32. Enter the AMOUNT YOU OWE. If subject to penalty for Underpayment of Estimated Tax, attach Form SC2210. (See instructions).

Attach a check or money order for the full amount payable to "SC Department of Revenue." Write your Social Security number and "2003 SC1040" on the payment.

REFUND ☐ **BALANCE DUE** ☐

TIP Make sure lines 11-16 are completed.

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or file a SC Schedule NR, SC1040TC or I-319.

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STOP!

Resident filers complete lines 35 through 60.

Nonresident filers complete Schedule NR. Do not complete lines 35 through 60.

		Dollars	Cents
35	Enter amount from line 1.	12,632	00
PART 1 ADDITIONS TO FEDERAL TAXABLE INCOME			
36	Married filers claiming standard deduction. (See instructions)	1,550	00
37	If itemizing your state and local income tax deduction, enter the amount from line 5 of Worksheet A (See instructions)		00
38	Out-of-state losses -- (See instructions)		00
39	Expenses related to National Guard and Military Reserve income.		00
40	Interest income on obligations of states and political subdivisions other than South Carolina.		00
41	Other additions to income. Attach an explanation (See instructions)		00
42	TOTAL ADDITIONS -- add lines 36 through 41 and enter your total additions to income here.	1,550	00
43	Add line 35 and line 42 and enter total here	14,182	00
PART 2 SUBTRACTIONS FROM FEDERAL TAXABLE INCOME			
44	State tax refund, if included on line 10, on your federal Form 1040.		00
45	Interest income from obligations of the US government.		00
46	National Guard or Reserve annual training and drill pay. (See instructions)		00
47	Permanent disability retirement income, if taxed on your federal return.		00
48	Social Security and/or railroad retirement, if taxed on your federal return	2,202	00
49	Caution: Retirement Deduction -- (See instructions)		
a)	Taxpayer: Date of Birth		00
b)	Spouse: Date of Birth		00
c)	Surviving Spouse: Date of Birth of Deceased Spouse		00
50	Age 65 and older deduction -- (See instructions)		
a)	Taxpayer: Date of Birth 12-27-1922	15,000	00
b)	Spouse: Date of Birth 10-12-1924	15,000	00
51	Out-of-state income/gain -- Do not include personal service income (See instructions.)		00
52	Negative amount of federal taxable income.		00
53	44% of net capital gains held for more than one year (See instructions)		00
54	Subsistence Allowance _____ days @ \$5.00		00
55	Volunteer Firefighters/Rescue Squad/HAZ-MAT Deduction. (See instructions)		00
56	Dependents under the age of 6 years on December 31, 2003. Date of Birth _____ SSN _____ Date of Birth _____ SSN _____		00
57	Contributions to the SC Tuition Prepayment Program or College Investment Program. (See instructions)		00
58	Other subtractions. (See instructions)		00
59	TOTAL SUBTRACTIONS -- add lines 44 through 58 and enter the total.	32,202	00
60	South Carolina INCOME SUBJECT TO TAX Subtract line 59 from line 43. Enter here and on line 2 of this return. If less than zero, enter zero.	0	00

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

Your Signature _____ Date _____ Spouse's Signature (if jointly, BOTH must sign) _____

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes ☒ No ☐ Preparer's Printed Name JERRY D. GAMBRELL, CPA,

If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Paid 06-16-2004 PO BOX 21914

Preparer's Use Only Prepared by _____ Date _____ Address CHARLESTON SC 29413-1914

EI Number _____ Phone Number 843-722-0049 City _____ State _____ Zip _____

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed Schedule NR, SC1040TC or I-319.

MAIL RETURN TO THE PROPER ADDRESS:

3 SC12

TWF 6354A

Copyright Forms (Software Only) - 2003

REFUNDS OR ZERO TAX: SC1040 PROCESSING CENTER, P.O. BOX 100, COLUMBIA SC 29211-0100

BALANCE DUES: TAXABLE PROCESSING CENTER, P.O. BOX 11105, COLUMBIA SC 29211-0105

Use the label. Otherwise, please print or type.

Rudolph R. Drews
Effie D. Drews
[redacted] Road
Charleston SC 29407

Your social security number
[redacted]
Spouse's social security no.
[redacted]
You must enter your SSN(s) above.

Presidential Election Campaign Note. Checking "Yes" will not change your tax or reduce your refund. Do you, or your spouse if filing a joint return, want \$3 to go to this fund? [X] Yes [] No [X] Yes [] No

Filing Status 1 [] Single 4 [] Head of household (with qualifying person) (See inst.) if qualifying person is a child but not your dependent, enter child's name here. 2 [X] Married filing jointly (even if only one had income) 3 [] Married filing separately. Enter spouse's SSN above and full name here. 5 [] Qualifying widow(er) with dependent child (see inst.)

Exemptions 6a [X] Yourself. If someone can claim you as a dependent, do not check box 6a. 6b [X] Spouse. Boxes checked on 6a and 6b 2

c Dependents: If more than four dependents, see inst.		(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ☒ if qualifying child for child tax credit (see inst.)	No. of children on 6c who: • lived with you • did not live with you due to divorce or separation (see inst.)
(1) First name	Last name				
d Total number of exemptions claimed					Add numbers on lines above 2

7 Wages, salaries, tips, etc. Attach Form(s) W-2 7 0

Income 8a Taxable interest. Attach Schedule B if required 8a 9,502

Attach Forms W-2 here. Also attach Form(s) 1099-R if tax was withheld. 8b Tax-exempt interest. Do not include on line 8a 8b

9a Ordinary dividends. Attach Schedule B if required 9a

9b Qualified dividends (see instructions) 9b

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions) 10

11 Alimony received 11

12 Business income or (loss). Attach Schedule C or C-EZ 12

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here 13 7,190

14 Other gains or (losses). Attach Form 4797 14

15a IRA distributions 15a b Taxable amount 15b

16a Pensions and annuities 16a b Taxable amount 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E 17

18 Farm income or (loss). Attach Schedule F 18

19 Unemployment compensation 19

20a Social security benefits 20a b Taxable amount (see inst.) 20b

21 Other income. 21

22 Add the amounts in the far right column for lines 7 through 21. This is your total income 22 16,692

Adjusted Gross Income 23 Educator expenses (see instructions) 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106/2106-EZ 24

25 IRA deduction (see instructions) 25

26 Student loan interest deduction (see instructions) 26

27 Tuition and fees deduction (see instructions) 27

28 Health savings account deduction. Attach Form 8889 28

29 Moving expenses. Attach Form 3903 29

30 One-half of self-employment tax. Attach Schedule SE 30

31 Self-employed health insurance deduction (see instructions) 31

32 Self-employed SEP, SIMPLE, and qualified plans 32

33 Penalty on early withdrawal of savings 33

34a Alimony paid b Recipient's SSN 34a

35 Add lines 23 through 34a 35 0

36 Subtract line 35 from line 22. This is your adjusted gross income 36 16,692

PLAINTIFF'S EXHIBIT 666

Form 1040 (2004)

Drews

Tax and Credits		37	Amount from line 36 (adjusted gross income)	37	16,692
Standard Deduction for -- • People who checked any box on line 38a or 38b or who can be claimed as dependent, see inst. • All others: Single or Married filing separately, \$4,850 Married filing jointly or Qualifying widow(er), \$9,700 Head of household, \$7,150	38a	Check ☒ You were born before January 2, 1940, ☐ Blind. ☒ Spouse was born before January 2, 1940, ☐ Blind. Total boxes checked ▶ 38a 2			
	b	If your spouse item on a sep. rtn. or you were a dual-status alien, see inst. & ck. here ▶ 38b			
	39	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	39	11,600	
	40	Subtract line 39 from line 37	40	5,092	
	41	If line 37 is \$107,025 or less, multiply \$3,100 by the total number of exemptions claimed on line 6d. If line 37 is over \$107,025, see the worksheet in the instructions.	41	6,200	
	42	Taxable income. Subtract line 41 from line 40. If line 41 is more than line 40, enter -0-	42	0	
	43	Tax (see inst.). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	43	0	
	44	Alternative minimum tax (see instructions). Attach Form 6251	44		
	45	Add lines 43 and 44	45		
	46	Foreign tax credit. Attach Form 1116 if required	46		
47	Credit for child & dependent care expenses. Attach Form 2441	47			
48	Credit for the elderly or the disabled. Attach Schedule R	48			
49	Education credits. Attach Form 8863	49			
50	Retirement savings contributions credit. Attach Form 8880	50			
51	Child tax credit (see instructions)	51			
52	Adoption credit. Attach Form 8839	52			
53	Credits from: a ☐ Form 8396 b ☐ Form 8859	53			
54	Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Specify	54			
55	Add lines 46 through 54. These are your total credits	55			
56	Subtract line 55 from line 45. If line 55 is more than line 45, enter -0-	56	0		
Other Taxes	57	Self-employment tax. Attach Schedule SE	57		
	58	Social security and Medicare tax on tip income not reported to employer. Attach Form 4137	58		
	59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59		
	60	Advance earned income credit payments from Form(s) W-2	60		
	61	Household employment taxes. Attach Schedule H	61		
	62	Add lines 56 through 61. This is your total tax	62	0	
Payments If you have a qualifying child, attach Schedule EIC.	63	Federal income tax withheld from Forms W-2 and 1099	63		
	64	2004 estimated tax payments & amt. applied from 2003 return	64		
	65a	Earned income credit (EIC)	65a		
	b	Nontaxable combat pay election ▶ 65b			
	66	Excess social security and tier 1 RRTA tax withheld (see inst.)	66		
	67	Additional child tax credit. Attach Form 8812	67		
	68	Amount paid with request for extension to file (see instructions)	68		
	69	Other payments from: a ☐ Form 2439 b ☐ Form 4138 c ☐ Form 8885	69		
	70	Add lines 63, 64, 65a, and 66 through 69. These are your total payments	70		
	71	If line 70 is more than line 62, subtract line 62 from line 70. This is the amount you overpaid	71		
Refund Direct deposit? See inst. and fill in 72b, 72c, and 72d.	72a	Amount of line 71 you want refunded to you	72a		
	b	Routing no.	c	Type: ☐ Checking ☐ Savings	
	d	Account no.			
73	Amt. of line 71 you want applied to your 2005 estimated tax ▶ 73	73			
Amount You Owe	74	Amount you owe. Subtract line 70 from line 62. For details on how to pay, see instructions ▶ 74	74		
	75	Estimated tax penalty (see instructions)	75		
Third Party Designee	Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following.				
	Designee's name ▶ PREPARER	Phone no. ▶	Personal identification number (PIN) ▶		
Sign Here Joint return? See instructions. Keep a copy of your cords.	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.				
	Your signature	Date	Your occupation	Daytime phone number	
Paid Preparer's Use Only	Spouse's signature. If a joint return, both must sign		Date	Spouse's occupation	
	Preparer's signature		Date	Check if self-employed ☐	Preparer's SSN or PTIN
Firm's name (or yours if self-employed), address, & ZIP code		JERRY D. GAMBRELL, • CPA PO BOX 21914 CHARLESTON SC 29401-9114		EIN Phone no. 843-722-0049	

Schedule B (Form 1040) 2004

Your social security no.

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side

Rudolph R. and Effie D. Drews

Attachment
Sequence No 08

Schedule B -- Interest and Ordinary Dividends

Part I
Interest

(See the instructions for Schedule B and Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶

New York Life Insurance
Wachovia Bank N.A.
Interest from Installment Sale

Amount

28

22

9,452

1

- 2 Add the amounts on line 1 9,502
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. /
- Attach Form 8815 9,502
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶

Note. If line 4 is over \$1,500, you must complete Part III.

Amount

Part II
Ordinary Dividends

(See the instructions for Schedule B and Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form

- 5 List name of payer ▶

5

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶ 0

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign Accounts and Trusts

(See instructions)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends, or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2004, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1. X
- b If Yes enter the name of the foreign country ▶
- 8 During 2004, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? X
- If Yes you may have to file Form 3520. See instructions

Yes No

X

X

For Paperwork Reduction Act Notice, see Form 1040 Instructions

Schedule B (Form 1040) 2004

SCHEDULE D
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

- Attach to Form 1040. ► See Instructions for Schedule D (Form 1040).
► Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2004

Attachment
Sequence No. 12

Name(s) shown on Form 1040

Rudolph R. and Effie D. Drews

Your social security number

XXXXXXXXXX

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

1	(a) Description of property (Example: 100 sh. XYZ 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)
2	Enter your short-term totals, if any, from Schedule D-1, line 2			2		
3	Total short-term sales price amounts. Add lines 1 and 2 in column (d).			3		
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the Instructions					6
7	Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					7

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

8	(a) Description of property (Example: 100 sh. XYZ 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)
9	Enter your long-term totals, if any, from Schedule D-1, line 9			9		
10	Total long-term sales price amounts. Add lines 8 and 9 in column (d).			10		
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252, and long-term gain or (loss) from Forms 4684, 6781, and 8824.					11
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12
	Capital gain distributions. See the instructions					13
14	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions					14
15	Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2					15

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

JVA 4 D1 TWF8718 Copyright Forms (Software Only) - 2004 TW

Schedule D (Form 1040) 2

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Part III**Summary**

16	Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below	16	7,190
17	Are lines 15 and 16 both gains? ☒ Yes. Go to line 18. ☐ No. Skip lines 18 through 21, and go to line 22.		
18	Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19	Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20	Are lines 18 and 19 both zero or blank? ☒ Yes. Complete Form 1040 through line 42, and then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040. Do not complete lines 21 and 22 below. ☐ No. Complete Form 1040 through line 42, and then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21	If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of: - The loss on line 16 or (\$3,000), or if married filing separately, (\$1,500)	21	()
Note. When figuring which amount is smaller, treat both amounts as positive numbers.			
22	Do you have qualified dividends on Form 1040, line 9b? ☐ Yes. Complete Form 1040 through line 42, and then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040. ☐ No. Complete the rest of Form 1040.		

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Form **6252**Department of the Treasury
Internal Revenue Service**Installment Sale Income**

- Attach to your tax return.
► Use a separate form for each sale or other disposition of property on the installment method.

OMB No. 1545-0228

2004Attachment
Sequence No. **79**

Identifying number

Name(s) shown on return

Rudolph R. and Effie D. Drews**1** Description of property ► **S1250 Building-1705 M****2a** Date acquired (month, day, year) ► **01-01-1988** **b** Date sold (month, day, year) ► **11-07-2001****3** Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 ☐ Yes ☒ No**4** Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III ☐ Yes ☐ No
for the year of sale and the 2 years after the year of sale.**Part I Gross Profit and Contract Price.** Complete this part for the year of sale only.

5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7 Subtract line 6 from line 5	7	
8 Cost or other basis of property sold	8	
9 Depreciation allowed or allowable	9	
10 Adjusted basis. Subtract line 9 from line 8	10	
11 Commissions and other expenses of sale	11	
12 Income recapture from Form 4797, Part III (see instructions)	12	
13 Add lines 10, 11, and 12	13	
14 Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0-	15	0
16 Gross profit. Subtract line 15 from line 14	16	0
17 Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18 Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	88.5037
20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21 Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	8,124
22 Add lines 20 and 21	22	8,124
23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	24,530
24 Installment sale income. Multiply line 22 by line 19	24	7,190
25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	7,190

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☒ No

29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ►

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30 Selling price of property sold by related party (see instructions)	30	
31 Enter contract price from line 18 for year of first sale	31	
32 Enter the smaller of line 30 or line 31	32	
33 Total payments received by the end of your 2004 tax year (see instructions)	33	
34 Subtract line 33 from line 32. If zero or less, enter -0-	34	
35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37	

For Paperwork Reduction Act Notice, see instructions.

Form **6252** (20

Do not write in this space -- OFFICE USE

SC 1040
(Rev. 9/2/04)

SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURN

2004

For the year January 1 - December 31, 2004, or fiscal tax year beginning 2004 and ending 2005

Print Your first name and Initial (Sr, Jr, 2nd, 3rd, 4th) Last name
Rudolph R. Drews
Check if Deceased ☐

Spouse's first name and Initial, if married filing jointly Spouse's last name
Effie D. Drews
Check if Deceased ☐

Your Social Security number
[REDACTED]

Spouse's Social Security number
[REDACTED]

Present home address (number and street, or P. O. Box) Apt. No. Area Code Daytime telephone
[REDACTED] Road
City, state and ZIP code
Charleston SC 29407
County code

Do not write in this space -- OFFICE USE

If you do not wish to receive a booklet next year, but need a name and address label for your 2005 return, check here. ☐

Check this box if you are filing SC Schedule NR (Part year/Nonresident) ☐

Check this box if you have filed a federal or state extension ☐

Check this box if filing a composite return for partnership or "S" corporation ☐

CHECK YOUR (1) Single (3) Married filing separately. Enter spouse's SSN here: (2) ☒ Married filing jointly (4) Head of household (5) ☐ Widow(er) with dependent child

FEDERAL FILING STATUS

Federal Exemptions: Enter the number of exemptions from line 6 (d) of your 2004 federal return. 2

How many of the exemptions listed above were under the age of 6 years on December 31, 2004? 2

Enter the number of taxpayers age 65 or older, as of December 31, 2004.

	Dollars	Cents
1 Enter Federal taxable income from your federal Form 1040, line 42; 1040A, line 27; 1040EZ, line 6; or line K-1 of federal Telefile. If zero or less, enter zero here. STOP! Resident filers complete lines 29 through 50. Nonresident filers complete Schedule NR and enter total from line 47 on line 5 below.	1	00
2 TOTAL ADDITIONS. Enter amount from line 34	2	00
3 Add lines 1 and 2. Enter total here.	3	00
4 TOTAL SUBTRACTIONS. Enter amount from line 50.	4	31,108
5 South Carolina INCOME SUBJECT TO TAX. Residents subtract line 4 from line 3 and enter the difference. Nonresidents enter amount from Schedule NR, line 47. If less than zero, enter zero	5	0
6 TAX: Enter tax from SOUTH CAROLINA tax tables.	6	00
7 TAX on Lump Sum Distribution (Attach SC4972)	7	00
8 TOTAL South Carolina tax. Add lines 6 and 7. Enter the total.	8	0
9 Child and Dependent Care (See instructions)	9	00
10 Two Wage Earner Credit (See instructions)	10	00
11 Other Non-refundable Credits (Attach SC1040TC)	11	00
12 TOTAL Non-refundable Credits. Add lines 9 through 11 and enter the total.	12	0
13 SUBTRACT line 12 from line 8. Enter the difference BUT NOT LESS THAN ZERO.	13	00
14 SC INCOME TAX WITHHELD (Attach W-2/SC41)	14	0
15 2004 Estimated Tax Payments	15	00
16 Amount Paid with extension	16	00
17 NR sale of real estate	17	00
18 Other SC Withholding (Attach form 1099)	18	00
19 Tuition Tax Credit (Attach I-319)	19	00
20 ADD lines 14 through 19 and enter the total.	20	0
21 If line 20 is LARGER than line 13, subtract line 13 from line 20 and enter the OVERPAYMENT.	21	00
22 If line 13 is LARGER than line 20, subtract line 20 from line 13 and enter the AMOUNT DUE.	22	00
23 USE TAX (Due on Out-of-state Purchases. See instructions)	23	00
24 Amount of line 21 to be credited to your 2005 ESTIMATED TAX.	24	00
25 Total Contributions for Check-offs (Attach I-330)	25	00
26 ADD lines 23 through 25 and enter the total.	26	0
27 NET REFUND: If line 26 is larger than line 21, go to line 28. Otherwise, subtract line 26 from line 21 and enter the AMOUNT TO BE REFUNDED TO YOU.	27	0
28 NET DUE: ADD lines 22 and 26 and, if applicable, penalty amount. If line 26 is larger than line 21, subtract line 21 from line 26. Enter the AMOUNT YOU OWE. If subject to penalty for Underpayment of Estimated Tax, attach SC2210. (See instructions)	28	0

Staple a check or money order for the full amount payable to "SC Department of Revenue." Write your Social Security number and "2004 SC1040" on the payment.

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY if you have income and/or (loss) on federal Schedules C, D, E, F or fil a SC Schedule NR, SC1040TC or I-319.

SC 1040 (2004)

Drews

STOP!

Resident filers complete lines 29 through 50.

Nonresident filers complete Schedule NR. Do not complete lines 29 through 50.

PART 1 ADDITIONS TO FEDERAL TAXABLE INCOME		Dollars	Cents
29	If itemizing your state and local income tax deduction, enter the amount from line 5 of Worksheet A (See instructions)	00	
30	Out-of-state losses -- (See instructions)	00	
31	Expenses related to National Guard and Military Reserve income.	00	
32	Interest income on obligations of states and political subdivisions other than South Carolina.	00	
33	Other additions to income. Attach an explanation (See instructions)	00	
34	TOTAL ADDITIONS -- add lines 29 through 33 and enter your total additions to income here and on line 2.	0	00

PART 2 SUBTRACTIONS FROM FEDERAL TAXABLE INCOME		Dollars	Cents
35	State tax refund, if included on line 10, on your federal Form 1040.	00	
36	Permanent disability retirement income, if taxed on your federal return.	00	
37	Out-of-state income/gain -- Do not include personal service income. (See instructions)	00	
38	44% of net capital gains held for more than one year (See instructions)	00	
39	Volunteer Firefighter/Rescue Squad Worker/HAZMAT Member/Reserve Police Officer/DNR Deputy Enforcement Officer Deduction. (See inst)	00	
40	Contributions to the SC Tuition Prepayment Program or College Investment Program. (See instructions)	00	
41	Interest income from obligations of the US government.	00	
42	National Guard or Reserve annual training and drill pay. (See instructions)	00	
43	Social Security and/or railroad retirement, if taxed on your federal return.	00	
44a	Caution: Retirement Deduction -- (See instructions)	00	
44b	a) Taxpayer: Date of Birth _____	00	
44c	b) Spouse: Date of Birth _____	00	
44c	c) Surviving Spouse: Date of Birth of Deceased Spouse _____	00	
45	Age 65 and older deduction -- (See instructions)		
45a	a) Taxpayer: Date of Birth <u>12-27-1922</u>	15,000	00
45b	b) Spouse: Date of Birth <u>10-12-1924</u>	15,000	00
46	Negative amount of federal taxable income.	1,108	00
47	Subsistence Allowance _____ days @ \$6.67	00	
48	Dependents under the age of 6 years on December 31, 2004. Date of Birth _____ SSN _____	00	
48	Date of Birth _____ SSN _____	00	
49	Other subtractions. (See instructions)	00	
50	TOTAL SUBTRACTIONS -- add lines 35 through 49 and enter the total here and on line 4.	31,108	0

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

Your Signature _____ Date _____ Spouse's Signature (if jointly, BOTH must sign) _____

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer. Yes ☒ No ☐ Preparer's Printed Name **JERRY D. GAMBRELL, CPA**

If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Paid _____ 04-10-2005 PO BOX 21914

Preparer's Use Only _____ Prepared by _____ Date _____ Address _____

_____ 843-722-0049 CHARLESTON SC 29413-1914

_____ EI Number _____ Phone Number _____ City _____ State _____ Zip _____

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed a SC Schedule NR, SC1040TC or I-319.

MAIL RETURN TO THE PROPER ADDRESS:

REFUNDS OR ZERO TAX: SC1040 PROCESSING CENTER, P.O. BOX 101100, COLUMBIA SC 29211-0100

BALANCE DUES: TAXABLE PROCESSING CENTER, P.O. BOX 101105, COLUMBIA SC 29211-0105

4 SC12

TWF 10001

Copyright Forms (Software Only) - 200

For the year Jan. 1-Dec. 31, 2005, or other tax year beginning , 2005, ending , 20 OMB No 1545-0074

Label Use the IRS label. Otherwise, please print or type.

Label HERE

RUDOLPH R. DREWS
EFFIE D. DREWS
ROAD
CHARLESTON SC 29407

Your social security number

Spouse's social security no.

2005-01-15

2005-01-15

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Presidential

Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see instructions) ☒ You ☒ Spouse

Filing Status

- 1 ☐ Single 4 ☐ Head of household (with qualifying person). (See inst.) If qualifying person is a child but not your dependent, enter child's name here. ☐
- 2 ☒ Married filing jointly (even if only one had income)
- 3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ☐
- 5 ☐ Qualifying widow(er) with dependent child (see inst.)

Exemptions

If more than four dependents, see instructions.

- 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
- b ☒ Spouse
- c Dependents:

Boxes checked on 6a and 6b 2

No of children on 6c who:

• lived with you

• did not live with you due to divorce or separation (see inst.)

Dependents on 6c not entered above

Add numbers on lines above 2

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ☒ If qualifying child for child tax credit (see inst.)

d Total number of exemptions claimed 2

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax is withheld.

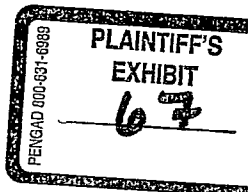
If you did not get a W-2, see instructions

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	0
8a	Taxable interest Attach Schedule B if required	8a	46,259
b	Tax-exempt interest. Do not include on line 8a	8b	
9a	Ordinary dividends. Attach Schedule B if required	9a	1,097
b	Qualified dividends (see instructions)	9b	723
10	Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11	Alimony received	11	
12	Business income or (loss). Attach Schedule C or C-EZ	12	
13	Capital gain or (loss). Attach Sch. D if required. If not required, check here ☐	13	143,320
14	Other gains or (losses). Attach Form 4797.	14	
15a	IRA distributions	15a	
b	Taxable amount	15b	
16a	Pensions and annuities	16a	
b	Taxable amount	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.	17	
18	Farm income or (loss). Attach Schedule F	18	
19	Unemployment compensation	19	
20a	Social security benefits	20a	17,776
b	Taxable amount (see inst.)	20b	15,110
21	Other income.	21	
22	Add the amounts in the far right column for lines 7 through 21. This is your total income	22	205,786

Adjusted Gross Income

23	Educator expenses (see instructions)	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106/2106-EZ	24	
25	Health savings account deduction. Attach Form 8889	25	
26	Moving expenses. Attach Form 3903	26	
27	One-half of self-employment tax. Attach Schedule SE	27	
28	Self-employed SEP, SIMPLE, and qualified plans	28	
29	Self-employed health insurance deduction (see instructions)	29	
30	Penalty on early withdrawal of savings	30	
31a	Alimony paid b Recipient's SSN	31a	
32	IRA deduction (see instructions)	32	
33	Student loan interest deduction (see instructions)	33	
34	Tuition and fees deduction (see instructions)	34	
35	Domestic production activities deduction. Attach Form 8903	35	
36	Add lines 23 through 31a and 32 through 35	36	0
37	Subtract line 36 from line 22. This is your adjusted gross income	37	205,786



For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see

Form 1040 (2005)

Tax and Credits		38	Amount from line 37 (adjusted gross income)	38	205,786
39a Check ☒ You were born before January 2, 1941, ☐ Blind. Total boxes checked 2					
if: ☒ Spouse was born before January 2, 1941, ☐ Blind. checked 2					
b If your spouse itemizes on a separate return or you were a dual-status alien, see inst. and check here 39b					
Standard Deduction for -- • People who checked any box on line 39a or 39b or who can be claimed as dependent, see inst. • All others: Single or Married filing separately, \$5,000 Married filing jointly or Qualifying widow(er), \$10,000 Head of household, \$7,300	40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	12,000	
	41	Subtract line 40 from line 38	41	193,786	
	42	If line 38 is over \$109,475, or you provided housing to a person displaced by Hurricane Katrina, see instructions. Otherwise, multiply \$3,200 by the total no. of exemptions claimed on line 6d ..	42	6,400	
	43	Taxable Income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- ..	43	187,386	
	44	Tax (see inst.). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972	44	25,770	
	45	Alternative minimum tax (see instructions). Attach Form 6251	45		
	46	Add lines 44 and 45	46	25,770	
	47	Foreign tax credit. Attach Form 1116 if required	47		
	48	Credit for child & dependent care expenses. Attach Form 2441	48		
	49	Credit for the elderly or the disabled. Attach Schedule R	49		
	50	Education credits. Attach Form 8863	50		
	51	Retirement savings contributions credit. Attach Form 8880	51		
	52	Child tax credit (see instructions). Attach Form 8901 if required	52		
	53	Adoption credit. Attach Form 8839	53		
	54	Credits from: a ☐ Form 8396 b ☐ Form 8859	54		
55	Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Form	55			
56 Add lines 47 through 55. These are your total credits		56			
57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-		57	25,770		
Other Taxes		58			
58 Self-employment tax. Attach Schedule SE		58			
59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137 ..		59			
60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required ..		60			
61 Advance earned income credit payments from Form(s) W-2		61			
62 Household employment taxes. Attach Schedule H		62			
63 Add lines 57 through 62. This is your total tax		63	25,770		
Payments		64			
64 Federal income tax withheld from Forms W-2 and 1099		64			
65 2005 estimated tax payments & amt. applied from 2004 return		65			
66a Earned income credit (EIC)		66a			
b Nontaxable combat pay election 66b		66b			
67 Excess social security and tier 1 RRTA tax withheld (see inst.)		67			
68 Additional child tax credit. Attach Form 8812		68			
69 Amount paid with request for extension to file (see instructions)		69			
70 Payments from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885		70			
71 Add lines 64, 65, 66a, and 67 through 70. These are your total payments		71	0		
Refund		72			
72 If line 71 is more than line 63, subtract line 63 from line 71. This is the amount you overpaid ..		72			
73a Amount of line 72 you want refunded to you		73a	0		
b Routing no. ☐ Type ☐ Checking ☐ Savings					
d Account no.					
74 Amt. of line 72 you want applied to your 2006 estimated tax 74		74			
75 Amount you owe. Subtract line 71 from line 63. For details on how to pay, see instructions 75		75	26,803		
Amount You Owe		76	1,033		
76 Estimated tax penalty (see instructions)		76			
Third Party Designee					
Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following.					
Designee's name PREPARER Phone no. Personal identification number (PIN)					
Sign Here					
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
Your signature Date Your occupation Daytime phone number					
Spouse's signature. If a joint return, both must sign. Date Spouse's occupation					
HOUSEWIFE					
Preparer's signature Date 04-16-2006 Check if self-employed ☒ Preparer's SSN or PTIN					
Preparer's Use Only					
Firm's name (or yours if self-employed), address, & ZIP code JERRY D. GAMBRELL, CPA		EIN 24-137914			
PO BOX 21914		Phone no 843-722-0049			
CHARLESTON SC 29403-21914					

**Underpayment of
Estimated Tax by Individuals, Estates, and Trusts**

▶ See separate instructions.

▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

2005Attachment
Sequence No. 06

Name(s) shown on tax return

RUDOLPH R. AND EFFIE D. DREWS

Identifying number

Do You Have To File Form 2210?

Complete lines 1 through 7 below. Is line 7 less than \$1,000? **Yes** → Do not file Form 2210. You do not owe a penalty.

No → Complete lines 8 and 9 below. Is line 6 equal to or more than line 9? **Yes** → You do not owe a penalty. Do not file Form 2210 (but if box E below applies, you must file page 1 of Form 2210 below).

No → You may owe a penalty. Does any box in Part II below apply? **Yes** → You must file Form 2210. Does box B, C, or D apply?
No → You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.
Yes → You must figure your penalty.

No → Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but do not file Form 2210.

Part I Required Annual Payment (see the instructions)

1	Enter your 2005 tax after credits from Form 1040, line 57 (or comparable line of your return)	1	25,770
2	Other taxes, including self-employment tax (see the instructions)	2	
3	Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, and health coverage tax credit for eligible individuals	3	()
4	Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, see the instructions	4	25,770
5	Multiply line 4 by 90% (.90)	5	23,193
6	Withholding taxes. Do not include estimated tax payments. See the instructions	6	
7	Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210	7	25,770
8	Maximum required annual payment based on prior year's tax (see the instructions)	8	
9	Required annual payment. Enter the smaller of line 5 or line 8	9	23,193

Next: Is line 9 more than line 6?

- ☐ **No.** You do not owe a penalty. Do not file Form 2210 unless box E below applies.
- ☒ **Yes.** You may owe a penalty, but do not file Form 2210 unless one or more boxes in Part II below applies.
- If box B, C, or D applies, you must figure your penalty and file Form 2210.
 - If only box A or E (or both) applies, file only page 1 of Form 2210. You are not required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but file only page 1 of Form 2210.

Part II Reasons for Filing. Check applicable boxes. If none apply, do not file Form 2210.

- A ☐ You request a waiver (see the instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B ☐ You request a waiver (see the instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the annualized income installment method. You must figure the penalty using Schedule AI and file Form 2210.
- D ☐ Your penalty is lower when figured by treating the federal income tax withheld from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- ☐ You filed or are filing a joint return for either 2004 or 2005, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are not required to figure your penalty (unless box B, C, or D applies).

For Paperwork Reduction Act Notice, see separate instructions.

Part IV Regular Method (See the instructions if you are filing Form 1040NR or 1040NR-EZ.)**Section A — Figure Your Underpayment****Payment Due Dates**

	(a) 4/15/05	(b) 6/15/05	(c) 9/15/05	(d) 1/15/06
18 Required installments. If box C in Part II applies, enter amounts from Schedule AI, line 25. Otherwise, enter 25% (.25) of line 9, Form 2210, in each column.	5,798	5,798	5,798	5,799
19 Estimated tax paid and tax withheld (see the instructions). For column (a) only, also enter the amount from line 19 on line 23. If line 19 is equal to or more than line 18 for all payment periods, stop here; you do not owe a penalty. Do not file Form 2210 unless you checked a box in Part II				
Complete lines 20 through 26 of one column before going to the next column.				
20 Enter amount, if any, from line 26 in previous column				
21 Add lines 19 and 20				
22 Add the amounts on lines 24 and 25 in previous column		5,798	11,596	17,394
23 Subtract line 22 from line 21. If zero or less, enter -0-. For column (a) only, enter the amount from line 19	0	0	0	0
24 If line 23 is zero, subtract line 21 from line 22. Otherwise, enter -0-		5,798	11,596	
25 Underpayment. If line 18 is equal to or more than line 23, subtract line 23 from line 18. Then go to line 20 of the next column. Otherwise, go to line 26 . . . ▶	5,798	5,798	5,798	5,799
26 Overpayment. If line 23 is more than line 18, subtract line 18 from line 23. Then go to line 20 of the next column				

Section B — Figure the Penalty (Complete lines 27 through 30 of one column before going to the next column.)

	4/15/05	6/15/05	9/15/05	
27 Number of days from the date shown above line 27 to the date the amount on line 25 was paid or 9/30/05, whichever is earlier	Days: 168	Days: 107	Days: 15	
28 Underpayment on line 25 X days on line 27 X .06 (see the instructions) 365 ▶	\$ 160	\$ 102	\$ 14	
29 Number of days from the date shown above line 29 to the date the amount on line 25 was paid or 4/15/06, whichever is earlier	Days: 197	Days: 197	Days: 197	Days: 90
30 Underpayment on line 25 X days on line 29 X .07 (see the instructions) 365 ▶	\$ 219	\$ 219	\$ 219	\$ 100
31 Penalty. Add all amounts on lines 28 and 30 in all columns. Enter the total here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74, Form 1040NR-EZ, line 26, or Form 1041, line 26, but do not file Form 2210 unless you checked a box in Part II ▶				\$ 1,033

880

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security no.

RUDOLPH R. AND EFFIE D. DREWS

Attachment
Sequence No 08

Schedule B -- Interest and Ordinary Dividends

Part I
Interest

(See the instructions for Schedule B and Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions and list this interest first. Also, show that buyer's social security number and address ▶

NEW YORK LIFE INSURANCE
INST SALE INT S1250 BUILDING-1705

Amount

27

46,232

1

2

46,259

3

4

46,259

Note. If line 4 is over \$1,500, you must complete Part III.

Amount

Part II
Ordinary Dividends

(See the instructions for Schedule B and Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5 List name of payer ▶
EDWARD JONES
PERSHING LLC

105

992

5

6

1,097

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign Accounts and Trusts

(See instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust

- 7a At any time during 2005, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1.

Yes

No

X

- b If "Yes," enter the name of the foreign country ▶

- 8 During 2005, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See instructions

X

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2005

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Capital Gains and Losses

- ▶ Attach to Form 1040. ▶ See Instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2005

Attachment
Sequence No **12**

Name(s) shown on Form 1040

RUDOLPH R. AND EFFIE D. DREWS

Your social security number

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

1	(a) Description of property (Example 100 sh. XYZ 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)
2	Enter your short-term totals, if any, from Schedule D-1, line 2			2		
3	Total short-term sales price amounts. Add lines 1 and 2 in column (d)			3		
4	Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					4
5	Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					5
6	Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet in the instructions					6
Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)						7

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

8	(a) Description of property (Example: 100 sh. XYZ 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)
9	Enter your long-term totals, if any, from Schedule D-1, line 9			9		
10	Total long-term sales price amounts. Add lines 8 and 9 in column (d)			10		
11	Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					11
12	Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					12
13	Capital gain distributions. See the instructions					13
	Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet in the instructions					14
15	Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2					15

For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule D (Form 1040) 2

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Part III**Summary**

16	Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below	16	143,320
17	Are lines 15 and 16 both gains? ☒ Yes. Go to line 18 ☐ No. Skip lines 18 through 21, and go to line 22.		
18	Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions ▶	18	
19	Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions ▶	19	
20	Are lines 18 and 19 both zero or blank? ☒ Yes. Complete Form 1040 through line 43, and then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040. Do not complete lines 21 and 22 below ☐ No. Complete Form 1040 through line 43, and then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below		
21	If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of: • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500)	21	()
Note. When figuring which amount is smaller, treat both amounts as positive numbers.			
22	Do you have qualified dividends on Form 1040, line 9b? ☐ Yes. Complete Form 1040 through line 43, and then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040. ☐ No. Complete the rest of Form 1040.		

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Installment Sale Income

OMB No. 1545-0228

2005

Attachment
Sequence No 79Department of the Treasury
Internal Revenue Service

- Attach to your tax return.
► Use a separate form for each sale or other disposition of property on the installment method.

Name(s) shown on return

RUDOLPH R. AND EFFIE D. DREWS

Identifying number

[REDACTED]

- 1 Description of property ► S1250 BUILDING-1705 M
 2a Date acquired (month, day, year) ► 01-01-1988 b Date sold (month, day, year) ► 11-07-2001
 3 Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 ☐ Yes ☒ No
 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

5	Selling price including mortgages and other debts. Do not include interest whether stated or unstated	5	
6	Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions)	6	
7	Subtract line 6 from line 5	7	
8	Cost or other basis of property sold	8	
9	Depreciation allowed or allowable	9	
10	Adjusted basis. Subtract line 9 from line 8	10	
11	Commissions and other expenses of sale	11	
12	Income recapture from Form 4797, Part III (see instructions)	12	
13	Add lines 10, 11, and 12	13	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14	0
15	If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions) Otherwise, enter -0-	15	0
16	Gross profit. Subtract line 15 from line 14	16	0
17	Subtract line 13 from line 6. If zero or less, enter -0-	17	0
18	Contract price. Add line 7 and line 17	18	

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

19	Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions	19	88.5037
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0-	20	0
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	157,345
22	Add lines 20 and 21	22	157,345
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated	23	32,654
24	Installment sale income. Multiply line 22 by line 19	24	139,256
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)	25	0
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions).	26	139,256

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

27 Name, address, and taxpayer identifying number of related party: _____

28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☐ No

29 If answer to question 28 is "Yes," complete lines 30-37 below unless one of the following conditions is met. Check box that applies.

a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ► _____

b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.

c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.

d ☐ The second disposition occurred after the death of the original seller or buyer.

e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).

30	Selling price of property sold by related party (see instructions)	30	
31	Enter contract price from line 18 for year of first sale	31	
32	Enter the smaller of line 30 or line 31	32	
33	Total payments received by the end of your 2005 tax year (see instructions)	33	
34	Subtract line 33 from line 32. If zero or less, enter -0-	34	
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35	
36	Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36	
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions).	37	

For Paperwork Reduction Act Notice, see Instructions.

Form 6252 (2005)

2005 SCHEDULE B -- DIVIDEND SUMMARY ATTACHMENT

RUDOLPH R. AND EFFIE D. DREWS

~~XXXXXXXXXX~~

PERSHING LLC
TOTAL CAPITAL GAIN DISTRIBUTIONS

4,064

4,064

885

2005 FORM 2210 WORKSHEET

Drews

Page 1

Critical Dates					Amount Due	Amount Paid
A	B	C	D			
1. 04-15-2005	06-15-2005	09-15-2005	01-15-2006		5798	0
2. 06-15-2005	09-15-2005	09-30-2005	04-15-2006		5798	0
3. 09-15-2005	09-30-2005	01-15-2006			5798	0
4. 09-30-2005	01-15-2006	04-15-2006			5799	0
5. 01-15-2006	04-15-2006					
6. 04-15-2006						

Total Penalty = 1033

Calculations

Line 27 and line 28

April 16, 2005 - September 30, 2005

A.	Underpay	# Days	Year	%	Penalty	B.	Underpay	# Days	Year	%	Penalty
1.	5798	61	365	6	58.13884	1.	5798	92	365	6	87.6848
2.	5798	92	365	6	87.68482	2.	5798	15	365	6	14.2964
3.	5798	15	365	6	14.29643	3.					
4.						4.					
5.						5.					
6.						6.					
Totals:		168			160	Totals:		107			102

C.	Underpay	# Days	Year	%	Penalty	D.	Underpay	# Days	Year	%	Penalty
1.	5798	15	365	6	14.29643	1.					
2.						2.					
3.						3.					
4.						4.					
5.						5.					
6.						6.					
Totals:		15			14	Totals:					

Line 29 and line 30

October 1, 2005 - April 15, 2006

A.	Underpay	# Days	Year	%	Penalty	B.	Underpay	# Days	Year	%	Penalty
1.	5798	107	365	7	118.9781	1.	5798	107	365	7	118.97
2.	5798	90	365	7	100.0750	2.	5798	90	365	7	100.07
3.						3.					
4.						4.					
5.						5.					
6.						6.					
Totals:		197			219	Totals:		197			219

C.	Underpay	# Days	Year	%	Penalty	D.	Underpay	# Days	Year	%	Penalty
1.	5798	107	365	7	118.9781	1.	5799	90	365	7	100.09
2.	5798	90	365	7	100.0750	2.					
3.						3.					
4.						4.					
5.						5.					
6.						6.					
Totals:		197			219	Totals:		90			100

Form 2210

Underpayment x

Number of days between critical dates
Number of days in the year

x Applicable % = Penalty

TWF

SOUTH CAROLINA INDIVIDUAL INCOME TAX RETURN

2005

For the year January 1 – December 31, 2005, or fiscal tax year beginning 2005 and ending 2006

Print Your first name and Initial (Sr, Jr, 2nd, 3rd, 4th) Last name
RUDOLPH R. **DREWS** Check if Deceased ☐ Your Social Security number **[REDACTED]**

Spouse's first name and Initial, if married filing jointly Spouse's last name
EFFIE D. **DREWS** Check if Deceased ☐ Spouse's Social Security number **[REDACTED]**

Present home address (number and street, or P. O. Box) Apt No. Area Code Daytime telephone Do not write in this space — OFFICE USE
[REDACTED] ROAD **-** **-** **-**

City, state and ZIP code County code
CHARLESTON SC 29407 **-**

If you do not wish to receive a booklet next year, but need a name and address label for your 2006 return, check here. ☐

Check this box if you are filing SC Schedule NR (Part year/Nonresident) ☐

Check this box if you have filed a federal or state extension ☐

Check this box if filing a composite return for partnership or "S" corporation ☐

CHECK YOUR (1) ☐ Single (3) ☐ Married filing separately. Enter spouse's SSN here _____
 FEDERAL FILING STATUS (2) ☒ Married filing jointly (4) ☐ Head of household (5) ☐ Widow(er) with dependent child

Federal Exemptions: Enter the number of exemptions from line 6 (d) of your 2005 federal return. **2**
 How many of the exemptions listed above were under the age of 6 years on December 31, 2005? **2**
 Enter the number of taxpayers age 65 or older, as of December 31, 2005 **2**

	Dollars	Cents
1 Enter Federal taxable income from your fed. Form 1040, line 43; 1040A, line 27; or 1040EZ, line 6. If zero or less, enter zero here. STOP! Resident filers complete lines 30 through 51. Nonresident filers complete Schedule NR and enter total from line 48 on line 5 below	187,386	00
2 TOTAL ADDITIONS. Enter amount from line 35.		00
3 Add lines 1 and 2. Enter total here.	187,386	00
4 TOTAL SUBTRACTIONS. Enter amount from line 51.	45,110	00
5 South Carolina INCOME SUBJECT TO TAX. Residents subtract line 4 from line 3 and enter the difference. Nonresidents enter amount from Schedule NR, line 48. If less than zero, enter zero.	142,276	00
6 TAX: Enter tax from SOUTH CAROLINA tax tables.	9,592	00
7 TAX on Lump Sum Distribution (Attach SC4972)		00
8 TOTAL South Carolina tax. Add lines 6 and 7. Enter the total	9,592	00
9 Child and Dependent Care (See instructions)		00
10 Two Wage Earner Credit (See instructions)		00
11 Other Non-refundable Credits (Attach SC1040TC)		00
12 TOTAL Non-refundable Credits. Add lines 9 through 11 and enter the total.	0	00
13. SUBTRACT line 12 from line 8. Enter the difference BUT NOT LESS THAN ZERO.	9,592	00
14 SC INCOME TAX WITHHELD (Attach W-2/SC41)	0	00
15 2005 Es. Tax Payments		00
16 Amt. Paid with extension		00
17 NR sale of real estate		00
18 Other SC Withholding (Attach Form 1099)		00
19 Tuition Tax Credit (Attach I-319)		00
20 Other Refundable Credit (Attach I-333 or I-334)		00
21 ADD lines 14 through 20 and enter the total.	0	00
22 If line 21 is LARGER than line 13, subtract line 13 from line 21 and enter the OVERPAYMENT.		00
23 If line 13 is LARGER than line 21, subtract line 21 from line 13 and enter the AMOUNT DUE.	9,592	00
24 USE TAX (Due on Out-of-state Purchases. See instructions)		00
25 Amount of line 22 to be credited to your 2006 ESTIMATED TAX.		00
26 Total Contributions for Check-offs (Attach I-330)		00
27 ADD lines 24 through 26 and enter the total.		00
28 NET REFUND: If line 27 is larger than line 22, go to line 29. Otherwise, subtract line 27 from line 22 and enter the AMOUNT TO BE REFUNDED TO YOU.		00
29 NET DUE: ADD lines 23 and 27 and, if applicable, penalty amount. If line 27 is larger than line 22, subtract line 22 from line 27. Enter the AMOUNT YOU OWE. If subject to penalty for Underpayment of Estimated Tax, attach SC2210. (See instructions)		00

21 ADD lines 14 through 20 and enter the total.

22 If line 21 is LARGER than line 13, subtract line 13 from line 21 and enter the OVERPAYMENT.

23 If line 13 is LARGER than line 21, subtract line 21 from line 13 and enter the AMOUNT DUE.

24 USE TAX (Due on Out-of-state Purchases. See instructions)

25 Amount of line 22 to be credited to your 2006 ESTIMATED TAX.

26 Total Contributions for Check-offs (Attach I-330)

27 ADD lines 24 through 26 and enter the total.

28 NET REFUND: If line 27 is larger than line 22, go to line 29. Otherwise, subtract line 27 from line 22 and enter the AMOUNT TO BE REFUNDED TO YOU.

29 NET DUE: ADD lines 23 and 27 and, if applicable, penalty amount. If line 27 is larger than line 22, subtract line 22 from line 27. Enter the AMOUNT YOU OWE. If subject to penalty for Underpayment of Estimated Tax, attach SC2210. (See instructions)

Penalty: \$ _____

Staple a check or money order for the full amount payable to "SC Department of Revenue." Write your Social Security number and "2005 SC1040" on the payment.

REFUND ☐

BALANCE DUE ☐

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY if you have income and/or (loss) on federal Schedules C, D, E, F or file a SC Schedule NR, SC1040TC or I-319.

STOP!

Resident filers complete lines 30 through 51.

Nonresident filers complete Schedule NR Do not complete lines 30 through 51.

PART 1 ADDITIONS TO FEDERAL TAXABLE INCOME			Dollars	Cents
30	State tax addback, if itemizing on federal return.	00		
31	Out-of-state losses -- (See instructions)	00		
32	Expenses related to National Guard and Military Reserve income	00		
33	Interest income on obligations of states and political subdivisions other than South Carolina.	00		
34	Other additions to income. Attach an explanation (See instructions)	00		
35	TOTAL ADDITIONS -- add lines 30 through 34 and enter your total additions to income here and on line 2.		0	00

PART 2 SUBTRACTIONS FROM FEDERAL TAXABLE INCOME			Dollars	Cents
36	State tax refund, if included on line 10, on your federal Form 1040.	00		
37	Permanent disability retirement income, if taxed on your federal return	00		
38	Out-of-state income/gain -- Do not include personal service income. (See instructions.)	00		
39	44% of net capital gains held for more than one year (See instructions)	00		
40	Volunteer Firefighter/Rescue Squad Worker/HAZMAT Member/Reserve Police Officer/DNR Deputy Enforcement Officer Deduction. (See inst)	00		
41	Contributions to the SC Tuition Prepayment Program or College Investment Program. (See instructions)	00		
42	Interest income from obligations of the US government.	00		
43	National Guard or Reserve annual training and drill pay. (See instructions)	00		
44	Social Security and/or railroad retirement, if taxed on your federal return	15,110	00	
45	Caution: Retirement Deduction -- (See Instructions)			
a)	Taxpayer: Date of Birth	00		
b)	Spouse: Date of Birth	00		
c)	Surviving Spouse: Date of Birth of Deceased Spouse	00		
46	Age 65 and older deduction -- (See instructions)			
a)	Taxpayer: Date of Birth 12-27-1922	15,000	00	
b)	Spouse: Date of Birth 10-12-1924	15,000	00	
47	Negative amount of federal taxable income.	00		
48	Subsistence Allowance days @ \$6.67	00		
49	Dependents under the age of 6 years on December 31, 2005.			
	Date of Birth SSN			
	Date of Birth SSN			
50	Other subtractions. (See instructions)	00		
51	TOTAL SUBTRACTIONS -- add lines 36 through 50 and enter the total here and on line 4.		45,110	00

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief.

Your Signature	Date	Spouse's Signature (if jointly, BOTH must sign)

I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer.	Yes ☒ No ☐	Preparer's Printed Name JERRY D. GAMBRELL, CPA

If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Paid	04-16-2006	PO BOX 21914
Preparer's Use Only	Prepared by 1102997	Date 843-722-0049
	Address CHARLESTON SC 29413-1914	City State Zip
	Phone Number	City

ATTACH A COMPLETE COPY OF YOUR FEDERAL RETURN ONLY IF you have income and/or (loss) on federal Schedules C, D, E, F or filed a Schedule NR, SC1040TC or I-319.

SC12 TWF 14330

MAIL RETURN TO THE PROPER ADDRESS:

Copyright Forms (Software Only) - 2005

REFUNDS OR ZERO TAX:
SC1040 PROCESSING CENTER
P.O. BOX 101100
COLUMBIA SC 29211-0100

BALANCE DUES:
TAXABLE PROCESSING CENTER
P.O. BOX 101105
COLUMBIA SC 29211-0105

Form 1040

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 2005

0722110002037-6

IRS Use Only—Do not write or staple in this space

Label

(See instructions on page 16) Use the IRS label. Otherwise, please print or type.

LABEL HERE

LF SCOT 30
DONALD W LANCASTER
[REDACTED] AVE
MT PLEASANT SC 29464-4434

Your social security number

Spouse's social security number

▲ You must enter your SSN(s) above. ▲

Checking a box below will not change your tax or refund.

Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 16) ☒ You ☐ Spouse

Filing Status

Check only one box.

- 1 ☒ Single
2 ☐ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above and full name here ☐
4 ☐ Head of household (with qualifying person) (See page 17.) If the qualifying person is a child but not your dependent, enter this child's name here ☐
5 ☐ Qualifying widow(er) with dependent child (see page 17)

Exemptions

- 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a
b ☐ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) ☒ If qualifying child for child tax credit (see page 19)
				☐
				☐
				☐
				☐

If more than four dependents, see page 19

Boxes checked on 6a and 6b
No. of children on 6c who:

- lived with you
• did not live with you due to divorce or separation (see page 20)

Dependents on 6c not entered above

Add numbers on lines above ☐ 1

d Total number of exemptions claimed

Income

Attach Form(s) W-2 here. Also attach Forms -2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 22.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

- 7 Wages, salaries, tips, etc. Attach Form(s) W-2
8a Taxable interest. Attach Schedule B if required
b Tax-exempt interest. Do not include on line 8a
9a Ordinary dividends. Attach Schedule B if required
b Qualified dividends (see page 23)
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 23)
11 Alimony received
12 Business income or (loss). Attach Schedule C or C-EZ
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐
14 Other gains or (losses). Attach Form 4797
15a IRA distributions 15a Taxable amount (see page 25)
16a Pensions and annuities 16a Taxable amount (see page 25)
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E
18 Farm income or (loss). Attach Schedule F
19 Unemployment compensation
20a Social security benefits 20a Taxable amount (see page 27)
21 Other income. List type and amount (see page 29)
22 Add the amounts in the far right column for lines 7 through 21. This is your total income

7	45,161	-
8a	14,215	-
9a	27,412	-
10		
11		
12		
13	47,087	-
14		
15b		
16b		
17		
18		
19		
20b		
21		
22	133,875	-

Adjusted Gross Income

- 23 Educator expenses (see page 29)
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ
25 Health savings account deduction. Attach Form 8889.
26 Moving expenses. Attach Form 3903
27 One-half of self-employment tax. Attach Schedule SE
28 Self-employed SEP, SIMPLE, and qualified plans
29 Self-employed health insurance deduction (see page 30)
30 Penalty on early withdrawal of savings
31a Alimony paid b Recipient's SSN
32 IRA deduction (see page 31)
33 Student loan interest deduction (see page 33)
34 Tuition and fees deduction (see page 34)
35 Domestic production activities deduction. Attach Form 8803
36 Add lines 23 through 31a and 32 through 35
37 Subtract line 36 from line 22. This is your adjusted gross income

23		
24		
25		
26		
27		
28		
29		
30		
31a		
32		
33		
34		
35		
36		
37	133,875	-

PLAINTIFF'S EXHIBIT 68
PENGAD 800-631-6888

Tax and Credits**Standard Deduction for—**

• People who checked any box on line 39a or 39b or who can be claimed as a dependent, see page 36.

• All others:

Single or Married filing separately, \$5,000

Married filing jointly or Qualifying widow(er), \$10,000

Head of household, \$7,300

- 38 Amount from line 37 (adjusted gross income) **133,875**
- 39a Check ☐ You were born before January 2, 1941, ☐ Blind, ☐ Total boxes if: ☐ Spouse was born before January 2, 1941, ☐ Blind, checked ☐ 39a
- b If your spouse itemizes on a separate return or you were a dual-status alien, see page 35 and check here ☐ 39b
- 40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) **11,676**
- 41 Subtract line 40 from line 38 **122,199**
- 42 If line 38 is over \$109,475, or you provided housing to a person displaced by Hurricane Katrina, see page 37. Otherwise, multiply \$3,200 by the total number of exemptions claimed on line 6d **3,200**
- 43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **118,999**
- 44 Tax (see page 37). Check if any tax is from: a ☐ Form(s) 8814 b ☐ Form 4972 **21,139**
- 45 Alternative minimum tax (see page 39). Attach Form 6251
- 46 Add lines 44 and 45 **26**
- 47 Foreign tax credit. Attach Form 1116 if required **26**
- 48 Credit for child and dependent care expenses. Attach Form 2441
- 49 Credit for the elderly or the disabled. Attach Schedule R
- 50 Education credits. Attach Form 8863
- 51 Retirement savings contributions credit. Attach Form 8880
- 52 Child tax credit (see page 41). Attach Form 8901 if required
- 53 Adoption credit. Attach Form 8839
- 54 Credits from: a ☐ Form 8396 b ☐ Form 8859
- 55 Other credits. Check applicable box(es): a ☐ Form 3800 b ☐ Form 8801 c ☐ Form
- 56 Add lines 47 through 55. These are your total credits **26**
- 57 Subtract line 56 from line 46. If line 56 is more than line 46, enter -0- **21,113**

Other Taxes

- 58 Self-employment tax. Attach Schedule SE
- 59 Social security and Medicare tax on tip income not reported to employer. Attach Form 4137
- 60 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required
- 61 Advance earned income credit payments from Form(s) W-2
- 62 Household employment taxes. Attach Schedule H
- 63 Add lines 57 through 62. This is your total tax **21,113**

Payments

If you have a qualifying child, attach Schedule EIC.

- 64 Federal income tax withheld from Forms W-2 and 1099 **6,366.73**
- 65 2005 estimated tax payments and amount applied from 2004 return **15,000.00**
- 66a Earned income credit (EIC) **66a**
- b Nontaxable combat pay election ☐ 66b
- 67 Excess social security and tier 1 RRTA tax withheld (see page 59)
- 68 Additional child tax credit. Attach Form 8812
- 69 Amount paid with request for extension to file (see page 59)
- 70 Payments from: a ☐ Form 2439 b ☐ Form 4136 c ☐ Form 8885
- 71 Add lines 64, 65, 66a, and 67 through 70. These are your total payments **21,367**

Refund

Direct deposit? See page 59 and fill in 73b, 73c, and 73d

- 72 If line 71 is more than line 63, subtract line 63 from line 71. This is the amount you overpaid **254**
- 73a Amount of line 72 you want refunded to you
- b Routing number ☐ c Type: ☐ Checking ☐ Savings
- d Account number ☐
- 74 Amount of line 72 you want applied to your 2006 estimated tax **254.00**

Amount You Owe

- 75 Amount you owe. Subtract line 71 from line 63. For details on how to pay, see page 60
- 76 Estimated tax penalty (see page 60)

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)? ☐ Yes. Complete the following. ☒ No

Designee's name

Phone no.

Personal identification number (PIN)

Sign Here

Joint return? See page 17. Keep a copy for your records.

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

Your signature

Date

Your occupation

Daytime phone number

Spouse's signature. If a joint return, both must sign

Date

Spouse's occupation

Preparer's Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no.

SCHEDULES A&B
(Form 1040)

Schedule A—Itemized Deductions
Photocopy
(Schedule B is on back)

OMB No. 1545-0074

2005

Attachment
Sequence No. **07**

Department of the Treasury
Internal Revenue Service (3)

▶ Attach to Form 1040.

▶ See Instructions for Schedules A&B (Form 1040).

Your social security number

Name(s) shown on Form 1040

DONALD W. LANCASTER

Medical and Dental Expenses

Caution. Do not include expenses reimbursed or paid by others.

- 1** Medical and dental expenses (see page A-2)
- 2** Enter amount from Form 1040, line 38 **2**
- 3** Multiply line 2 by 7.5% (.075).
- 4** Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-

Taxes You Paid

(See page A-2)

- 5** State and local (check only one box):
- a ☒ Income taxes, or
- b ☐ General sales taxes (see page A-3)
- 6** Real estate taxes (see page A-5)
- 7** Personal property taxes
- 8** Other taxes. List type and amount ▶
- 9** Add lines 5 through 8

5 7,175 24

6 3,404 69

7 86 95

9 10,666 88

Interest You Paid

(See page A-5)

- 10** Home mortgage interest and points reported to you on Form 1098
- 11** Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-6 and show that person's name, identifying no., and address ▶

Note.
Personal interest is not deductible.

- 12** Points not reported to you on Form 1098. See page A-6 for special rules
- 13** Investment interest. Attach Form 4952 if required. (See page A-6.)
- 14** Add lines 10 through 13

10

11

12

13

14

Gifts to Charity

If you made a gift and got a benefit for it, see page A-7.

- 15a** Total gifts by cash or check. If you made any gift of \$250 or more, see page A-7
- b** Gifts by cash or check after August 27, 2005, that you elect to treat as qualified contributions (see page A-7) **15b**
- 16** Other than by cash or check. If any gift of \$250 or more, see page A-7. You must attach Form 8283 if over \$500
- 17** Carryover from prior year
- 18** Add lines 15a, 16, and 17

15a 1,009 00

16

17

18 1,009 00

Casualty and Theft Losses

- 19** Casualty or theft loss(es). Attach Form 4684. (See page A-8.)

Job Expenses and Certain Miscellaneous Deductions

(See page A-8)

- 20** Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-8.) ▶
- 21** Tax preparation fees.
- 22** Other expenses—investment, safe deposit box, etc. List type and amount ▶
- 23** Add lines 20 through 22
- 24** Enter amount from Form 1040, line 38 **24**
- 25** Multiply line 24 by 2% (.02)
- 26** Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-

20

21

22

23

24

25

26

Other Miscellaneous Deductions

- 27** Other—from list on page A-9. List type and amount ▶

27

Itemized Deductions

- 28** Is Form 1040, line 38, over \$145,950 (over \$72,975 if married filing separately)?
- ☒ **No.** Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 40. } ▶
- ☐ **Yes.** Your deduction may be limited. See page A-9 for the amount to enter. }
- 29** If you elect to itemize deductions even though they are less than the standard deduction, check here ▶ ☐

28 11,675 88

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

Attachment
Sequence No. 08**Schedule B—Interest and Ordinary Dividends****Part I
Interest**(See page B-1
and the
instructions for
Form 1040,
line 8a.)**Note.** If you
received a Form
1099-INT, Form
1099-OID, or
substitute
statement from
a brokerage firm,
list the firm's
name as the
payer and enter
the total interest
shown on that
form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

— SEE ATTACHMENT SCHEDULE —

- 2 Add the amounts on line 1
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815
- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a ▶

Note. If line 4 is over \$1,500, you must complete Part III.**Part II
Ordinary
Dividends**(See page B-1
and the
instructions for
Form 1040,
line 9a.)**Note.** If you
received a Form
1099-DIV or
substitute
statement from
a brokerage firm,
list the firm's
name as the
payer and enter
the ordinary
dividends shown
on that form.

- 5 List name of payer ▶

— SEE ATTACHMENT SCHEDULES —
page 1 A through L
page 2 M through Z

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a ▶
- Note.** If line 6 is over \$1,500, you must complete Part III.

**Part III
Foreign
Accounts
and Trusts**(See
page B-2)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a At any time during 2005, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1.
- b If "Yes," enter the name of the foreign country ▶
- 8 During 2005, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If "Yes," you may have to file Form 3520. See page B-2

Yes No

☐ ☒☐ ☒

Amount

1

2 14,214 83

3

4 14,214 83

Amount

5

8,827 52

18,584 61

6 27,412 13

892

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)
Name(s) shown on Form 1040

Capital Gains and Losses

▶ Attach to Form 1040. ▶ See instructions for Schedule D (Form 1040).
▶ Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2005

Attachment
Sequence No. 12

Your social security number

DONALD W. LANCASTER

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 Ford Motor Company 200 shares	1/31/05	4/12/05	2,021.91	2,668.75	< 646.84
Trump Entertainment Resorts Inc. 5 shares	5/20/05	12/09/05	102.77	70.00	32.77
95 shares	10/10/05	1	1,952.74	1,663.45	289.29
2 Enter your short-term totals, if any, from Schedule D-1, line 2	2	76,038.27			< 335.90
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)	3	80,115.69			
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet on page D-6 of the instructions	6				()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)	7				< 660.68

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 Nextel Communications Inc. 200 shares, class A	6/24/02	6/20/05	6,445.73	645.33	5,800.40
Trump Casino Holdings LLC First-Priority Mortgage Notes \$20,000 principal	4/21/04 2/10/04	5/20/05	21,848.28	20,345.79	1,502.49
9 Enter your long-term totals, if any, from Schedule D-1, line 9	9	204,244.90			17,691.74
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)	10	232,538.91			
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11				
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1	12				
13 Capital gain distributions. See page D-1 of the instructions	13				22,753.18
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet on page D-6 of the instructions	14				()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back	15				47,747.81

893

Part III Summary

Photocopy

16 Combine lines 7 and 15 and enter the result. If line 16 is a loss, skip lines 17 through 20, and go to line 21. If a gain, enter the gain on Form 1040, line 13, and then go to line 17 below . . .	16	47,087	13
17 Are lines 15 and 16 both gains? ☒ Yes. Go to line 18. ☐ No. Skip lines 18 through 21, and go to line 22.			
18 Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet on page D-7 of the instructions . . .	18	0	-
19 Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet on page D-8 of the instructions . . .	19	0	-
20 Are lines 18 and 19 both zero or blank? ☒ Yes. Complete Form 1040 through line 43, and then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040. Do not complete lines 21 and 22 below. ☐ No. Complete Form 1040 through line 43, and then complete the Schedule D Tax Worksheet on page D-9 of the instructions. Do not complete lines 21 and 22 below.			
21 If line 16 is a loss, enter here and on Form 1040, line 13, the smaller of: • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) } . . .	21	(	)
Note. When figuring which amount is smaller, treat both amounts as positive numbers.			
22 Do you have qualified dividends on Form 1040, line 9b? ☒ Yes. Complete Form 1040 through line 43, and then complete the Qualified Dividends and Capital Gain Tax Worksheet on page 38 of the Instructions for Form 1040. ☐ No. Complete the rest of Form 1040.			

894

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (3)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040 or Form 1041. ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2005

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). Report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of:	Yes	No
A			• 14 days or	A	
B			• 10% of the total days rented at fair rental value?	B	
C			(See page E-3.)	C	

Income:	Properties			Totals (Add columns A, B, and C)
	A	B	C	
3 Rents received	3			3
4 Royalties received	4			4
Expenses:				
5 Advertising	5			
6 Auto and travel (see page E-4)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see page E-4)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Other (list) ▶	18			
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see page E-4)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 6198	22			
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23	(	)	
24 Income. Add positive amounts shown on line 22. Do not include any losses	24			
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25	(	)	
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17. Otherwise, include this amount in the total on line 41 on page 2	26			

895

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

DONALD W. LANCASTER

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations **Note.** If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-1.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
- If you answered "Yes," see page E-6 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	USAssets Midwest Limited Partnership	P	☐	[REDACTED]	☐
B	Northern Border Partners, L.P.	P	☐	[REDACTED]	☐
C			☐		☐
D			☐		☐

Passive Income and Loss				Nonpassive Income and Loss			
(f) Passive loss allowed (attach Form 8582 if required)		(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1		
A	0 -	0 -					
B	0 -	0 -					
C							
D							
29a Totals		0 -					
b Totals		0 -			30	0 -	
30 Add columns (g) and (j) of line 29a					31	(0 -)	
31 Add columns (f), (h), and (i) of line 29b					32	0 -	
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below					32	0 -	

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)		(d) Passive income from Schedule K-1
A		
B		
34a Totals		
b Totals		
35 Add columns (d) and (f) of line 34a		35
36 Add columns (c) and (e) of line 34b		36 ()
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-6)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
38					
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below					39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41 Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17	41	
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code N; and Schedule K-1 (Form 1041), line 14, code F (see page E-7)	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see page E-1), enter the net income or (loss) you reported anywhere on Form 1040 from all rental real estate activities for which you materially participated under the passive activity loss	43	

Form **8271** **Investor Reporting of Tax Shelter Registration Number**
 (Rev. December 2005)
 Department of the Treasury
 Internal Revenue Service

OMB No. 1545-0881

Attachment
Sequence No. **71**

▶ If you received this form from a partnership, S corporation, or trust, see the instructions.

Investor's name(s) shown on return DONALD W. LANCASTER		Investor's identifying number [REDACTED]	Investor's tax year ended 2005
(a) Tax Shelter Name		(b) Tax Shelter Registration Number (11 digit number)	(c) Tax Shelter Identifying Number
1	US Assets Midwest Limited Partnership	[REDACTED]	[REDACTED]
2	Northern Border Partners, L.P.	[REDACTED]	[REDACTED]
3			
4			
5			
6			
7			
8			
9			
10			

What's New

After October 22, 2004, tax shelter registration numbers are no longer being issued. The American Jobs Creation Act of 2004 amended section 6111 to replace the tax shelter registration requirement with a new disclosure requirement for material advisors who provide material aid, assistance, or advice with respect to any reportable transaction. For more information, see Notice 2004-80, 2004-50 I.R.B. 963. However, Form 8271 must be filed for any year you claim or report income or a deduction, loss, credit, or other tax benefit from a registration-required tax shelter.

General Instructions

Section references are to the Internal Revenue Code.

Purpose of Form

Use Form 8271 to report the tax shelter registration number the IRS assigned to certain tax shelters required to be registered under section 6111 ("registration-required tax shelters") and to report the name and identifying number of the tax shelter. This information must be reported even if the particular interest is producing net income for the filer of Form 8271. Use additional forms to report more than 10 tax shelter registration numbers.

Note. A tax shelter registration number does not indicate that the tax shelter or its claimed tax benefits have been reviewed, examined, or approved by the IRS.

Who Must File

Any person claiming or reporting any deduction, loss, credit, or other tax benefit, or reporting any income on any tax return from an interest purchased or otherwise acquired in a registration-required tax shelter must file Form 8271. If the interest is purchased or otherwise acquired by a pass-through entity, both the pass-through entity and its partners, shareholders, or beneficiaries must file Form 8271.

A pass-through entity that is the registration-required tax shelter does not have to prepare Form 8271 and give copies to its partners, shareholders, or beneficiaries unless the pass-through entity itself has invested in a registration-required tax shelter.

Note. Even if you have an interest in a registration-required tax shelter, you do not have to file Form 8271 if you did not claim or report any deduction, loss, credit, or other tax benefit, or report any income on your tax return from an interest in the registration-required tax shelter. This could occur, for example, if for a particular year you are unable to

claim any portion of a loss because of the passive activity loss limitations, and that loss is the only tax item reported to you from the shelter.

Filing Form 8271

Attach Form 8271 to any return on which a deduction, loss, credit, or other tax benefit is claimed or reported, or any income reported, from an interest in a registration-required tax shelter. These returns include applications for tentative refunds (Forms 1045 and 1139) and amended returns (Forms 1040X and 1120X).

Furnishing Copies of Form 8271 to Investors

A pass-through entity that has invested in a registration-required tax shelter must furnish copies of its Form 8271 to its partners, shareholders, or beneficiaries.

However, in the case where (a) the pass-through entity acquired at least a 50% interest in one tax year in a registered tax shelter (and in which it had not held an interest in a prior year), and (b) the investment would not meet the definition of a tax shelter immediately following the acquisition if it had been offered for sale at that time, the pass-through entity need not distribute copies of Form 8271 to its investors. The pass-through entity alone is required to prepare Form 8271 and include it with the entity tax return.

SCHEDULE D-1
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Continuation Sheet for Schedule D
(Form 1040)

▶ See instructions for Schedule D (Form 1040).
▶ Attach to Schedule D to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2005

Attachment
Sequence No. **12A**

Name(s) shown on Form 1040

DONALD W. LANCASTER

Your social security number
[REDACTED]

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
• ABN AMRO Growth Fund					
32.599 shares	4/04/05	12/27/05	732.17	707.41	24.76
• Federated Kaufmann Small Cap Fund - K					
78.411 shares	4/21/04	4/13/05	1,517.25	1,500.00	17.25
25.867 L	4/26/04	L	500.53	500.00	53
• FMI Large Cap Fund					
20.787 shares	6/04/04	1/24/05	255.06	239.67	15.39
• Jensen Portfolio					
0.437 shares	12/30/04	11/23/05	10.48	10.66	18
0.422 L	3/24/05	L	10.12	10.08	04
0.418 L	6/24/05	L	10.02	9.73	29
0.384 L	9/22/05	L	9.21	8.95	26
• Meridian Equity Income Fund					
25.681 shares	2/14/05	12/28/05	270.93	263.74	7.19
• Wells Fargo Adv. Growth & Income Fund					
1.206 shares	12/30/04	10/14/05	23.82	25.79	1.97
0.111 L	3/22/05	L	2.19	2.25	06
.281 L	4/06/05	L	5.55	5.74	19
100.203 L	4/18/05	L	1,979.01	1,990.03	11.02
0.145 L	6/24/05	L	2.86	2.94	08
0.235 L	9/30/05	L	4.64	4.69	05
• Wells Fargo Adv Short-Term High-Yield Fd.					
1,164.144 shares	6/17/04	3/23/05	9,976.71	10,000.00	23.29
1,734.104 L	2/07/05	L	14,861.27	15,000.00	138.73
2 Totals. Add the amounts in column (d). Also, combine amounts in column (f). Enter here and on Schedule D, line 2			30,171.82		109.86

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8 ABN AMRO Mid-Cap Fund					
12.579 shares	6/13/03	1/21/05	292.71	227.05	65.66
73.704	1	3/23/05	1,757.84	1,330.35	427.49
36.977	6/30/03	1	881.90	669.65	212.25
18.241	1	12/27/05	434.68	330.35	104.33
11.213	7/08/03	1	267.21	211.70	55.51
1.659	10/03/03	1	39.53	32.43	7.10
• ABN AMRO Temro Small-Cap Fund					
37.973 shares	4/25/03	1/21/05	568.84	432.13	136.71
5.964	1	3/23/05	89.40	67.87	21.53
76.394	6/23/03		1,145.15	1,000.00	145.15
69.666	6/30/03		1,044.29	932.13	112.16
20.895	1	12/27/05	337.67	279.57	58.10
8.739	8/05/03	1	141.22	120.43	20.79
• ABN AMRO Veredus Aggressive Growth Fund					
2.026 shares	3/28/03	12/27/05	39.41	21.40	18.01
27.982	6/13/03	1	544.25	378.60	165.65
• ABN AMRO Veredus Select Growth Fund					
41.237 shares	4/30/04	12/27/05	521.24	400.00	121.24
• ABN AMRO Veredus Sci/Tech Fund					
260.417 shares	6/23/03	4/04/05	1,718.75	1,500.00	218.75
77.760	7/11/03	1	513.22	500.00	13.22
168.994	12/04/03	1	1,115.36	1,204.93	89.57
114.070	12/16/03	1	752.86	795.07	42.21
9 Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, 879			12,205.53		1,771.87

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Your social security number

Photocopy

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
• ⁸ Artisan International Fund					
55.385 shares	12/24/02	1/11/05	6,191.33	814.72	376.61
12.553 L	12/26/02	L	270.02	185.28	84.74
• Artisan International Small-Cap Fund					
100.000 shares	12/20/01	1/11/05	1,711.00	1,000.00	711.00
• Artisan Small-Cap Fund					
28.736 shares	10/21/02	11/30/05	500.00	276.15	223.85
• CGM Realty Fund					
32.206 shares	2/22/00	1/11/05	932.69	343.00	589.69
• Columbia Acorn Select Fund - Z					
3.117 shares	8/12/99	1/21/05	62.90	38.31	24.59
16.543	9/23/99	L	333.83	200.00	133.83
0.162	12/10/99	L	3.27	2.10	1.17
2.812	L	4/14/05	54.61	36.44	18.17
18.804	6/26/00		365.17	247.65	117.52
4.234	11/17/00		82.23	59.41	22.82
11.005	8/13/01		213.72	154.40	59.32
7.547	9/10/01		146.56	100.00	46.56
37.033	10/15/01		719.18	498.10	221.08
0.495	12/07/01		9.61	7.41	2.20
5.621	11/17/03		109.16	100.00	9.16
1.615	12/05/03		31.36	28.59	2.77
14.921	12/11/03		289.77	265.90	23.87
26.954 L	1/06/04	L	523.45	500.00	23.45
9 Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, line 9.			7,549.86		2,692.40

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

DONALD W. LANCASTER

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
FMI Common Stock Fund					
15.872 shares	6/27/02	1/24/05	381.40	310.30	71.10
4.915 L	8/08/02	L	118.11	89.70	28.41
FMI Focus Fund					
21.202 shares	10/21/02	1/24/05	690.55	458.81	231.74
Janus Contrarian Fund					
13.548 shares	7/21/03	12/21/05	204.03	119.09	84.94
Janus High-Yield Bond Fund					
369.243 shares	7/29/02	3/29/05	3,555.81	3,282.57	273.24
598.481	10/04/02	L	5,763.37	5,248.68	514.69
86.062	10/21/02	L	828.78	751.32	77.46
880.648	1/22/03	L	8,480.64	7,961.06	519.58
223.568	3/18/03	L	2,152.96	2,038.94	114.02
76.485 L	9/15/03	L	736.55	717.43	19.12
Janus Mid-Cap Value Fund					
52.966 shares	10/28/02	12/19/05	1,179.55	748.94	430.61
Janus Olympus Fund					
13.497 shares	9/12/03	2/24/05	374.81	325.13	49.68
48.190	9/19/03	L	1,338.24	1,174.87	163.37
60.852 L	10/22/03	L	1,689.86	1,500.00	189.86
Janus Orion Fund					
121.212 shares	6/23/03	1/21/05	813.33	600.00	213.33
Janus Small-Cap Value Fund					
4.838 shares	12/27/02	12/19/05	133.96	109.72	24.24
44.572 L	12/30/02	L	1,234.20	1,008.67	225.53
Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, 902			29,676.15		3,230.92

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DONALD W. LANCASTER

pg 4 **Part II** Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
• Janus Risk-Managed Stock Fund					
182.063 shares	3/11/04	10/13/05	2,700.00	2,377.74	322.26
• Janus Twenty Fund					
14.310 shares	12/16/03	3/17/05	600.00	511.87	88.13
• Jensen Portfolio					
221.043 shares	12/31/01	11/23/05	5,300.61	5,000.00	300.61
.159	3/25/02		3.81	3.70	.11
.087	6/24/02		2.09	1.79	.30
.265	9/25/02		6.35	5.05	1.30
.251	12/30/02		6.02	5.00	1.02
.426	3/28/03		10.22	8.15	2.07
.306	8/26/03		7.34	6.44	.90
.352	9/24/03		8.44	7.46	.98
.492	12/30/03		11.80	11.35	.45
.330	3/26/04		7.91	7.59	.32
.325	6/23/04		7.79	7.87	-.08
.469	9/28/04		11.25	10.68	.57
• Manager's Fremont Micro-Cap Fund					
79.365 shares	9/09/02	11/18/05	2,455.55	1,500.00	955.55
58.888	11/25/02		1,822.00	1,200.14	621.86
• Meridian Value Fund					
11.381 shares	12/16/02	2/14/05	428.50	324.36	104.14
29.204	1/22/03		1,099.53	821.80	277.73
27.056		12/28/05	941.28	761.35	179.93
9 Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, line 13.			15,430.49		2,858.15

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DONALD W. LANCASTER

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
• Meridian Growth Fund					
45.935 shares	3/03/03	2/14/05	1,661.47	1,000.00	661.47
7.611	1	12/28/05	280.39	165.69	114.70
• Newberger Berman Hsgl Income Bond Fund					
677.966 shares	11/08/02	5/02/05	6,189.83	6,000.00	189.83
451.977 1	1	5/16/05	4,090.39	4,000.00	90.39
• Vanguard Equity Income Fund					
56.180 shares	3/17/03	5/16/05	1,279.78	1,000.00	279.78
43.554 1	3/09/04	1	992.16	1,000.00	7.84
44.228 1	3/10/04	1	1,007.51	1,000.00	7.51
88.067 1	4/07/04	1	2,006.17	2,000.00	6.17
• Vanguard Health Care Fund					
4.011 shares	3/26/99	11/28/05	\$62.86	384.87	177.99
2.253 1	4/15/99	1	316.16	215.13	101.03
4.107 1	7/30/99	1	576.34	400.00	176.34
• Vanguard Strategic Equity Fund					
37.879 shares	12/09/02	1/21/05	771.60	500.00	271.60
• Vanguard High-Yield Corp. Bond Fund					
352.112 shares	11/04/02	3/30/05	2,190.14	2,000.00	190.14
1,677.852 1	1/10/03	1	10,436.24	10,000.00	436.24
843.170 1	1/31/03	1	5,244.52	5,000.00	244.52
509.338 1	2/14/03	1	3,168.08	3,000.00	168.08
335.008 1	8/14/03	1	2,083.75	2,000.00	83.75
468.750 1	1/30/04	1	2,915.62	3,000.00	84.38
9 Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, 904			45,773.01		3,107.31

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

DONALD W. LANCASTER

Your social security number

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

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
Wells Fargo Asia-Pacific Fund					
113,484 shares	7/11/03	4/04/05	1,147.32	776.23	371.09
Wells Fargo Advantage Discovery Fund					
23,998 shares	7/18/03	1/21/05	487.64	398.61	89.03
17,491	8/26/03	4/04/05	334.25	314.31	19.94
111,296		5/04/05	2,051.19	1,999.99	51.20
26,100		12/21/05	336.36	469.02	67.34
Wells Fargo Advantage Enterprise Fund					
87,744 shares	6/23/03	4/18/05	1,990.03	1,589.92	400.11
52,516		4/26/05	1,200.00	951.59	248.41
Wells Fargo Advantage Opportunity Fund					
2,225 shares	3/04/04	12/20/05	100.00	94.03	5.97
2,710			121.80	114.52	7.28
11,240		12/21/05	506.59	475.00	31.59
Wells Fargo Adv High Income Fund					
646,831 shares	4/25/02	5/16/05	4,864.17	5,000.00	< 135.83
1,158,135	8/29/02		8,709.17	7,527.88	1,181.29
189,715	9/03/02		1,426.66	1,233.15	193.51
Wells Fargo Adv. Ultra Short-Tm Income Fd.					
218,103 shares	5/10/04	7/11/05	2,000.00	2,019.64	< 19.64
95,544		8/09/05	878.05	884.74	< 6.69
857,778	5/11/04		7,882.98	7,943.02	< 60.04
545,256		10/17/05	5,000.00	5,049.07	< 49.07
1,951,666		12/21/05	17,857.74	18,072.43	< 214.69
93,194	5/17/04		852.73	862.98	< 10.25
Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, Form 1040			57,946.68		2,170.55

Name(s) shown on Form 1040. Do not enter name and social security number if shown on other side.

Your social security number

DONALD W. LANCASTER

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

(a) Description of property (Example: 100 sh. XYZ Co)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
Wells Fargo Adv Growth & Income Fund					
28.706 shares	9/30/02	1/27/05	590.20	426.00	164.20
16.977	10/15/02		349.05	261.79	87.26
.259	3/26/03		5.32	4.08	1.24
.066	6/25/03		1.36	1.15	.21
13.275	7/24/03		272.93	232.98	39.95
.132	9/24/03		2.71	2.37	.34
57.502	12/16/03		1,182.24	1,096.56	85.68
61.840		10/10/05	1,225.67	1,179.30	46.37
.158	12/29/03		3.13	3.10	.03
25.018	1/05/04		495.86	496.85	99
13.892	1/09/04		275.34	275.62	28
36.511		10/10/05	723.65	724.38	73
27.454	3/09/04		544.14	551.00	686
.208	3/24/04		4.12	3.99	.13
26.065	5/17/04		516.61	496.01	20.60
10.670	5/21/04		211.48	205.29	6.19
2.055		10/14/05	40.59	39.53	1.06
.057	9/22/04		1.13	1.12	.01
Wells Fargo Adv Short-Term High-Yld Bond Fd.					
460.948 shares	1/02/04	3/23/05	3,950.33	4,001.03	50.70
115.226	1/13/04		987.49	1,004.77	17.28
1,154.734	2/04/04		9,896.07	10,000.00	103.93
Fort James Corp. Note 7.75% due 1/15/93					
87,000 face	2/17/04	12/23/05	8,899.87	7,050.00	1,849.87
9 Totals. Add the amounts in column (d). Also, combine the amounts in column (f). Enter here and on Schedule D, line 700			30,179.29		2,122.37

Your social security number

DONALD W. LANCASTER

Part II

[illegible]

DONALD W. LANCASTER

Photocopy

Summary of Schedules D-1, Continuation Sheet for Schedule D

Part 1 Short-Term Capital Gains and Losses--Assets Held One Year or Less

Page Number	PAGE TOTAL		PAGE TOTAL	
	Column (d) Sales Price		Column (f) Gain or (loss)	
1	30,171.82		(109.86)	
2	45,866.45		(226.04)	
3				
4				
5				
6				
7				
8				
TOTALS	76,038.27		(335.90)	

Part 2 Long-Term Capital Gains and Losses--Assets Held More Than One Year

Page Number	PAGE TOTAL		PAGE TOTAL	
	Column (d) - Sales Price		Column (f) Gain or (loss)	
1	12,205.53		1,771.87	
2	7,549.86		2,692.40	
3	29,676.15		3,230.92	
4	15,430.49		2,858.15	
5	45,773.01		3,107.32	
6	57,946.68		2,170.55	
7	30,179.29		2,122.37	
8	5,483.89		(261.84)	
TOTALS	204,244.90		17,691.74	

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DONALD W. LANCASTER

Attachment to SCHEDULE B, Part I. Interest Income

1	List name of payer.			Amount
	Capital Investment Funding LLC			\$288.49
	Community Firstbank			322.44
	GMAC Demand Notes			1,593.02
	Northern Border Partners, Limited Partnership			49.00
	USAssets Midwest Limited Partnership			4.38
	Wachovia Bank N.A.			1,686.20
	Pershing LLC for the following:			
	1) Corning Inc. Medium Term Notes	\$376.50		
	2) Dole Foods Inc. Debentures	1,225.00		
	3) Ford Motor Credit Medium Term Notes	1,176.00		
	4) Fort James Corp. Note 7.750% 11/15/23	599.76		
	5) Friendly Ice Cream Gtd. Sr. Note	837.50	1	
	6) General Motors Acceptance Corp. Medium Term Notes	250.00		
	7) General Motors Acceptance Corp. Medium Term Notes	450.00		
	8) General Motors Acceptance Corp SmartNotes	171.87		
	9) General Motors Acceptance Corp SmartNotes	350.00		
	10) General Motors Acceptance Corp SmartNotes	700.00		
	11) Hertz Corp. Note 7.625% 06/01/12	381.25		
	12) Land O Lakes Inc. Sr. Note	875.00		
	13) Royal Caribbean Cruises LTD Sr. Note	750.00		
	14) Toys R Us Inc. Deb.	437.50		
	15) Trump Entertainment Resorts Holdings LP	901.94		
	Total Pershing LLC	\$9,482.32		9,482.32
	Other Periodic Interest:			
	Trump Casino Holdings LLC			1,262.50
	Original Issue Discount:			
	Trump Casino Holdings LLC			45.96
	LESS-- Accrued Interest Paid:			
	General Motors Acceptance Corp. Medium Term Notes	(\$5.56)		
	General Motors Acceptance Corp. Medium Term Notes	(7.50)		
	General Motors Acceptance Corp SmartNotes	(258.61)		
	Hertz Corp. Note 7.625% 06/01/12	(247.81)		
	Total Accrued Interest Paid	(\$519.48)		(519.48)
2	Add the amounts on line 1		2	14,214.83

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Attachment to SCHEDULE B, Part II, Dividend Income -- Attachment Page 1 -- A through L

ABN AMRO Growth Fund	\$0.94
ABN AMRO Mid-Cap Fund	21.66
Aegis Value Fund	214.56
AFLAC Incorporated	144.44
Anheuser-Busch Companies Inc.	194.14
Ariel Fund	66.93
Ariel Appreciation Fund	67.54
Artisan International Fund	104.34
Artisan International Small-Cap Fund	317.64
Artisan International Value Fund	143.06
Artisan Mid-Cap Fund	38.75
Artisan Mid-Cap Value Fund	277.17
Artisan Small-Cap Fund	145.37
Artisan Small-Cap Value Fund	251.28
BRE Properties, Inc.	84.20
CGM Focus Fund	694.13
CGM Realty Fund	152.84
Chevron Corporation	251.99
Columbia Acorn Fund - Z	53.90
Columbia Acorn International Fund - Z	190.09
Columbia Acorn International Select Fund - Z	87.47
Columbia Acorn Select Fund - Z	19.32
Columbia Acorn USA Fund - Z	17.24
Duke Energy Corporation	234.00
Exxon-Mobil Corporation	188.11
FMI Common Stock Fund	119.09
FMI Focus Fund	245.55
FMI Large-Cap Fund	99.64
Federated Kaufmann Small-Cap Fund - K	21.27
General Motors Corporation	240.24
Hennessy Cornerstone Growth Fund	220.99
Janus Money Market Fund	153.17
Janus Contrarian Fund	21.03
Janus Core Equity Fund	24.96
Janus Global Opportunities Fund	39.79
Janus Growth & Income Fund	42.94
Janus High-Yield Fund	2,475.49
Janus Mercury Fund	10.48
Janus Mid-Cap Value Fund	315.24
Janus Orion Fund	66.49
Janus Overseas Fund	57.65
Janus Research Fund	76.68
Janus Risk-Managed Stock Fund	139.32
Janus Small-Cap Value Fund	233.96
Janus Triton Fund	14.89
Janus Worldwide Fund	35.73
Jefferson-Pilot Corporation	183.05
The Jensen Portfolio	28.76

TOTAL ATTACHMENT PAGE 1 -- A through L

\$8,827.52

(memo)
Qualified
Dividends

\$0.94
21.66
145.59
144.44
194.14
48.41
67.54
69.32
130.77
95.07
15.60
67.73
15.98
52.01
0.96
133.97
27.82
251.99
53.90
190.09
87.47
19.32
17.24
234.00
188.11
54.56
32.18
26.55
2.99
240.24
23.54
21.03
24.96
38.98
42.94
10.48
52.55
33.67
57.65
8.63
83.30
48.29
2.53
33.69
183.05
28.76

\$3,324.54

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DONALD W. LANCASTER

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Attachment to SCHEDULE B, Part II, Dividend Income -- Attachment Page 2 -- M through Z

		(memo) Qualified Dividends
Marsico International Opportunities Fund	40.23	40.23
Meridian Equity Income Fund	63.75	63.75
Meridian Value Fund	116.91	78.23
Neuberger Berman Fasciano Fund	22.09	22.09
Neuberger Berman High Income Bond Fund	1,475.47	
Pershing LLC	771.86	511.67
SCANA Corporation	248.55	248.55
Skyline Special Equities Portfolio	286.97	80.07
Vanguard Prime Money Market Fund	692.10	
Vanguard High-Yield Corporate Fund	2,373.80	
Vanguard Capital Value Fund	59.55	59.55
Vanguard Equity Income Fund	209.74	184.90
Vanguard Explorer Fund	276.39	45.52
Vanguard Global Equity Fund	251.58	137.34
Vanguard Health Care Fund	171.06	123.52
Vanguard Morgan Growth Fund	56.97	56.97
Vanguard PRIMECAP Core Fund	78.29	66.30
Vanguard Strategic Equity Fund	176.51	61.95
Vanguard Wellesley Income Fund	276.32	77.33
Vanguard Windsor II Fund	248.70	248.70
Wells Fargo Asia-Pacific Fund	750.66	44.61
Wells Fargo Common Stock Fund	64.20	43.01
Wells Fargo Discovery Fund	253.41	25.48
Wells Fargo Growth & Income Fund	15.82	15.62
Wells Fargo High-Income Bond Fund	5,152.13	
Wells Fargo Mid-Cap Disciplined Fund	1,116.97	93.13
Wells Fargo Opportunity Fund	76.16	38.42
Wells Fargo Short-Term High-Yield Bond Fund	389.04	
Wells Fargo Small-Cap Value Fund	40.06	9.79
Wells Fargo Ultra Short-Term Income Fund	2,829.32	
TOTAL ATTACHMENT PAGE 2 -- M through Z	\$18,584.61	\$2,376.65

Photocopy

1 Wages, tips, other comp. 45160.51		2 Federal income tax withheld 6366.73	
3 Social security wages 52283.00		4 Social security tax withheld 3241.55	
5 Medicare wages and tips 52283.00		6 Medicare tax withheld 758.10	
a Control number 005138 14/A7B	Dept 80CFSC	Corp. A	Employer use only 210
c Employer's name, address, and ZIP code LIONEL HENDERSON & CO 4827 LAGUNA PARK DR ELK GROVE CA 95758			
b Employer's FED ID number [REDACTED]	d Employee's SSA number [REDACTED]		
7 Social security tips	8 Allocated tips		
9 Advance EIC payment	10 Dependent care benefits		
11 Nonqualified plans	12a See instructions for box 12 D 7122.49		
14 Other	12b		
	12c		
	12d		
	13 Stat emp. ret. plan 3rd party sick pay X		
e/f Employee's name, address and ZIP code DONALD W. LANCASTER 1305 PARKLAND AVE MT. PLEASANT, SC 29464			
15 State SC	Employer's state ID no. [REDACTED]	16 State wages, tips, etc. 45160.51	
17 State income tax 2431.24	18 Local wages, tips, etc.		
19 Local income tax	20 Locality name		
Federal Filing Copy W-2 Wage and Tax Statement 2005 Copy B to be filed with employee's Federal income tax return. OMB No. 1545-0048			

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RBC
Centura

Personal Signature Card

ACCOUNT NUMBER: [REDACTED]
BRANCH: Charleston Calhoun
OPENED BY: RUSSELL D JOHNSTON
DATE: 02/07/07

ACCOUNT TYPE: Certificate
ACCOUNT OFFICER: Russell D Johnston
LOCATION: Charleston Calhoun

NAME AND ADDRESS OF DEPOSITOR(S)

Jessie D Atkinson

[REDACTED]

Hollywood, SC

29449

TAXPAYER CERTIFICATION

Tax ID Number: [REDACTED]

NOT SUBJECT TO WITHHOLDING

Under penalties of perjury, I certify that (1) the number shown on this form is my correct taxpayer identification number, and (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to withholding as a result of a failure to report all interest and dividends, or the IRS has notified me that I am no longer subject to backup withholding. (3) I am a U.S. person (including a U.S. resident alien).

OWNERSHIP TYPE:

INDIVIDUAL

The undersigned Depositor hereby agrees with RBC Centura Bank to open the account designated above and agrees that he/she has received, read and accepted the terms and conditions of the account as set forth above and in the Deposit Account Rules and Regulations contained in the RBC Centura Bank Service Agreement, and in the current Schedule of Fees applicable to the account. If the designated account is an EquityLine or CreditLine account, the undersigned also agree that the Deposit Account Rules and Regulations will govern the processing of any checks used to obtain advances under such EquityLine or CreditLine account and that any activity in the account, including without limitation the payment of any balance due, will be governed under the terms and conditions of the EquityLine or CreditLine Agreement for such account. The undersigned further certifies that all information provided herein, including the Taxpayer Certification information above, is true and correct. The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Jessie Atkinson
Signature of Depositor/Date

Authorized Signer (Agent)

IDENTIFICATION:
Type of ID/Number:
Place of Employment:
ChexSystems Verified: No

Home Phone: [REDACTED]
Business Phone: [REDACTED]

CNSIG4 (2005/11)



000001

Act - [REDACTED]

BANK 01 SAVINGS/TIME DEPOSIT
 ST41R4M1 PAGE NO 1
 CITY 407 CHARLESTON RBC CENTURA BANK
 WEDNESDAY PROCESS DATE 01/02/08
 000 MASTER RECORD PRINT
 PROCESS THRU 01/02/08

000
 ACCT NO. 09-007-085

SHORT NAME	ATKINSON JESS	BALANCES/OTHER	
STATUS FLAG	PURGE INFORMATION		
ACCOUNT NUMBER	[REDACTED]	CURRENT	0.00
RETIREMENT ACCOUNT	NO		
RECORD ID	1	COLLECTED	0.00
ACCOUNT CATEGORY	3	PURGE CODE 3	
EXT. CUST NUMBER	00000000	CLOSING	0.00
CERTIFICATE	0	NO-BOOK TRANS 0	
CUSTOMER NUMBER	225341614	TOTAL PENALTY	0.00
NEGOTIABLE INSTRUMENT	0	DAY OF MONTH 00	
BRANCH	001	TOTAL INTEREST PAID	41.69
VARIABLE RATE CODE	0	FREQUENCY 00	
REGION	407	INT REDEP NOT WITH	0.00
POOLED CD	0	DAYS AFT STMT 0	
OFFICER	Q71	INTEREST PAYABLE	0.00
SECURED DEPOSIT	0	STMT FLAG 0	
USER CODE 1	001	LAST ACTIVITY AMT	50,041.69
STATUS	05	NEXT PURGE	
USER CODE 2		PROJECTED	
TRANSFER STATUS	0		
USER CODE 3	407	BALANCE	0.00
CLOSE OVERRIDE	0	SCHED STATEMENT	
SIGNATURE CARD	1	TAX WITHHELD	0.00
OFFICER/EMPLOYEE	0		
LOCATION NUMBER		ACCRUED INTEREST	0.00
ANALYSIS ACCT	0	END INT CYC 0	
HOME PHONE NUMBER	843-571-6236	MAX PENALTY	0.00
PUBLIC OFFICIAL CODE		CYCLED TODAY 0	
OFFICE PHONE NUMBER	843-327-3677	CLOSING CHARGE	0.00
OVERDRAWN ACCT	0	PURGE CODE 0	
REQUIRED SIGNATURES	0	MATURED TRLR BALS	0.00
SECOND NOTICE	0	INT PMT 0.00	
BIRTHDATE	06/19/1931	TDOA IRNW	0.00
BALANCE	1	BALANCE 0.00	
ZIP CODE	29449-5926	PENDING FED TAX	0.00
DEBIT CARD	0	PMT POST SEQ 0	
MARITAL STATUS			
TRANSACTION ACCT	0		
SEX		COMPENSATING BAL	0.00
CAUTION ACCT	0	POINTERS	
RACE		LAST DEPOSIT COMP	41.69
AUDIT ACCT	0		
SMSA NUMBER	001001	LAST DEPOSIT BANK	50,000.00
SPECIAL HANDLING	0	LARGE ITM-DB 0	
CENSUS TRACT	29449	LAST WITHDRAW COMP	50,041.69
TRACT NUMBER/ZIP	0	LARGE ITM-CR 0	
COUNTY CODE		GRACE WITHDRAWAL	0.00
CONTACT	0	BAL CHG AMT 0	
STATE CODE	00		
SINCE FULL TRIAL	2	LARGE BALANCE 0	
COUNTRY CODE	Q71	DATES	
GRACE WITHDRAWAL PER	0	MIN BAL RATE 0	

Page 1

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000002

GENERAL LEDGER TYPE
STOP-HOLD SUMMARY
ACCOUNT TYPE
SAFEKEEP
CITIZEN/ALIEN
PERSONAL ACCT
TAX NUMBER CODE
FOR ATM/ACH
PREFIX
SYSTEM TYPE
NUMBER
WITH EXEMPT CODE
SUFFIX

1
306
0
0
1
2
0
100
225-34-1614
0

FLAG

Act -
DATE ENTERED
CD RATE CHANGE DATE
GUARANTEED DEPOSIT ---
DATE OVERDRAWN
DATE DORMANT
DATE ZERO BALANCE
DATE CLOSED
DATE INACTIVE

02/07/2007

AUTH

RA

TAX

BKUP

TIN

REASON
MIN BALANCE POINTER
WITHLD FLAG
MIN BALANCE AMOUNT
CERTIFIED
MAX BALANCE POINTER
NON-TAXABLE
MAX BALANCE AMOUNT
COMBINED CHECK
LARGE CD FLAG
ESCHEAT ACCOUNT

0
0
1
0
1
0
N
0
0

CLUB

ACCOUNTS
CLOSING CHARGE DATE
LAST CUST ACTV COMP
CLUB FLAG
LAST CUST ACTV BANK
SEQ CHECK
LAST CUST DEP COMP
OUT OF SEQ
LAST CUST DEP BANK
INCORR AMT
LAST CUST WITH COMP

02/13/2007

02/13/2007

02/07/2007

02/07/2007

02/13/2007

IM

STATE/LOCAL TX CODE
COMBINED STATEMENT
FUNDING
OPTION
CHECK USER
BALANCE/SHOT
CONSUMER
CYCLE NUMBER

0
0
0
0
0
Y
0

PMT AMT

NO. OF PYMTS
LAST PYMT NO
PYMTS MADE
LAST MONETARY ACTV
LAST MAINTENANCE
LAST CONTACT
PREVIOUS CONTACT
LAST RATE CHANGE

02/13/2007

02/13/07

02/13/2007

02/07/2007

COMB

TISA

FORMAT
MAIL FLAG
CHANGED CD FLAG
SPECIAL HANDLING
SPECIAL CD FLAG
DUPLICATE

1
0
0
9
1
0

RENEWAL

ESCHEATMENT DATE

LAST DATE 02/07/2007

RATES

ACCOUNT OPEN
PASSBOOK ACCOUNT
DEPOSIT POSTED
PASSBOOK FLAG

0
1
0
0

BAL

TIMES RENEWED
AVERAGE RATE DAYS

0.00

.0507000

0

DATE

BALANCE
DEPOSIT
LAST TRANSACTION
SOURCE OF FUNDS

02/07/2007
50,000.00
4

1ST RENEWAL

0.00

LST TRAN

ORIGINAL RATE
CODE 0073
STANDARD RATE

.0507000

.0232000

BANK
CITY
WEDNESDAY
000

01
ST41R4M2
407 CHARLESTON
000

PAGE NO

PROCESS DATE 01/02/08
PROCESS THRU 01/02/08

2

SAVINGS/TIME DEPOSIT

RBC CENTURA BANK

MASTER RECORD PRINT

ACCT NO. 09-007-085

MATURITY

INTEREST PARAMETERS
Page 2

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000003

TRAILER CONTROL		Act - [REDACTED]		AFFILIATE ACCOUNTS		RATE REGION	
NAME/ADDRESS	4	TYPE 1	0	TYPE 11	0		306
TOTAL INT			0.00	BASE RATE PTR			
RETIREMENT ACCT	0	TYPE 2	0	TYPE 12	0		1
MATURITY INT			0.00	CHANGE FLAG			
AFFILIATE ACCT	0	TYPE 3	0	TYPE 13	0		0
DATE NEXT	08/07/2007			ACCRUAL PHASE			
STATEMENT	0	TYPE 4	0	TYPE 14	0		.0507000
AUTO RENEW			2	ACCRUAL RATE			
SERVICE CHARGE	0	TYPE 5	0	ACCRUAL TYPE			2
PRINCIPAL DIST			0				
FLOAT	0	TYPE 6	0	YEAR BASE			1
SPEC HANDLING							
PROJECTED PYMTS	0	TYPE 7	0	MONTH BASE			1
CHECK/SPEC HANDLING			0				
ALT NAME/ADDR	0	TYPE 8	0	DAILY FACTOR			.000138904 LY
MATURITY/RENEWAL							
MINIMUM BALANCE	0	TYPE 9	0	PENALTY			
NOTICE OPTION			1				
AVERAGE BALANCE	0	TYPE 10	0				3
MATURITY NOTICE PRINTED			0	TYPE			
DATA CENTER	0			DAYS			90
DISCLOSURE NOTICE PRINTED		N					
DECEDENT	0			PHASE			0
TERM							
RATE	0			RENEW OPT			1
PERIOD		M		USE TYPE			1
INCREMENT		6					
HOLD/STOP SUMMARY				RATE ADJUSTMENT			.0000000
ANNIVERSARY				AMOUNT			0
ENTIRE BAL	COUNT			RATE TYPE			
DAY		07		0.00			.0507000
HOLDS	0			CURR BASE RATE			.0507000
ROLL MATURITY				0.00			
PLEDGES	0			CURR EFF DATE			02/07/2007
OPTION		0					SPEC
INSTR	1			PREV BASE RATE			.0507000
FREQUENCY							STOP
PAYS	0			PREV EFF DATE			02/07/2007
				MINIMUM RATE			.0000000
MONTH TO DATE				MAXIMUM RATE			.1200000
INTEREST CYCLE				SERVICE CHARGE			.0000000
NEW THIS MONTH		0		DAILY ACCRUAL			
CLEAR FLAG	0			TOTAL DORM	0.00		0
CLOSED THIS MO		0		ACCRUAL BAL			
BEGIN BAL	0.00			DORM/INACT WV CD	0		0
INT EARNED		0.00		DAYS GRACE DEP			
AGGR BAL	300,000.00			LAST WAIVED			0
SERVICE CHARGE		0.00		DAYS GRACE WITHDRAWALS			
AGGR DAYS	6			RSN			0
WITHDRAWALS				INT WITH PAID			
AGGR COLL	300,000.00			0.00			0
NUMBER		0		INT WITH ACCRUED			
MIN BAL	0.00			TRAN TYPE			
AMOUNT		0.00		INT DISTRIBUTION			
INT PAID	41.69			CHARGE OPT			0
DEPOSITS				LIMIT			
CHARGEABLE TRANS				DIST CODE			
NUMBER				0			
TYPE 1	0	TYPE 1	0	SPEC HANDLING			
AMOUNT		0.00		0			2
				SCHED CD			

TYPE 2	0	TYPE 3	0	0	
CHARGEABLE TRANS				CYCLE/FREQ	00
TYPE 3	0	TYPE 4	0	0	
TYPE 1				INCREMENT DAY	0
TYPE 4	0	TYPE 5	0	0	
TYPE 2				DAY OF MONTH	00
TYPE 5	0				
TYPE 3				NXT PYMT DATE	03/07/2007
AVG BALANCE		CHRG REGION	0	CHECK PRINTED	0
TYPE 4					
LEDGER	0.00			PROJECTED PYMT NOTICE	
TYPE 5					
COLLECTED	0.00				
DEPOSITED ITEMS				OPTION	0
LOCAL				NOTICE SENT	0
FOREIGN				PAYCODE	0
BONUS RATE		VARIABLE RATE			
MISC COSTS		0.00		X PAYMENTS	0
USE TYPE	1	TERM			
PREAUTH TRNFS		0		NUMBER OF PYMTS	0
NEW/RENEW OPT	0	INCREMENT		0	
				INT ACCRUAL	
CODE	0	DAY		00	
LEAP YEAR FACTOR FLAG	0			THRU DATE	02/12/2007
RATE	.00000000	FREQUENCY		00	
				INTEREST	0.000000
TERM	D			ACCRUED TODAY	0.000000
INCREMENT	0			ACCRUED AHEAD	0
EXP DATE				CD ANTIC INT	0.00
EXPIRED	0			RA INT DIST TYPE	0

BANK	01		SAVINGS/TIME DEPOSIT
	ST41R4M3	PAGE NO	3
CITY	407 CHARLESTON		RBC CENTURA BANK
	WEDNESDAY	PROCESS DATE	01/02/08
	000		MASTER RECORD PRINT
		PROCESS THRU	01/02/08

000
ACCT NO. 09-007-085

PERIOD TO DATE FIELDS

	YEAR TO DATE	LAST YEAR	MONTH TO DATE
QTR TO DATE			
LIFE TO DATE			
INTEREST PAID	41.69	0.00	0.00
INTEREST TO REPORT	41.69	0.00	
ACCRUE INT FORFEIT	0.00	0.00	
	0.00		
PAID INT PENALIZED	0.00	0.00	
	0.00		
MIN BALANCE	0.00	0.00	0.00
AGGREGATES			
BAL	300,000	0	0.00
DAYS	6	0	0
COLL BAL	300,000	0	0.00
FEDERAL TAX WTH	0.00	0.00	0.00

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	0.00	0.00	Act -		
STATE TAX WTH	0.00	0.00	0.00	0.00	0.00
LOCAL TAX WTH	0.00	0.00	0.00	0.00	0.00
NEXT YR INT		0.00			
OID INT REPORTED		0.00			
OID INT WITHDRAWN		0.00			
SERVICE CHARGE	0.00	0.00	0.00	0.00	0.00
CASH FLOW DEBITS		0.00		0.00	
CASH FLOW CREDITS		0.00		0.00	
YEAR END INT ACCR				0.00	
TIS AGGR DAYS		0			
TIS AGGR BALANCE		0.00			
TIS CYCLE FEES		0.00			
TIS CYCLE INTEREST		.000000			
TIS CYCLE BEGIN ACCR		0.00			

LEAD DAYS	-----	CLOSING	-----	CERTIFICATION TRACKING
CHECKS	INTEREST PAYMENT HISTORY --	5	REASON	14
INTEREST NOTICE	DISTRIBUTION	0		NRA CERT NAME1
PAYMENT	CODE	23	DATE	NRA CERT NAME2
MATURITY NOTICE		0.00		TAX COUNTRY
RENEWAL NOTICE		0		HX ACCT
000000000000000000		0.00		PENDING FED TAX
0.00	0.00	0		
RENEW NEXT PROCESS		0		
RENEW NOTICE PRINT		0	02/07/2007	

CD ROLLOVER	-----	CD GRACE INFORMATION	-----	GENERAL LEDGER COST
CENTER ---	USER DEFINED	FIELDS		
CODE	N	INTEREST RATE	0.00000	FIELD 1
01	USER CODE 4	RATE POINTER	000	FIELD 2
407	USER CODE 5	ACCRUAL CODE	2	FIELD 3
001	INTEREST RATE 0.00000	END DATE		FIELD 4
05	TERM	GRACE FLAG	0	FIELD 5
	PERIOD	GRACE BACKOUT	0	FIELD 6
	INCREMENT	MATURITY RATE	0.00000	
		UNRDM ACCR CODE	1	

BANK	01	PAGE NO	4	SAVINGS/TIME DEPOSIT
CITY	*ST41R4MT*	407 CHARLESTON		RBC CENTURA BANK
	WEDNESDAY	PROCESS DATE 01/02/08		MASTER RECORD PRINT
	000	PROCESS THRU 01/02/08		

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Act - 4

000
ACCT NO. 09-007-085

**** NAME/ADDRESS TRAILER ****

TYPE	SEQ	INFORMATION	SS NAME CD
1	1	JESSIE D ATKINSON	0
2	1	~~XXXXXXXXXXXX~~ COURSE	
3	1	HOLLYWOOD, SC 29449-5926	
4	1	JESSIE D ATKINSON	

0
BANK 01 SAVINGS/TIME DEPOSIT
ST41R4A1 PAGE NO 5
CITY 407 CHARLESTON RBC CENTURA BANK
WEDNESDAY PROCESS DATE 01/02/08
000 ACCUM TRAN JOURNAL
PROCESS THRU 01/02/08

000

APPLICATION 3

ACCOUNT NUMBER ~~XXXXXXXXXXXX~~ IMP IN PASSBOOK PST TRAN CR ST

DT PSTD	AMT PSTD	PRG ST	ST CY	ACCT	UPD	SEQ	CODE	DR	SYM	CUR BAL	TRAN DT
BATCH SRC	SEQ										
02/07/07	50,000.00	0 0 0 0	0	0	0	001	0074	1		50,000.00	
02/07/07 10308	34822	CHECK/COUPON NO				0000000000					
02/13/07	41.69	0 0 0 0	0	0	0	001	GT01US	1 IE		50,041.69	
02/13/07											
02/13/07	50,041.69	0 0 0 0	0	0	0	002	0073	2		0.00	
02/13/07 10306	52315	CHECK/COUPON NO				0000000000					

TOTAL CREDITS 50,041.69 TOTAL DEBITS
50,041.69

919

FIRST SOUTHEAST

Investor Services, Inc.

Member NASD/SIPC

First Southeast Investor Services, Inc.
Served by UVEST Financial Services
Member NASD/SIPC
200 S. College St., 21st Fl.
Charlotte, NC 28202
(800) 277-7700

1/31/07

FIRST SOUTHEAST INV. SVSC., INC.
34 BROAD STREET
CHARLESTON, SC 29401
(843) 724-0832 (800) 382-0564

Brokerage
Account Statement

Statement Period: 01/01/2007 - 01/31/2007

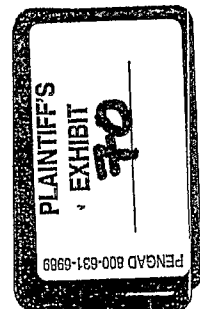
Transactions by Type of Activity

Process/ Settlement Date	Trade/ Transaction Date	Activity Type	Description	Quantity	Price	Accrued Interest	Amount
Securities Bought and Sold							
01/17/07	01/11/07	SOLD	VAN KAMPEN EQUITY AND INCOME FUND CLASS A 004800167 UNSOLICITED ORDER	-1,088.621	9.1400		9,950.00
01/23/07	01/18/07	SOLD	VAN KAMPEN EQUITY AND INCOME FUND CLASS A 004805239 UNSOLICITED ORDER	-2,185.792	9.1500		20,000.00
01/24/07	01/23/07	SOLD	VAN KAMPEN EQUITY AND INCOME FUND CLASS A 004808865 UNSOLICITED ORDER	-1,977.365	9.1500		18,092.89
Total Securities Bought and Sold							\$48,042.89
Cash Withdrawals and Deposits							
01/17/07		CHECK DISBURSEMENT	CHECK PD.#2101912765 AS PER YOUR REQUEST✓				-9,950.00
01/23/07		CHECK DISBURSEMENT	CHECK PD.#2101914246 PROCEEDS OF SALE✓				-9,950.00
01/24/07		CHECK DISBURSEMENT	CHECK PD.#2101914563 PROCEEDS OF SALE✓				-9,950.00
01/24/07		CHECK DISBURSEMENT	CHECK PD.#2101914758 AS PER YOUR REQUEST✓				-18,092.89
Total Cash Withdrawals and Deposits							-\$47,942.89
Total Value of all Transactions							\$100.00

The price and quantity displayed may have been rounded.

requested
03/17/2007

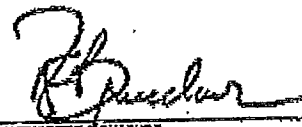
920



A0035484CST30029

DALBAR RATED
FOR COMMUNICATIONAccount Number
EFFIE D DREWSClearing Through **Pershing**
PAR-02-CUTSHEETA BNY Securities Group Co.
Solutions from The Bank of New YorkOne Pershing Plaza, Jersey City, New Jersey 07399
Pershing LLC, member NASD, NYSE, SIPC, (Incorporated in Pershing Investment LLC)

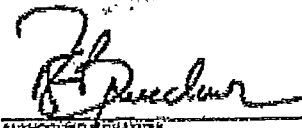
Page 3 of 3

Purchasing 107 South College St. Suite 1000, New York, New York 10039 Phone: 212 237 0991, Fax: 212 237 0992		UYEST FINANCIAL SERVICES 200 SOUTH COLLEGE STREET 21ST FL CHARLOTTE NC 28202-5001		64-127A 511
		Account Number: 2101912765 Issuing Bank Acct: 2101912765 Check Number: 2101912765 Check Date: 01/17/2007 MONTH/DAY/YEAR		
This amount: ** Nine Thousand Nine Hundred Fifty and 00/100 Dollars		\$9,950.00		
Pay to the order of: EFRED DREWS 200 SOUTH COLLEGE STREET CHARLESTON SC 29407-3319		Valid if not cashed within (no days)		
BANK OF AMERICA N.A. ATLANTA, DEKALB COUNTY, GEORGIA		 AUTHORIZED SIGNATURE		
* 2101912765 *				

FEB-7 07 3720 8157 U REC CENTRA BK BOX MT, NC 0531008504 28070207		X EFRED DREWS 200 SOUTH COLLEGE STREET CHARLESTON SC 29407-3319

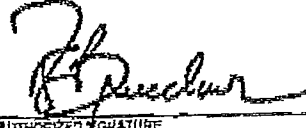
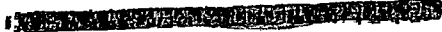
Location	Acct #	Check #	Amount	Paid Date	Sequence	Customer Data
CD	10000000	2101912765	59,950.00	02/08/2007	2394115037	
R/T Number	CD Valid/CMS Key	CD Label	Payee Name			
6111278	07021640004701	07021640004701				

921

Perkins A/R/Supply Store Co. 14000 N. Hwy 101, Suite 100 Charlotte, NC 28202-5001		WEST FINANCIAL SERVICES 200 SOUTH COLLEGE STREET 21ST FL CHARLOTTE NC 28202-5001		64-1278 611
Check Number: 2101914563 Check Date: 01/24/2007 MONTH/DAY/YEAR		Amount Number: 2101914563		
This amount: Nine Thousand Nine Hundred Fifty and 00/100 Dollars \$9,950.00		Pay to the order of: EFFIE D DREWS 210191 RD CHARLESTON SC 29407-3319		
BANK OF AMERICA N.A. ATLANTA, DEKALB COUNTY, GEORGIA		AUTHORIZED SIGNATURE 		
2101914563				

FEB 7 2007 5920 0157 REC CENTER BY REX HLK 40531008504 2/7/07		X Effie D. Drews Effie D. Drews

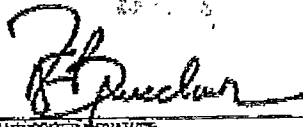
Location	Acct #	Check #	Amount	Paid Date	Sequence	Customer Data
CD	2101914563	2101914563	\$9,950.00	02/08/2007	2394115036	
R/T Number	CD Valid/CIMS Key	CD Label	Payee Name			
6111278	07021640004701	07021640004701				

Parading © 1997 Parading Group Co. Indicates from the back of any Fed Check Funding Memo, Jersey City, New Jersey 07310 Noting US, make RAB, TCR, etc. indicated of funding institution.		UVEST FINANCIAL SERVICES 200 SOUTH COLLEGE STREET 21ST FL CHARLOTTE NC 28202-5001		64-1278 611	
		Account Number: 5FT-750704-1 Issuing Bank Acct.: 0701179142 Check Number: 2101914758 Check Date: 01/24/2007 MONTHDAY/YEAR			
This amount: * Eighteen Thousand Ninety Two and 69/100 Dollars		\$18,092.69			
Pay to the order of: EFFIE D DREWS CHARLESTON RD CHARLESTON SC 29407-3510		Valid if cashed within 180 days 60			
BANK OF AMERICA NA ATLANTA, DEKALB COUNTY, GEORGIA		 AUTHORIZED SIGNATURE			
* 2101914758 *					

FEB 27 07 REC CONTRA EX REC HT INC P-0531008504 2007/2/27		3420 01563		DON'T WANT SOCIAL SECURITY NUMBER OR OTHER IDENTIFICATION	
				X Effie D. Drews Jean Williams	

Location	Acct #	Check #	Amount	Paid Date	Sequence	Customer Data
CD	6111278	2101914758	518,092.69	02/08/2007	2394115039	
R/T Number	CD VOID/CIMS Key	CD Label	Payee Name			
6111278	07021640004701	07021640004701				

923

Perkins A 1st Financial Group Co. 200 South College Street 21st FL Charlotte NC 28202-5001		Account Number: 0702164004701 Issuing Bank Acct: 0702164004701 Check Number: 2101914249 Check Date: 01/23/2007 MONTHLY/YEAR
This amount: ** Nine Thousand Nine Hundred Fifty and 00/100 Dollars		\$9,950.00
Pay to the order of: EFFIE O DREWS CHARLESTON SC 29407-3319	Valid if not cashed within 180 days	
BANK OF AMERICA N.A. ATLANTA, DEKALB COUNTY, GEORGIA		AUTHORIZED SIGNATURE 
MICR LINE: ⑆ 2101914249 ⑆		

FEB 7 07 3920 015 ABC CENTRA BK NY NY NY ⑆0531008504⑆ 20070301	X Effie O. Drews John O. Drews

Location	Acct#	Check #	Amount	Paid Date	Sequence	Customer Data
CD	0702164004701	2101914249	\$9,950.00	02/08/2007	2394115036	
R/T Number	CD VOID/CMS Key	CD Label	Payee Name			
6111278	07021640004701	07021640004701				

924



Department of the Treasury
Internal Revenue Service

ATLANTA, GA 39901

In reply refer to: 0758127703
Apr. 03, 2000 LTR 86C
199512 30 000
03924

RUDOLPH R & EFFIE D DREWS

~~MEMPHIS~~ RD

CHARLESTON SC ~~29407-5519~~

*Originals
delivered to
Johnny G.
Mon. 4-3-00*

Tax Period(s): Dec. 31, 1995

Dear Taxpayer:

Thank you for the inquiry of Feb. 15, 2000.

We're sending your claim, Form 1040, to the Memphis Service Center to process. That office will contact you within 45 days.

This office made the assessment to your account and are responsible for reviewing your request and corresponding to you concerning this account. You now have a balance of \$21,890.41 figured until 04-23-2000.

If you have any questions, please call us toll free at 1-800-829-1040. If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone Number () _____ Hours _____

925



0758127703

Apr. 03, 2000

LTR 86C

~~250-12-1250~~

199512 30 000

03925

RUDOLPH R & EFFIE D DREWS

~~250-12-1250~~ RD

CHARLESTON SC ~~250-12-1250~~

We apologize for any inconvenience, and thank you for your cooperation.

Sincerely yours,

Carol A. Myers

Carol A. Myers

Chief, Customer Service Branch 3

Enclosure(s):

Envelope

rint)



Place stamp here.
Post Office
will not deliver
mail without
proper postage.

INTERNAL REVENUE SERVICE CENTER
ATLANTA GA 39901

926

State of South Carolina
Department of Revenue

301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

ATTN: OFFICE SERVICES

SID/SUFFIX:

TAX TYPE: INDIVIDUAL INCOME TAX

PHONE: (803) 898-5075

FEI/SSN: [REDACTED]

RECEIVABLE NO: 1-01180571-0

M IIRC 7713708897

DREWS

RUDOLPH R

DREWS

EFFIE D

[REDACTED] RD

CHARLESTON SC [REDACTED]

FILE NUMBER: 77137088-3

DATE OF NOTICE: 04/11/00

LEGAL TAX LIEN DATE: 05/01/00

PERIOD COVERED: 12/97

TAX AMOUNT DUE: 7,371.00

PENALTY AMOUNT: 0.00

INTEREST AMOUNT: 1,294.28

TOTAL AMT DUE: 8,665.28

TAX DUE DATE: 04/15/98

TIMELY FILED BALANCE DUE

[REDACTED] RD

0000000000

ADJUSTED PER FEDERAL AUDIT RPT

CHARLESTON [REDACTED]

HAVE WE ALLOWED YOU CREDIT FOR ALL PAYMENTS MADE?

You have a tax liability for the reason and amount described above. Demand is made for payment of this liability. Failure to comply with this notice within twenty days will result in additional collection actions. If you are unable to make payment or if this notice is in error, please call immediately the number listed at the top of this notice.

* This demand for payment is not applicable if you are currently in
* bankruptcy proceedings under Title 11 of the U.S. Code. Any monies
* due will be sought in accordance with the provisions of Title 11.

Complete the bottom of the notice as applicable. Detach and return with payment. If you have already paid the tax amount, provide cancelled checks and supporting documents to the address below.

--or--

If you cannot make full payment now by cash or check, you may use Mastercard or Visa by calling 803 898-5075. Use the 'RECEIVABLE NO:' and 'TOTAL AMT DUE:' shown on this document.

SC DEPT OF REVENUE
P.O. BOX 125
COLUMBIA, SC 29214

* RECEIVABLE NO: 1-01180571-0

FILE NUMBER: 77137088-3

DATE OF NOTICE: 04/11/00

LEGAL TAX LIEN DATE: 05/01/00

SID/SUFFIX:

FEI/SSN: [REDACTED]

TOTAL AMT DUE: 8,665.28

TAX TYPE: INDIVIDUAL INCOME TAX

* AMOUNT ENCLOSED: _____

ARKS/AFFIDAVIT: _____

SIGNATURE: _____
C-133 (02/90)

DATE: _____

140801

927

State of South Carolina
Department of Revenue

301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

ATTN: OFFICE SERVICES
SID/SUFFIX:
TAX TYPE: INDIVIDUAL INCOME TAX

PHONE: (803) 898-5075
FEI/SSN: 50118174-6

RECEIVABLE NO: 1-01181174-6

M IIRC 7534690695
DREWS RUDOLPH R
DREWS EFFIE D
RD
CHARLESTON SC 29214

FILE NUMBER: 75346906-2
DATE OF NOTICE: 04/12/00
LEGAL TAX LIEN DATE: 05/02/00
PERIOD COVERED: 12/95

TAX AMOUNT DUE: 1,146.00
PENALTY AMOUNT: 629.43
INTEREST AMOUNT: 462.59
TOTAL AMT DUE: 2,238.02

TAX DUE DATE: 04/15/96

ATE FILED / LATE PAID

NO REMIT WITH DECL INTEREST.

RD
000000000

CHARLESTON

POSTMARK: 10/16/96

DJUSTED PER FEDERAL AUDIT REPORT

You have a tax liability for the reason and amount described above. Demand is made for payment of this liability. Failure to comply with this notice within twenty days will result in additional collection actions. If you are unable to make payment or if this notice is in error, please call immediately the number listed at the top of this notice.

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the U.S. Code. Any monies due will be sought in accordance with the provisions of Title 11.

Complete the bottom of the notice as applicable. Detach and return with payment. If you have already paid the tax amount, provide cancelled checks and supporting documents to the address below.

--or--

If you cannot make full payment now by cash or check, you may use Mastercard or Visa by calling 803 898-5075. Use the 'RECEIVABLE NO:' and 'TOTAL AMT DUE:' shown on this document.

SC DEPT OF REVENUE
P.O. BOX 125
COLUMBIA, SC 29214

* RECEIVABLE NO: 1-01181174-6

FILE NUMBER: 75346906-2
DATE OF NOTICE: 04/12/00
LEGAL TAX LIEN DATE: 05/02/00
SID/SUFFIX:
FEI/SSN: 50118174-6
TOTAL AMT DUE: 2,238.02

TAX TYPE: INDIVIDUAL INCOME TAX

* AMOUNT ENCLOSED: _____

WORKS/AFFIDAVIT: _____

SIGNATURE: _____

C-133 (02/90)

DATE: _____

140801

428

RUDOLPH ROBERT DREWS
[REDACTED] Road
Charleston, SC 29407

TO: Jerry Lambell

FAX: 723-7070

FROM: R.R. DREWS

FAX: [REDACTED] Fax & phone

DATE: Fri PM 4-14-00

OF PAGES w/cover: TWO

Jerry please notice these people are planning
to file a lien 5-1-00.

Perhaps a phone call from you might help,
I will call you Wed 4-18-2000.

[Signature]

929

RUDOLPH ROBERT DREWS
[REDACTED] Road
Charleston, SC 29407

sent approx 2 PM Fri

TO: *Jerry Lambell*

FAX: *723-7070*

FROM: *R. R. DREWS*

FAX: *[REDACTED]* *fax & phone*

DATE: *Fri PM 4-14-00*

OF PAGES w/cover: *TWO*

*Jerry please notice these people are planning
to file a claim 5-1-00.*

*Perhaps a phone call from you might help,
I will call you Wed 4-19-2000.*

[Signature]

IRS / SC TAX

Wed. 4-17-00

1. Contact SC Tax and request they hold off until we receive IRS response to explain how they arrive at the charges being presented. (follow up with letter by mail)

2. Send a copy of IRS dated 4-3-00 to SC Tax, note the IRS only refers to dec 31, 1995, I do not have any memo from IRS referring to 12/97.

3. When does statute of limitation kick in?

Send a copy of reply to me.

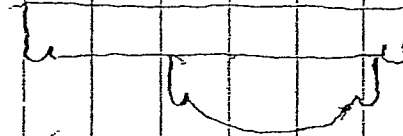
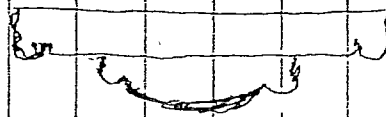
RH

Did we file or apply for Extension?

135

(OK)

1x5 or 1x6



A: 228000

State of South Carolina
Department of RevenuePosted
10-16-00

Rec'd 10/17/00

301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

ATTN: CHARLESTON TAXPAYER SERVICE CENTER
SID/SUFFIX:
FEI/SSN:PHONE: (843) [REDACTED]
* TAX LIEN NUMBER: 3-50309733-5
FILE NUMBER: 75346906M IIRC 7534690695
DREWS RUDOLPH R
DREWS EFFIE D
RD
CHARLESTON SC [REDACTED]DATE OF NOTICE: 10/11/00
PERIOD COVERED: 12/95-12/95
AMT OF TAX: \$ 1,146.00
AMT OF PEN: \$ 635.16
AMT OF INT: \$ 537.03
SUB-TOTAL: \$ 2,318.19COSTS: \$ 120.91
TOTAL AMT DUE: \$ 2,439.10
* AMOUNT ENCLOSED:

TAX TYPE: INDIVIDUAL INCOME TAX

Notice and demands have been made for payment of your tax liability shown above. Our records indicate you have not paid or tried to resolve this liability. Notice is hereby given that a Tax Lien for the amount owed has been filed with the Clerk of Court of one or more counties in S.C. Any salary or wages or other funds may be levied by serving a Notice To Withhold upon your employer. Bank accounts, stocks receivable, commissions, other income, property, or rights to property belonging to you, may also be seized.

* This demand for payment is not applicable if you are currently in
* bankruptcy proceedings under Title 11 of the U.S. Code. Any monies
* due will be sought in accordance with the provisions of Title 11.

Complete the top of the notice as applicable. Detach and return with payment. If you have already paid the tax amount, provide cancelled checks and supporting documents to the address below. --or--
If you cannot make full payment now by cash or check, you may use Mastercard or Visa by calling 803 898-5075. Use the 'TAX LIEN NUMBER:' and 'TOTAL AMT DUE:' shown on this document.

SC DEPT OF REVENUE
3 SOUTHPARK CIRCLE SUITE 202
CHARLESTON, SC 29407TAX LIEN NUMBER: 3-50309733-5
FILE NUMBER: 75346906
DATE OF NOTICE: 10/11/00
PERIOD COVERED: 12/95-12/95
SID/SUFFIX:
FEI/SSN: [REDACTED]

TAX TYPE: INDIVIDUAL INCOME TAX

DIST	PERIOD	RECEIVABLE	DATE	TAX	PENALTY	INTEREST	TOTALS
CODE	COVRD	NUMBER	ASSESSED	DUE	DUE	DUE	
0801	12/95	01181174-6	04/00	1,146.00	635.16	537.03	2,318.19
			SUBTOTALS:	1,146.00	635.16	537.03	2,318.19
			COURT COSTS:				120.91
			TOTAL:			\$	2,439.10

W-131-F (REV 02/90)

10-17-00
Jenny, this one came
in to-day, I have no
more call into Bredy
Wilkes of S.C. Taxider
Coler. Bob

933

State of South Carolina
Department of Revenue

301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

Rec'd 10/13
RD

ATTN: CHARLESTON TAXPAYER SERVICE CENTER
SID/SUFFIX:
FEI/SSN: ~~250-31350~~

PHONE: (843) ~~524-2600~~
* TAX LIEN NUMBER: 3-50309690-5
FILE NUMBER: 77137088

M IIRC 7713708897

DREWS RUDOLPH R
DREWS EFFIE D
~~250-31350~~ RD
CHARLESTON SC ~~29407~~

DATE OF NOTICE: 10/10/00
PERIOD COVERED: 12/97-12/97
AMT OF TAX: \$ 7,371.00
AMT OF PEN: \$ 221.10
AMT OF INT: \$ 1,695.30
SUB-TOTAL: \$ 9,287.40

COSTS: \$ 469.37
TOTAL AMT DUE: \$ 9,756.77

* AMOUNT ENCLOSED: _____

TAX TYPE: INDIVIDUAL INCOME TAX

Notice and demands have been made for payment of your tax liability shown above. Our records indicate you have not paid or tried to resolve this liability. Notice is hereby given that a Tax Lien for the amount owed has been filed with the Clerk of Court of one or more counties in S.C. Any salary or wages or other funds may be levied by serving a Notice To Withhold upon your employer. Bank accounts, stocks receivable, commissions, other income, property, or rights to property belonging to you, may also be seized.

This demand for payment is not applicable if you are currently in
* bankruptcy proceedings under Title 11 of the U.S. Code. Any monies
* due will be sought in accordance with the provisions of Title 11.

Complete the top of the notice as applicable. Detach and return with payment. If you have already paid the tax amount, provide cancelled checks and supporting documents to the address below. --or--
If you cannot make full payment now by cash or check, you may use Mastercard or Visa by calling 803 898-5075. Use the 'TAX LIEN NUMBER:' and 'TOTAL AMT DUE:' shown on this document.

SC DEPT OF REVENUE
3 SOUTHPARK CIRCLE SUITE 202
CHARLESTON, SC 29407

TAX LIEN NUMBER: 3-50309690-5
FILE NUMBER: 77137088
DATE OF NOTICE: 10/10/00
PERIOD COVERED: 12/97-12/97
SID/SUFFIX:
FEI/SSN: ~~250-31350~~

TAX TYPE: INDIVIDUAL INCOME TAX

DIST	PERIOD	RECEIVABLE	DATE	TAX	PENALTY	INTEREST	TOTALS
CODE	COVRD	NUMBER	ASSESSED	DUE	DUE	DUE	
0801	12/97	01180571-0	04/00	7,371.00	221.10	1,695.30	9,287.40
					221.10	1,695.30	9,287.40
							469.37
							\$ 9,756.77

SUBTOTALS: 7,371.00
COURT COSTS:
TOTAL:

W-131-F (REV 02/90)

934

JERRY D. GAMBRELL
CERTIFIED PUBLIC ACCOUNTANT

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
S.C. ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

February 3, 2000

South Carolina Department of Revenue
NOA
Columbia, SC 29214-0011

Re: Rudolph R. Drews & Effie D. Drews
Social Security Number: [REDACTED] / [REDACTED]
Form: SC1040
Tax Period: December 31, 1995 and December 31, 1997

Dear Sirs:

Our clients, Mr. & Mrs. Drews, asked us to respond to your tax notices (copies attached).

The notices stated that the Internal Revenue Service informed you of adjustments made to our clients' federal income tax returns. As of this date, no IRS notices about the changes have been received.

My subsequent review of the returns indicated that none of the changes in your notices was warranted.

Please contact me if you have any questions or need any additional information.

Sincerely,

Jerry D. Gambrell, CPA

Jerry D. Gambrell, CPA

935

100 BRIGADE STREET / CHARLESTON, SC 29403 P.O. Box 21914 / CHARLESTON, SC 29413-1914
TELEPHONE (843) 722-0049 / FAX (843) 723-7070

Copy of envelope



PLACE STAMP
HERE
The Post Office
will not deliver
mail without
postage

CE-36

SOUTH CAROLINA DEPARTMENT OF REVENUE
OFFICE SERVICES DIVISION
INCOME OFFICE AUDIT
POST OFFICE BOX 125
COLUMBIA SC 29214-0021

N. MACATANGAY



936

CORRECTION OF RETURN: Please compare the items of information on the front of this notice with the same information on your copy of your South Carolina tax return. **Figures on this form which differ from those on your copy of your tax return are corrections.**

REFUND: If you are due a refund, a check will be mailed to you within (thirty) 30 days of this notice.

ADDITIONAL AMOUNT DUE: If you owe an additional amount it must be paid within thirty (30) days of the date of this notice. **Exception:** If you filed a balance due return for the current year, the amount due must be paid by April 15 to avoid penalty and interest.

APPEAL PROCEDURE: If you disagree with this adjustment or proposed assessment, you are entitled to appeal the findings under the following procedures.

- A. If you agree with the adjustment, the additional amount due should be paid within 30 days of the date on this proposed assessment to avoid additional interest and penalties, if applicable.
- B. You may agree with portions of the proposed assessment and disagree with others. The portion of the assessment with which you agree may be paid to avoid additional interest and penalty, and the remainder can be appealed.
- C. If you disagree with part or all of the proposed assessment, you may make an appeal by sending a written protest within 30 days from the date on this proposed assessment.

Protest forms (C-245) are available by calling (803) 898-5320 or you may visit any SC Department of Revenue office. You may choose to send a letter rather than using the Form C-245. The letter must contain the following information.

1. Taxpayer's name (individual, corporation, etc.);
2. Taxpayer's identification number (Social Security, Federal Employer Identification, License, etc.);
3. Period for which the tax is proposed;
4. Type of tax in dispute (individual income, sales, etc.);
5. All of the reasons you disagree with the proposed assessment.

ATTACH A COPY OF THIS NOTICE TO YOUR PAYMENT AND TO ANY CORRESPONDENCE. THE MAILING ADDRESS IS:

SC DEPARTMENT OF REVENUE
NOA
COLUMBIA, SC 29214-0011

OUTSTANDING DEBTS (if indicated on front): Under the provisions of 12-56-10 through 12-56-110 and 12-53-20 of the South Carolina Code of Laws, the South Carolina Department of Revenue is authorized to seize refunds otherwise due to taxpayers who have delinquent debts with the South Carolina Department of Revenue, Internal Revenue Service, other government agencies, and public or private institutions of higher learning.

If your refund was seized, the name, address, and telephone number of the agency which requested the seizure are printed on the lower section of the front of this form. IF YOU HAVE ANY QUESTIONS OR WISH TO APPEAL THE SEIZURE OF YOUR REFUND, WRITE OR CALL THE AGENCY WHICH REQUESTED THE SEIZURE at the address or telephone number given.

TAXPAYER'S BILL OF RIGHTS

The Taxpayers' Bill of Rights gives you certain rights when dealing with the South Carolina Department of Revenue. These include the right to:

1. File an application for relief with the taxpayer advocate in a situation where you are suffering or are about to suffer a significant hardship as a result of the manner in which the Department of Revenue is administering the tax laws.
2. Advance notification that your hearing may be recorded and a copy of that hearing.
3. The publication of clear, concise and non-technical statements of taxpayer rights mailed with each notice of audit.
4. Have your attorney, accountant or other designated agent present at a hearing.
5. The establishment by the Department of Revenue of an appeals process for modifying or releasing liens.
6. Bring action against the state for damages suffered because of disregard of Department of Revenue policy by an employee.

937



SOUTH CAROLINA DEPARTMENT OF REVENUE
NOTICE OF ADJUSTMENT For Period 1995
OR PROPOSED ASSESSMENT

I-267
(Rev. 2/3/99)
3049

Your South Carolina tax return, Form SC1040 has been corrected as shown below. See reverse side for instructions.
This demand is not applicable if you are currently in bankruptcy. Any monies due will be sought in accordance with the provisions of Title 11.

Date 01-12-00
607028

(803) 898-5708

Document # 75346906-2
Taxpayer's SSN/FEI [REDACTED]
Spouse's SSN [REDACTED]

OFFICE USE RAR1

M IIII 75346906
RUDOLPH R DREWS
EFFIE D DREWS
[REDACTED]
CHARLESTON SC [REDACTED]

1. SC Taxable Income Shown On Return/Previous Adjustment	1.	\$	240,232.00-
2. Corrections (See reason(s) below)	2.		261,208.00
3. Corrected Taxable Income	3.		20,976.00
4. Corrected Tax 1,146.00 Lump Sum Tax Total	4.		1,146.00
5. Credits (Nonrefundable)	5.		1,146.00
6. Payments: Subtotal			
Withholding			
Declaration			
Tuition Tax Credit			
Payment with Return			
Payment with Extension			
Total Payments	6.		
7. UNDERPAYMENT	7.		1,146.00-
8. Transferred Est Tax			
Outstanding Debts			
Previous Overpayment			
Total Adjustments	8.		
9. Contributions (Wildlife, Children's Trust, ElderCare Trust, Veterans Trust, Gift of Life Trust or DARE Fund)	9.		
10. Penalty 550.08 Declaration Penalty 62.16 Total Pen. ▶	10.		612.24
Interest 429.97 Total Int. ▶	11.		429.97
12. AMOUNT YOU OWE	▶ 12.	\$	2,188.21

REASON:

INTEREST APPLIED AT PREVAILING FEDERAL RATES

PENALTY APPLIED FOR FAILURE TO PAY TAX BY DUE DATE. 1/2 OF 1% OF THE TAX DUE PER MONTH NOT TO EXCEED 25%. SECTION 12-54-40(B) (2)

PENALTY APPLIED FOR FAILURE TO FILE RETURN BY THE DUE DATE. 5% OF TAX DUE PER MONTH, OR PART OF A MONTH, NOT TO EXCEED 25%. HOWEVER, IF RETURN WAS MORE THAN 60 DAYS LATE, THE PENALTY WILL NOT BE LESS THAN \$100 OR 100% OF THE BALANCE OF TAX DUE, WHICHEVER IS LESS.
12-54-40(B) (1).

PENALTY AND INTEREST APPLIED FOR FAILURE TO FILE A DECLARATION OF ESTIMATED TAX OR FOR FAILURE TO ESTIMATE AT LEAST 90% OF THE FINAL TAX DUE.

-11864 SOCIAL SECURITY IS NOT TAXABLE
-8153 ITEMIZED DEDUCTIONS ADJUSTED TO THE AMOUNT ALLOWED
13193 BUSINESS EXPENSES ADJUSTED TO THE AMOUNT ALLOWED
248198 OTHER INCOME ADJUSTED TO PROPER TAXABLE AMOUNT
154 INTEREST OR DIVIDEND EXCLUSION ADJUSTED TO THE AMOUNT ALLOWED
1307 COST OF GOODS SOLD ADJUSTED TO AMOUNT ALLOWED

WE HAVE BEEN NOTIFIED BY THE INTERNAL REVENUE SERVICE THAT YOUR FEDERAL INCOME TAX RETURN HAS BEEN ADJUSTED. UNDER SECTION 6103(D)
CONTINUED ON NEXT PAGE

R.D.TXPII306

938

233

Bq 1



SOUTH CAROLINA DEPARTMENT OF REVENUE
NOTICE OF ADJUSTMENT For Period 1995
OR PROPOSED ASSESSMENT

F-201
(Rev. 2/3/99)
3049

Your South Carolina tax return, Form SC1040 has been corrected as shown below. See reverse side for instructions.
This demand is not applicable if you are currently in bankruptcy. Any monies due will be sought in accordance with the provisions of Title 11.

Date 01-12-00
607028

(803) 898-5708

Document # 75346906-2
Taxpayer's SSN/FEI ~~230-12-1350~~
Spouse's SSN ~~230-12-1355~~

OFFICE USE RAR1

M III 75346906
RUDOLPH R DREWS
EFFIE D DREWS
~~230-12-1350~~
CHARLESTON SC ~~230-12-1350~~

1. SC Taxable Income Shown On Return/Previous Adjustment	1.	\$	_____
2. Corrections (See reason(s) below)	2.	_____	_____
3. Corrected Taxable Income	3.	_____	_____
4. Corrected Tax _____ Lump Sum Tax _____ Total	4.	_____	_____
5. Credits (Nonrefundable)	5.	_____	_____
6. Payments: _____ Subtotal			_____
Withholding _____ Payment with Return _____			
Declaration _____ Payment with Extension _____			
Tuition Tax Credit _____			
		Total Payments	6. _____
7. _____	7.	_____	_____
8. Transferred Est. Tax _____ Previous Overpayment _____			
Outstanding Debts _____ Total Adjustments	8.	_____	_____
9. Contributions (Wildlife, Children's Trust, ElderCare Trust, Veterans Trust, Gift of Life Trust or DARE Fund)	9.	_____	_____
10. Penalty _____ Declaration Penalty _____ Total Pen. ▶	10.	_____	_____
Interest _____ Total Int. ▶	11.	_____	_____
12. _____	12.	\$	_____ .00

OF THE INTERNAL REVENUE CODE, THOSE CHANGES HAVE BEEN FURNISHED TO
THE SC DEPT OF REVENUE. THIS PROPOSED ASSESSMENT SHOWS THE
ADDITIONAL AMOUNT YOU OWE THE STATE OF SC ON THESE ADJUSTMENTS.

939
Pg 2



SOUTH CAROLINA DEPARTMENT OF REVENUE
NOTICE OF ADJUSTMENT For Period 1997
OR PROPOSED ASSESSMENT

I-267
(Rev. 2/3/99)
3049

Your South Carolina tax return, Form SC1040 has been corrected as shown below. See reverse side for instructions.
This demand is not applicable if you are currently in bankruptcy. Any monies due will be sought in accordance with the provisions of Title 11.

Date 01-11-00
607028

(803) 898-5708

Document # 77137088-3
Taxpayer's SSN/FEI [REDACTED]
Spouse's SSN [REDACTED]

OFFICE USE RAR1

M III 77137088
RUDOLPH R DREWS
EFFIE D DREWS
[REDACTED] RD
CHARLESTON SC [REDACTED]

1. SC Taxable Income Shown On Return/Previous Adjustment	1.	\$	110,189.00-
2. Corrections (See reason(s) below)	2.		220,216.00
3. Corrected Taxable Income	3.		110,027.00
4. Corrected Tax 7,371.00 Lump Sum Tax Total	4.		7,371.00
5. Credits (Nonrefundable)	5.		7,371.00
6. Payments: Subtotal			
Withholding Payment with Return			
Declaration Payment with Extension			
Tuition Tax Credit			
		Total Payments	6.
			7.
7. UNDERPAYMENT			
8. Transferred Est. Tax Previous Overpayment Total Adjustments	8.		
Outstanding Debts	9.		
9. Contributions (Widow's, Children's Trust, ElderCare Trust, Veterans Trust, Gift of Life Trust or DARE Fund)	9.		
10. Penalty Declaration Penalty Total Pen. ▶	10.		
Interest 1,118.54 Total Int. ▶	11.		1,118.54
12. AMOUNT YOU OWE	12.	\$	8,489.54

REASON:

INTEREST APPLIED AT PREVAILING FEDERAL RATES
-12531 SOCIAL SECURITY IS NOT TAXABLE
220216 OTHER INCOME ADJUSTED TO PROPER TAXABLE AMOUNT

WE HAVE BEEN NOTIFIED BY THE INTERNAL REVENUE SERVICE THAT YOUR
FEDERAL INCOME TAX RETURN HAS BEEN ADJUSTED. UNDER SECTION 6103(D)
OF THE INTERNAL REVENUE CODE, THOSE CHANGES HAVE BEEN FURNISHED TO
THE SC DEPT OF REVENUE. THIS PROPOSED ASSESSMENT SHOWS THE
ADDITIONAL AMOUNT YOU OWE THE STATE OF SC ON THESE ADJUSTMENTS.

Pls see me
(9)

CORRECTION OF RETURN: Please compare the items of information on the front of this notice with the same information on your copy of your South Carolina tax return. **Figures on this form which differ from those on your copy of your tax return are corrections.**

REFUND: If you are due a refund, a check will be mailed to you within (thirty) 30 days of this notice.

ADDITIONAL AMOUNT DUE: If you owe an additional amount it must be paid within thirty (30) days of the date of this notice. **Exception:** If you filed a balance due return for the current year, the amount due must be paid by April 15 to avoid penalty and interest.

APPEAL PROCEDURE: If you disagree with this adjustment or proposed assessment, you are entitled to appeal the findings under the following procedures.

- A. If you agree with the adjustment, the additional amount due should be paid within 30 days of the date on this proposed assessment to avoid additional interest and penalties, if applicable.
- B. You may agree with portions of the proposed assessment and disagree with others. The portion of the assessment with which you agree may be paid to avoid additional interest and penalty, and the remainder can be appealed.
- C. If you disagree with part or all of the proposed assessment, you may make an appeal by sending a written protest within 30 days from the date on this proposed assessment.

Protest forms (C-245) are available by calling (803) 898-5320 or you may visit any SC Department of Revenue office. You may choose to send a letter rather than using the Form C-245. The letter must contain the following information.

1. Taxpayer's name (individual, corporation, etc.);
2. Taxpayer's identification number (Social Security, Federal Employer Identification, License, etc.);
3. Period for which the tax is proposed;
4. Type of tax in dispute (individual income, sales, etc.);
5. All of the reasons you disagree with the proposed assessment.

ATTACH A COPY OF THIS NOTICE TO YOUR PAYMENT AND TO ANY CORRESPONDENCE. THE MAILING ADDRESS IS:

SC DEPARTMENT OF REVENUE
NOA
COLUMBIA, SC 29214-0011

OUTSTANDING DEBTS (if indicated on front): Under the provisions of 12-56-10 through 12-56-110 and 12-53-20 of the South Carolina Code of Laws, the South Carolina Department of Revenue is authorized to seize refunds otherwise due to taxpayers who have delinquent debts with the South Carolina Department of Revenue, Internal Revenue Service, other government agencies, and public or private institutions of higher learning.

If your refund was seized, the name, address, and telephone number of the agency which requested the seizure are printed on the lower section of the front of this form. IF YOU HAVE ANY QUESTIONS OR WISH TO APPEAL THE SEIZURE OF YOUR REFUND, WRITE OR CALL THE AGENCY WHICH REQUESTED THE SEIZURE at the address or telephone number given.

TAXPAYER'S BILL OF RIGHTS

The Taxpayers' Bill of Rights gives you certain rights when dealing with the South Carolina Department of Revenue. These include the right to:

1. File an application for relief with the taxpayer advocate in a situation where you are suffering or are about to suffer a significant hardship as a result of the manner in which the Department of Revenue is administering the tax laws.
2. Advance notification that your hearing may be recorded and a copy of that hearing.
3. The publication of clear, concise and non-technical statements of taxpayer rights mailed with each notice of audit.
4. Have your attorney, accountant or other designated agent present at a hearing.
5. The establishment by the Department of Revenue of an appeals process for modifying or releasing liens.
6. Bring action against the state for damages suffered because of disregard of Department of Revenue policy by an employee.

JERRY D. GAMBRELL
CERTIFIED PUBLIC ACCOUNTANT

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
S.C. ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

April 24, 2000

South Carolina Department of Revenue
PO BOX 125
Columbia, SC 29214

Re: Rudolph R. Drews & Effie D. Drews
Social Security Number: ~~850-14-1816-2-229-ED-914~~
Form: SC1040
Tax Period: December 31, 1995 and December 31, 1997

Dear Sirs:

Our clients, Mr. & Mrs. Drews, asked us to respond to your tax notices (copies attached).

The tax, penalty, and interest assessed were the result of changes by the Internal Revenue Service to our clients' returns. Our subsequent review of the returns indicated that none of the changes was warranted and we are in the process of requesting additional information from the Internal Revenue Service to resolve this matter (see attached correspondence).

We therefore request that you postpone filing any tax liens until we are able to resolve this matter with the Internal Revenue Service.

Please contact me if you have any questions or need any additional information.

Sincerely,

Jerry D. Gambrell, CPA

Jerry D. Gambrell, CPA

942

**State of South Carolina
Department of Revenue**

301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

ATTN: OFFICE SERVICES
SID/SUFFIX:
TAX TYPE: INDIVIDUAL INCOME TAX

PHONE: (803) 898-5709
FEI/SSN: ~~50141340~~

RECEIVABLE NO: 1-01180571-0

M IIRC 7713708897
DREWS RUDOLPH R
DREWS EFFIE D
~~2007-2010~~ RD
CHARLESTON SC ~~2007-2010~~

FILE NUMBER: 77137088-3
DATE OF NOTICE: 04/11/00
LEGAL TAX LIEN DATE: 05/01/00
PERIOD COVERED: 12/97

TAX AMOUNT DUE: 7,371.00
PENALTY AMOUNT: 0.00
INTEREST AMOUNT: 1,294.28
TOTAL AMT DUE: 8,665.28

TAX DUE DATE: 04/15/98

14-00
PH

IMELY FILED BALANCE DUE
~~2007-2010~~ RD

ADJUSTED PER FEDERAL AUDIT RPT
CHARLESTON ~~2007-2010~~

000000000

AVE WE ALLOWED YOU CREDIT FOR ALL PAYMENTS MADE?
ou have a tax liability for the reason and amount described above. Demand
s made for payment of this liability. Failure to comply with this notice
in twenty days will result in additional collection actions. If you
are unable to make payment or if this notice is in error, please call
immediately the number listed at the top of this notice.

* This demand for payment is not applicable if you are currently in
* bankruptcy proceedings under Title 11 of the U.S. Code. Any monies
* due will be sought in accordance with the provisions of Title 11.

Complete the bottom of the notice as applicable. Detach and return with
payment. If you have already paid the tax amount, provide cancelled checks
and supporting documents to the address below.

--or--

If you cannot make full payment now by cash or check, you may use
Mastercard or Visa by calling 803 898-5075. Use the 'RECEIVABLE NO:'
and 'TOTAL AMT DUE:' shown on this document.
SC DEPT OF REVENUE
P.O. BOX 125
COLUMBIA, SC 29214

* RECEIVABLE NO: 1-01180571-0

FILE NUMBER: 77137088-3
DATE OF NOTICE: 04/11/00
LEGAL TAX LIEN DATE: 05/01/00
SID/SUFFIX:
FEI/SSN: ~~50141340~~
TOTAL AMT DUE: 8,665.28

TAX TYPE: INDIVIDUAL INCOME TAX

* AMOUNT ENCLOSED: _____

REMARKS/AFFIDAVIT: _____

SIGNATURE: _____
C-133 (02/90)

943

140801

**State of South Carolina
Department of Revenue**

301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214

ATTN: OFFICE SERVICES,
SID/SUFFIX:
TAX TYPE: INDIVIDUAL INCOME TAX

PHONE: (803) 898-5709
FEI/SSN: ~~XXXXXXXXXX~~

RECEIVABLE NO: 1-01181174-6

M IIRC 7534690695
DREWS RUDOLPH R
DREWS EFFIE D
~~XXXXXXXXXX~~ RD
CHARLESTON SC ~~294073319~~

FILE NUMBER: 75346906-2
DATE OF NOTICE: 04/12/00
LEGAL TAX LIEN DATE: 05/02/00
PERIOD COVERED: 12/95

TAX AMOUNT DUE: 1,146.00
PENALTY AMOUNT: 629.43
INTEREST AMOUNT: 462.59
TOTAL AMT DUE: 2,238.02

TAX DUE DATE: 04/15/96

DATE FILED / LATE PAID

~~XXXXXXXXXX~~ RD

000000000

ADJUSTED PER FEDERAL AUDIT REPORT

You have a tax liability for the reason and amount described above. Demand is made for payment of this liability. Failure to comply with this notice in twenty days will result in additional collection actions. If you are unable to make payment or if this notice is in error, please call immediately the number listed at the top of this notice.

NO REMIT WITH DECL INTEREST.

CHARLESTON

SC ~~294073319~~

POSTMARK: 10/16/96

This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the U.S. Code. Any monies due will be sought in accordance with the provisions of Title 11.

Complete the bottom of the notice as applicable. Detach and return with payment. If you have already paid the tax amount, provide cancelled checks and supporting documents to the address below.

--or--

If you cannot make full payment now by cash or check, you may use Mastercard or Visa by calling 803 898-5075. Use the 'RECEIVABLE NO:' and 'TOTAL AMT DUE:' shown on this document.

SC DEPT OF REVENUE
P.O. BOX 125
COLUMBIA, SC 29214

* RECEIVABLE NO: 1-01181174-6

FILE NUMBER: 75346906-2
DATE OF NOTICE: 04/12/00
LEGAL TAX LIEN DATE: 05/02/00
SID/SUFFIX:
FEI/SSN: ~~XXXXXXXXXX~~
TOTAL AMT DUE: 2,238.02

TAX TYPE: INDIVIDUAL INCOME TAX

* AMOUNT ENCLOSED: _____

REMARKS/AFFIDAVIT: _____

SIGNATURE: _____

DATE: _____

C-133 (02/90)

140801

JERRY D. GAMBRELL
CERTIFIED PUBLIC ACCOUNTANT

MEMBER
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
S.C. ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS

February 15, 2000

Internal Revenue Service Center
Atlanta, GA 39901

Re: Rudolph R. Drews & Effie D. Drews
2 Nuffield Rd.
Charleston, SC 29407-3319

Social Security Number: 250-14-1850 / 249-60-9455
Form: 1040
Tax Period: December 31, 1995 and December 31, 1997

Dear Sirs:

Our clients, Mr. & Mrs. Drews, asked us to respond to tax notices from the state of South Carolina (copies attached).

The notices stated that the Internal Revenue Service made adjustments to our clients' federal income tax returns. As of this date, no IRS notices about the changes have been received.

Please send copies of any notices for the tax years indicated that may have been sent but were not received by our client.

Please contact me if you have any questions or need any additional information.

Sincerely,



Paul F. Danaher
Staff Accountant

945

Department of the Treasury
Internal Revenue Service

ATLANTA, GA 39901

In reply refer to: 0758127703

Apr. 03, 2000 LTR 86C

~~250-547-2350~~ 199512 30 000

03924

RUDOLPH R & EFFIE D DREWS

~~██████████~~ RD

CHARLESTON SC ~~██████████~~

*Originals
delivered to
Jenny G.
Mon, 4-3-00*

Tax Period(s): Dec. 31, 1995

Dear Taxpayer:

Thank you for the inquiry of Feb. 15, 2000.

We're sending your claim, Form 1040, to the Memphis Service Center to process. That office will contact you within 45 days.

Our office made the assessment to your account and are responsible for reviewing your request and corresponding to you concerning this account. You now have a balance of \$21,890.41 figured until 04-23-2000.

If you have any questions, please call us toll free at 1-800-829-1040. If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone Number () _____ Hours _____

946

Apr. 03, 2000

LTR 86C

0758127703

~~250-312-3350~~

199512 30 000

03925

RUDOLPH R & EFFIE D DREWS
2 NUFFIELD RD
CHARLESTON SC 29407-3319020

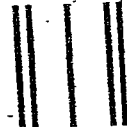
We apologize for any inconvenience, and thank you for your cooperation.

Sincerely yours,

Carol A. Myers

Carol A. Myers
Chief, Customer Service Branch 3

Enclosure(s):
Envelope



Place stamp here.
Post Office
will not deliver
mail without
proper postage.

INTERNAL REVENUE SERVICE CENTER
ATLANTA GA 39901

947

RUDOLPH ROBERT DREWS
2458 1/2 Road
Charleston, SC 29407

TO: Jerry Gambrell

FAX: 723-7070

FROM: R. R. DREWS

FAX: [REDACTED] (Call first)

DATE: Nov. 29, 2001

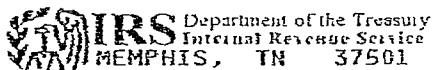
OF PAGES w/cover: SIX (6)

Jerry,
The following items were need to-day
from IRS.

Please Check out & Call me SAP

Bob

948



Notice Number: CP-90
 Notice Date: NOV. 19, 2001
 Social Security Number:

~~80-1021050~~

7107 3514 6973 1713 5763

Collection Assistance:
 1-800-829-7650

|||||

RUDOLPH R & EFFIE D DREWS

~~2 MARY-ELLEN~~ RD

CHARLESTON SC

~~2001-11-20~~

FINAL NOTICE

NOTICE OF INTENT TO LEVY AND NOTICE OF YOUR RIGHT TO A HEARING

PLEASE RESPOND IMMEDIATELY

Your federal tax is still not paid. We previously asked you to pay this, but we still haven't received your payment. This correspondence is your notice of our intent to levy under Internal Revenue code (IRC) Section 6331 and your right to receive Appeals consideration under IRC Section 6330.

We may file a Notice of Federal Tax Lien at any time to protect the government's interest. A lien is a public notice to your creditors that the government has a right to your current assets, including any assets you acquire after we file the lien.

If you don't pay the amount you owe, make alternative arrangements to pay, or request Appeals consideration within 30 days from the date of this letter, we may take your property, or rights to property, such as real estate, automobiles, business assets, bank accounts, wages, commissions, and other income. We've enclosed Publication 594 with more information, Publication 1660 explaining your right to appeal, and Form 12153 to request a Collection Due Process Hearing with Appeals.

To prevent collection action, please send your full payment today. Make your check or money order payable to United States Treasury. Write your social security number on your payment. Send your payment to us in the enclosed envelope with a copy of this letter. The amount you owe is shown on the next page.

If you have recently paid this tax or you can't pay it, call us immediately at the telephone number shown at the top of this letter and let us know.

The assessed balance may include tax, penalties, and interest you still owe. It also includes any credits and payments we've received since we sent our last notice to you.

Enclosures:
 Copy of this letter
 Pub 594
 Pub 1660
 Form 12153
 Envelope

949

IRS Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501



7107 3514 6973 1713 5763



RUDOLPH R & EFFIE D DREWS

~~CHARLESTON SC~~
CHARLESTON SC ~~24277-331602~~

950

Request for a Collection Due Process Hearing

Use this form to request a hearing with the IRS Office of Appeals only when you receive a **Notice of Federal Tax Lien Filing & Your Right To A Hearing Under IRC 6320**, a **Final Notice - Notice Of Intent to Levy & Your Notice Of a Right To A Hearing**, or a **Notice of Jeopardy Levy and Right of Appeal**. Complete this form and send it to the address shown on your lien or levy notice for expeditious handling. Include a copy of your lien or levy notice(s) to ensure proper handling of your request.

(Print) Taxpayer Name(s): _____

(Print) Address: _____

Daytime Telephone Number: _____ Type of Tax/Tax Form Number(s): _____

Taxable Period(s): _____

Social Security Number/Employer Identification Number(s): _____

Check the IRS action(s) that you do not agree with. Provide specific reasons why you don't agree. If you believe that your spouse or former spouse should be responsible for all or a portion of the tax liability from your tax return, check here ☐ and attach Form 8857, Request for Innocent Spouse Relief, to this request.

____ Filed Notice of Federal Tax Lien (Explain why you don't agree. Use extra sheets if necessary.)

____ Notice of Levy/Seizure (Explain why you don't agree. Use extra sheets if necessary.)

I/we understand that the statutory period of limitations for collection is suspended during the Collection Due Process Hearing and any subsequent judicial review.

Taxpayer's or Authorized Representative's Signature and Date: _____

Taxpayer's or Authorized Representative's Signature and Date: _____

IRS Use Only:

IRS Employee (Print): _____ IRS Received Date: _____

Employee Telephone Number: _____

Where to File Your Request

It is important that you file your request using the address shown on your lien or levy notice. If you have been working with a specific IRS employee on your case, you should file the request with that employee.

How to Complete Form 12153

1. Enter your full name and address. If the tax liability is owed jointly by a husband and wife, and both wish to request a Collection Due Process Hearing, show both names.
2. Enter a daytime telephone number where we can contact you regarding your request for a hearing.
3. List the type(s) of tax or the number of the tax form(s) for which you are requesting a hearing (e.g. Form 1040, Form 941, Trust Fund Recovery Penalty, etc.).
4. List the taxable periods for the type(s) of tax or the tax form(s) that you listed for item 3 above (e.g., year ending 12-31-98, quarter ending 3-31-98).
5. Show the social security number of the individual(s) and/or the employer identification number of the business(s) that are requesting a hearing.
6. Check the IRS action(s) that you do not agree with (Filed Notice of Federal Tax Lien and/or Notice of Levy/Seizure). You may check both actions if applicable.
7. Provide the specific reason(s) why you do not agree with the filing of the Notice of Federal Tax Lien or the proposed Notice of Levy/Seizure action. One specific issue that you may raise at the hearing is whether income taxes should be abated because you believe that your spouse or former spouse should be responsible for all or a portion of the tax liability from your tax return. You must, however, elect such relief. You can do this by checking the indicated box and attaching Form 8857 to this request for a hearing. If you previously filed Form 8857, please indicate when and with whom you filed the Form.
8. You, or your authorized representative, must sign the Form 12153. If the tax liability is joint and both spouses are requesting a hearing, both spouses, or their authorized representative(s), must sign.
9. It is important that you understand that we are required by statute to suspend the statutory period for collection during a Collection Due Process Hearing.

953

REAR OF PAGE 1



Department of the Treasury
Internal Revenue Service
MEMPHIS, TN 37501

Date of this notice:
Taxpayer Identifying Number
Form: 1040

DEC. 17, 2001
Tax Period: DEC. 31, 1995

For assistance you may
call us at:

1-800-829-1040

RUDOLPH R DREWS
ZJERRY D GAMBRELL CPA
100 BRIGADE ST
CHARLESTON SC 29403

FOR ACCOUNT OF RUDOLPH R & EFFIE D DREWS
WE CHANGED YOUR ACCOUNT

THE CHANGE(S) BELOW RESULTED FROM AN EXAMINATION OF YOUR TAX RETURN SHOWN
ABOVE. PLEASE SEE YOUR COPY OF THE EXAMINATION REPORT FOR A DETAILED EXPLANATION
OF THE CHANGES.

IF YOU HAVE ANY QUESTIONS, PLEASE CALL US AT THE NUMBER LISTED ABOVE.

STATEMENT OF ACCOUNT

ACCOUNT BALANCE BEFORE EXAMINATION ACTION

\$20,741.47 DUE

DECREASE IN TAX BECAUSE OF EXAMINATION ACTION
THE FILING LATE PENALTY THAT WAS PREVIOUSLY
CHARGED HAS BEEN REDUCED

11,693.00CR

THE CIVIL PENALTY THAT WAS PREVIOUSLY
CHARGED HAS BEEN REDUCED

2,630.93CR

DECREASE IN INTEREST PREVIOUSLY CHARGED *

672.00CR

5,270.41CR

\$475.13

AMOUNT YOU NOW OWE

WE WANTED TO ENSURE THAT BOTH YOU AND YOUR SPOUSE RECEIVE THIS NOTICE, SO
WE'VE SENT A COPY TO EACH OF YOU. EACH COPY CONTAINS THE SAME INFORMATION
RELATED TO YOUR JOINT ACCOUNT. ANY AMOUNT YOU OWE OR BALANCE DUE SHOWN
SHOULD BE PAID ONLY ONCE. WE WILL ISSUE ANY REFUND SHOWN ONLY ONCE.

THE AMOUNT YOU OWE INCLUDES THE INTEREST ON THE PREVIOUS AMOUNT(S) OWED. THE
INTEREST IS FIGURED TO THE DATE OF THIS NOTICE.

PLEASE PAY THE FULL AMOUNT BY DEC. 27, 2001. IF YOU'VE ALREADY PAID YOUR TAX
IN FULL OR ARRANGED FOR AN INSTALLMENT AGREEMENT, PLEASE DISREGARD THIS NOTICE.

IF YOU HAVEN'T PAID, MAIL YOUR CHECK OR MONEY ORDER AND THE TEAR-OFF STUB
FROM THE LAST PAGE OF THIS NOTICE. MAKE YOUR CHECK PAYABLE TO UNITED STATES
TREASURY AND WRITE YOUR SOCIAL SECURITY NUMBER ON IT. IF YOU CAN'T PAY IN FULL,
PLEASE CALL US TO DISCUSS PAYMENT.

* IF THIS INTEREST WAS PREVIOUSLY TAKEN AS A DEDUCTION, IT MUST NOW BE
REPORTED AS INCOME ON YOUR NEXT INCOME TAX RETURN.

95K

SERVICE CENTER

CP: 21E

TAX PERIOD: DEC. 31, 1995

ON THIS PART TO US WITH YOUR CHECK OR INQUIRY
TELEPHONE NUMBER BEST TIME TO CALL

322,735-

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AMOUNT YOU OWE.....\$475.13

LESS PAYMENTS NOT INCLUDED. \$ _____

PAY ADJUSTED AMOUNT..... \$ _____

1149 01,09

49247-727-90000-1

INTERNAL REVENUE SERVICE
MEMPHIS, TN 37501

RUDOLPH R DREWS
JERRY D GAMBRELL CPA
100 BRIGADE ST
CHARLESTON SC 29403

11111111111111111111

955

150141850 07 DREW 30 0 199512 1 72 000000

Timeline

1992

Meeting
Street

Drews

\$100,000

Donald

House

House

\$60,000 cash

House
Substitution

Mortgages

\$40,000 mortgage

\$100,000 mortgage

\$20,000 mortgage

Satisfactions

2001

SOLD
190 Note
& Mortgage

Meeting
Street
Receivables

Payoff → \$59,000

Wife
\$59,000
Note

2005

\$130,000 to Effie

\$246,000

956

1 IN THE COURT OF COMMON PLEAS
2 FOR THE STATE OF SOUTH CAROLINA
3 CHARLESTON COUNTY

4 DEPOSITION OF JESSIE ATKINSON

5
6 FRANK GORDON, JR., as Attorney-in-Fact for DOROTHY
7 GORDON,

8 Plaintiff,

9 vs.

CASE NO. 2010-CP-10-9096

10 JESSIE B. ATKINSON, Individually, and as Personal
11 Representative of the Estate of EFFIE D. DREWS;
12 DONALD W. LANCASTER; and SHIRRESE BROCKINGTON as
13 Special Administrator of the Estate of RUDOLPH
14 ROBERT DREWS,

15 Defendants.
16
17
18
19
20
21
22
23
24
25

15 DEPONENT: JESSIE ATKINSON

16 DATE: MAY 4, 2011

17 TIME: 9:00 AM

18 LOCATION: Law Offices of Justin O'Toole Lucey
19 217 Lucas Street
20 Mount Pleasant, South Carolina

21
22 REPORTED BY: Darah L. Nekola, Court Reporter
23 CLARK & ASSOCIATES, INC.
24 P.O. Box 73129
25 Charleston, SC 29415
 843-762-6294
 WWW.CLARK-ASSOCIATES.COM

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A P P E A R A N C E S

ON BEHALF OF THE PLAINTIFF:

LAW OFFICES OF JUSTIN O'TOOLE LUCEY
BY: STEPHANIE DRAWDY
415 Mill Street
Mount Pleasant, SC 29464
843-849-8400

ON BEHALF OF THE DEFENDANT JESSIE ATKINSON:

HILL AND HILL, LLC
BY: TERESA Z. HILL
PO Box 369
Ravenel, SC 29470

SPECIAL ADMINISTRATOR OF THE ESTATE OF RUDOLPH
ROBERT DREWS:

SHIRRESE B. BROCKINGTON
764 St. Andrews Boulevard
Charleston, SC 29407

958

I N D E X

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959

Deposition of Jessie Atkinson

1

2

JESSIE ATKINSON,

3

having been first duly sworn, was examined and

4

testified as follows:

5

6

EXAMINATION

7

BY MS. DRAWDY:

8

Q. Could you state your full name for the

9

record?

10

A. Jessie Atkinson.

11

Q. Have you ever given your deposition before?

12

A. Yes.

13

Q. In what case have you done that?

14

A. It was in -- when we bought our home, there

15

were major deficiencies in the construction of the

16

house, so we sued the companies.

17

Q. Was that the only time?

18

A. Yes.

19

Q. How long ago was that?

20

A. At least three years. Maybe a little

21

longer.

22

Q. Well, as you may recall from that

23

deposition, the court reporter is going to take

24

everything down. So if your answer calls for a yes

25

or no, try to avoid shaking your head.

1 A. I will try.

2 Q. And we will try to avoid speaking over each
3 other. And if you have any questions about
4 anything I have asked, just let me know, and I will
5 try to rephrase the question. Can you give me your
6 address where you live?

7 A. 1742 Sam Rittenberg Boulevard at apartment
8 23-C in Charleston, 29407.

9 Q. Who do you live there with?

10 A. Myself.

11 Q. How long have you lived at that address?

12 A. Since January the 14th.

13 Q. Do you own that property?

14 A. No.

15 Q. Do you rent?

16 A. I'm renting an apartment.

17 Q. Do you own any property?

18 A. I'm part owner of a home in Stono Ferry.

19 Q. What's the address on that?

20 A. ~~1235 Old Washington Court~~, Hollywood.

21 Q. And who do you own that property with?

22 A. With my husband.

23 Q. What's his name?

24 A. Alden A. Scott.

25 Q. And where does Alden Scott live?

1 A. He's in the house.

2 Q. Do you have any children?

3 A. Yes. I have two.

4 Q. What are their names?

5 A. One is Harry E., Jr. -- Atkinson, Jr., and
6 my daughter's name is Drew Atkinson Putt, P-u-t-t.
7 She lives in Atlanta.

8 Q. Where does Harry Jr. live?

9 A. He lives in Charleston.

10 Q. Any other properties besides the Stono
11 Ferry?

12 A. No. Well, a car, you know.

13 Q. Tell me about your educational background.

14 A. I'm an RN, registered nurse. Three years --
15 three-and-a-half years of nursing.

16 Q. When was the last time you were practicing
17 as an RN?

18 A. I think that was in '63 was the last time.
19 At the American Red Cross.

20 Q. Are you currently retired?

21 A. Yes.

22 Q. When was the last time that you worked?

23 A. Early part of '64. My husband was ill, so I
24 stopped to take care of him. That was my first
25 husband.

962

1 Q. What was his name?

2 A. Harry E. Atkinson.

3 Q. And did Mr. Atkinson pass away?

4 A. He did. He died in '94.

5 Q. Were you married up until '94?

6 A. Yes.

7 Q. Do you own any companies?

8 A. No.

9 Q. Tell me about any financial transactions you
10 had with Rudolph Robert Drews.

11 A. I had none.

12 Q. What about Effie Drews?

13 A. None.

14 Q. What about Donald Lancaster?

15 A. None.

16 Q. Tell me about any properties that you owned
17 with Rudolph Robert Drews.

18 A. I didn't own any properties.

19 Q. Were you ever involved in any land
20 transactions with Rudolph Robert Drews?

21 A. No.

22 Q. What about Effie Drews?

23 A. No.

24 Q. What about Don Lancaster?

25 A. No.



1 Q. What's your knowledge of the property that
2 Rudolph and Effie had at 1705 Meeting Street?

3 A. I know absolutely nothing about their
4 property or their business or anything. They never
5 discussed their business with me. They were very
6 private people. I know absolutely nothing about
7 their property.

8 Q. What do you know about the basis of this
9 lawsuit?

10 A. I didn't know anything until after he
11 died -- Mr. Drews died, and then I found out there
12 was a lawsuit going on. I knew nothing about it.
13 He died in 2009, September.

14 Q. And in around 2000, 2001, what was your
15 knowledge of the lawsuit that was going on against
16 Mr. Drews?

17 A. I didn't know anything about it.

18 Q. Did you -- what did you know about a
19 judgment being entered against Mr. Drews?

20 A. I knew nothing about all of that until after
21 he died.

22 Q. What did you learn after he died?

23 A. That he had a judgment against him.

24 Q. How did you learn that?

25 A. Through my sister

1 Q. How did you come to have a conversation with
2 your sister about that?

3 A. It wasn't a conversation, per se. It was --
4 when she was -- what do you call it -- when they
5 subpoena you? When she got that in the mail,
6 Donald Lancaster took her to the lawyers, and we --
7 she asked if my husband and I would go with them.
8 We went a couple of times. That's when I found out
9 about it. And there was no judgment against my
10 sister. It was him.

11 Q. And you said that you and your husband,
12 Alden Scott, went with Effie?

13 A. Several times along with Donald Lancaster to
14 see Kerry Koon, the lawyer.

15 Q. What was the purpose of those meetings?

16 A. She needed a lawyer, you know, to defend
17 her, I guess, for whatever they were trying to
18 accuse her of.

19 Q. Did you sit in on the meetings with Kerry
20 Koon and Donald Lancaster and Effie Drews?

21 A. Yes, a couple of times.

22 Q. What was your input in those meetings?

23 A. I didn't have much input at all because I
24 didn't know anything about it.

25 Q. So what was your purpose in being in those

1 meetings --

2 A. Because she asked me to come.

3 Q. Just let me finish my question before you
4 answer.

5 A. I thought you had.

6 Q. At what point did you stop going to the
7 attorney meetings with Ms. Drews?

8 A. I guess when they started subpoenaing them.
9 I only went maybe twice with her.

10 Q. What conversations did you have with Effie
11 Drews about these attorney meetings?

12 A. I said, you know, what is it all about?
13 What happened?

14 Q. What did she say?

15 A. She said that, you know, they bought a
16 business -- a bunch of people, I think, 12 or 15
17 people. I think all of them put in \$50,000, and
18 the business, you know, flopped. And everyone lost
19 the money. Mr Drews, all of them, and Mr. Gordon,
20 but he was the only one who pursued it. The other
21 people took their losses. That's about it.

22 Q. Anything else that Effie told you about this
23 suit?

24 A. She may have, but I can't remember, you
25 know. She was very upset. I was too.

1 Q. Why was she upset?

2 A. Because all of this was going on. She --
3 her husband took care of all of the business. She
4 told me that, and she didn't know anything, you
5 know. She didn't know much about it. And I think
6 all of that stress from this lawsuit, it expedited
7 her death, but, you know, I didn't -- she didn't
8 tell me anything about the property or anything
9 else. She had no reason to.

10 Q. Before Mr. Drews' death in 2009, how often
11 would you socialize or see Mr. Drews?

12 A. We didn't socialize very much because they
13 both were not in good health, and we lived in Stono
14 Ferry, they lived in West Ashley. I would call --
15 we would talk on the phone, and I would see her
16 maybe once a month, maybe not even that often
17 sometimes because they wouldn't go anywhere.

18 Q. What was wrong with your sister's health
19 before 2009?

20 A. Well, she had high blood pressure, you know.
21 And then she went into atrial fibrillation after he
22 died, had to be hospitalized. And she was seeing
23 Dr. Miller, who's a cardiologist.

24 Q. What was his name?

25 A. Miller.

1 Q. Anything else that was wrong with Effie's
2 health?

3 A. Not that I know of.

4 Q. What about Mr. Drews' health, you said it
5 was bad?

6 A. Mr. Drews wasn't himself after he had the
7 heart surgery, and I think he was beginning to get
8 a little dementia, you know. He would forget, and
9 then he would tell things that didn't make any
10 sense.

11 Q. Were those conversations that you had where
12 you noticed that with Mr. Drews?

13 A. Well, we would be sitting in a room, you
14 know, when we did see them, and, you know, he would
15 say things, and my sister would look at him and
16 say, what are you talking about, you know. It's
17 just stuff like that. It wasn't anything about
18 property or anything like that. And then he
19 couldn't remember dates and stuff like that.

20 Q. Do you remember when he had the heart
21 surgery?

22 A. It might have been in 2007. I'm not sure.

23 Q. Besides the heart surgery and the memory
24 loss, was there anything else with his health that
25 you noticed?

1 A. Yes. He had surgery on his leg, his knee --
2 knee replacement.

3 Q. What was your perception of Mr. Drews'
4 financial status prior to his death?

5 A. I didn't know anything about his financial
6 problems. I really didn't.

7 Q. What was your perception of his financial
8 worth?

9 A. Same, you know. I just didn't know anything
10 about it. They didn't tell me anything. I didn't
11 know they were even in trouble until after he died.
12 I mean, without money. They had no money.

13 Q. And how did you learn that they had no
14 money?

15 A. After he died, from my sister.

16 Q. And tell me about that.

17 A. She just said we don't have -- you know, I
18 have got to be very careful, because, you know, I
19 don't have a lot of money.

20 Q. Did she tell you how long they hadn't had
21 any money?

22 A. No.

23 Q. Was there anything else that she told you
24 about that?

25 A. I can't remember if she did. We didn't

1 talk -- we didn't talk that much about stuff like
2 that.

3 Q. What was the reason for her bringing it up
4 to you then after his death?

5 A. I beg your pardon?

6 Q. What was the reason for her telling you that
7 they had no money after Mr. Drews died, when she
8 mentioned that to you?

9 A. I don't know. We were just talking. She
10 was depressed and very upset that he had died
11 because they were a very close couple. I don't
12 know. We just had a conversation talking, you
13 know, and that came up.

14 Q. Did she mention to you the reason they
15 didn't have any money?

16 A. No, not to me. She didn't talk to me about
17 any finances or any money or any property. None of
18 that.

19 Q. Have you had any conversations with anyone
20 else about Mr. Drews and Ms. Drews not having any
21 money?

22 A. No.

23 Q. Have either of your children ever had any
24 financial dealings with Mr. Drews or Ms. Drews?

25 A. No.

1 Q. What about your husband, Alden Scott?

2 A. No.

3 Q. What about your first husband, Harry
4 Atkinson?

5 A. No.

6 Q. Tell me about your reason for having joint
7 bank accounts with your sister.

8 A. After he died you mean?

9 Q. At any time.

10 A. Well, that was the only time, and she wanted
11 to buy a CD and that was from the insurance money
12 that came from him. And we went to RBC, and I was
13 made POD, you know, pay on death. That's the only
14 account that I had with her.

15 Q. Tell me about the estate dealings that you
16 have had for your sister's estate.

17 A. Well, I was the personal representative, so
18 my husband and I took care of what you have to do
19 for probate. And all of that should be -- you
20 should have that.

21 Q. So tell me about the moneys that you
22 received, what did you do with those?

23 A. That she left to me? The money she left to
24 me? Is that what you're talking about?

25 Q. The moneys in the estate after all of the

1 expenses were paid.

2 A. There's still 13,000 in an estate account.
3 13,900 and something. And the rest of the -- the
4 CDs and the bank accounts were left to me. So
5 they're in the bank and in my accounts. She had no
6 heirs, had no children --

7 Q. Did your sister tell you where the moneys
8 that were deposited into -- other than the
9 insurance CD that she purchased, did she tell you
10 where any of the moneys came from that were in her
11 bank account?

12 A. No.

13 Q. Did you ever have conversations with her
14 about that?

15 A. Not at all.

16 Q. So you had -- you and your attorney had
17 prepared Answers to Complaints that were filed in
18 the common pleas court and the probate court. Do
19 you recall that?

20 A. Complaints?

21 Q. Yes, ma'am. It's the document that starts
22 the lawsuits that were filed against you in probate
23 court and the common pleas court?

24 A. I didn't know about that until after, you
25 know, we had done all of that. Until November.

1 Q. Okay. Well, that's when the Amended
2 Complaint in the common pleas court was filed was
3 in November of last year.

4 A. Okay.

5 Q. And your attorney had prepared an answer on
6 your behalf. And I had some questions about some
7 of the responses in that.

8 A. Okay.

9 MS. HILL: Could she take a look at
10 that before --

11 MS. DRAWDY: Do you have your copy? I
12 only have a marked up copy.

13 (Off-the-record discussion.)

14 MS. HILL: If you just want to look at
15 that, and then she will ask you questions.

16 Q. So Ms. Atkinson, you have in front of you
17 the Answer that your attorney prepared in the
18 common pleas action with the case number
19 2010-CP-10-9096. And I was going to ask you to
20 look at paragraph -- or the answer to paragraph 11
21 of the Complaint -- of the Amended Complaint. And
22 paragraph 11 of the Amended Complaint states in
23 August 2006, the Court entered an order for
24 supplemental proceedings to be opened to aid Gordon
25 in satisfaction of the judgment. You -- your

1 answer was that you admitted that paragraph and
2 that --

3 A. Where is this? Which one is it?

4 Q. It's the answer to paragraph 11. And I was
5 just wanting to know what your knowledge of the
6 supplemental proceedings were that you would admit
7 that that occurred?

8 A. I don't understand this at all. It's
9 without sufficient information or belief so as to
10 form an opinion --

11 MS. DRAWDY: Teresa, can you point out
12 the answer to paragraph 11, which I believe was
13 admitted?

14 MS. HILL: This is what she's
15 questioning you from, and you just answer what you
16 know, if anything.

17 A. I don't understand it. This is without
18 information. I don't understand what it means.
19 What's it talking about? Information, allegations.
20 I'm very stupid when it comes to this type of
21 thing.

22 Q. What do you know about the supplemental
23 proceedings that were going on to get satisfaction
24 of the judgment entered against your
25 brother-in-law?

1 A. I don't understand what you mean by that.

2 Q. Prior to your brother-in-law's death, did
3 you have any conversations with Effie Drews or
4 anyone about the judgment against your
5 brother-in-law?

6 A. Well, I'm sure I had with Kerry Koon, and my
7 sister and Donald probably, he was there, and my
8 husband.

9 Q. When was that?

10 A. I don't remember the dates. It was when we
11 were going -- when my sister was going to him. It
12 was after he died.

13 Q. Did you ever have any involvement before Mr.
14 Drews died?

15 A. No, I didn't. No.

16 Q. If you could look at the response in your
17 answer to paragraph 33 of the Amended Complaint,
18 which reads, Defendant Atkinson received the
19 \$47,942.89 from the wife for no consideration. The
20 wife is your sister. And you have admitted that
21 you received the money, but deny that it was for no
22 consideration.

23 A. I received the money because she asked me to
24 deposit it in my bank account -- in my bank, RBC,
25 since I was the executrix of -- or alternate

1 executrix of both of their wills. I assumed it was
2 for future livelihood, in case one of them died.
3 So I took it, and I deposited it.

4 Q. Tell me about the conversations that
5 occurred in about the time that you received this
6 40,000-some-odd dollars, that you came to take that
7 money from your sister.

8 A. She called and asked me if I would deposit
9 that for her, and I said, sure. I had no reason
10 not to. It was her money. And so I did. I
11 deposited it, and six days later -- that was on the
12 7th of February, 2009. And on the 13th of February
13 she called and said, I need the money. Would you
14 please get it for me? And I was kind of
15 embarrassed to do it, but I did. I took a
16 cashier's check back to them for 50,041-something,
17 and gave them the check, and that was the end of
18 it. I didn't hear any more from it and didn't talk
19 about it from then on. I assumed it was for money
20 that they would need if one died, and then I would
21 be a sister that would be able to --

22 Q. Do you recall how you received this \$47,000
23 approximately?

24 A. Yes. Recall when? Why?

25 Q. Do you recall when?

1 A. Yes.

2 Q. About what time was that?

3 A. It was February the 7th --

4 Q. Oh, okay.

5 A. -- in the morning sometime.

6 Q. And in what form did you receive that money?

7 A. They were checks.

8 Q. How many checks?

9 A. Well, I don't know. I didn't count them.

10 There must have been at least three or four, maybe
11 more, because she made a personal check out herself
12 to make it \$50,000. And that's what was put in the
13 bank.

14 Q. No, wait. You deposited a \$50,000 check?

15 A. No. The four of them -- or whatever the
16 amount they were, came to 50,000.

17 Q. Well, this 47,000 -- \$50,000, approximately,
18 that you received from your sister, this was two
19 years prior to your brother-in-law's death; is that
20 correct?

21 A. Right.

22 Q. So why were you receiving money in 2007 for
23 the -- from your sister?

24 A. 2009. I'm sorry. It wasn't 2007.

25 Q. What was 2009?

1 A. That I got the money. Received the money.
2 I'm sorry.

3 Q. Why do you think it was 2009?

4 A. Because I know it was. It was February the
5 7th in 2009. They took the checks to the bank.
6 Mr. Drews died in September of 2009.

7 Q. Well, you would still be receiving the money
8 before Mr. Drews died; is that correct?

9 A. Right. I received all of it at one time,
10 took it to the bank, and six days later I withdrew
11 it from the bank. Took them a cashier's check, and
12 that was the end of it.

13 Q. What account did you deposit this money from
14 your sister into --

15 A. Into a CD.

16 Q. Why is that?

17 A. Because they asked me to.

18 Q. Who is they?

19 A. My sister asked me to put it in a CD.

20 Q. Did someone else besides your sister ask you
21 to do that?

22 A. No.

23 Q. You just said they --

24 A. Well, I meant her. It was hers.

25 Q. Let me finish my question. Why do you think

1 it's her money?

2 A. Because her name was on the checks. His
3 wasn't on it.

4 Q. Did your sister tell you where the money in
5 her First Southeast account came from?

6 A. No.

7 Q. Did you have any conversations with
8 anyone --

9 A. I didn't ask.

10 Q. Did you have any conversations with anyone
11 about where the money that was in the First
12 Southeast account came from?

13 A. No.

14 Q. Did your sister have an independent income
15 during her life?

16 A. Social Security.

17 Q. How much Social Security did she receive?

18 A. I don't know.

19 Q. Did she have any other income besides Social
20 Security?

21 A. No.

22 Q. Did your sister ever work?

23 A. I think when they first got married and they
24 owned a business downtown she worked for a while,
25 but that's been many, many years ago.

1 Q. Okay. Your attorney produced a set of
2 documents that in discovery we have Bates stamped
3 pages 1 through 101, and we have a copy of it for
4 you here. It has been previously marked as
5 Plaintiff's Exhibit 2, and I know it's small, but
6 the Bates number that I will be referring to is at
7 the bottom corner.

8 MS. DRAWDY: It's the same order that
9 you produced the documents to me. Shirrese, do you
10 have the documents -- a copy from Ms. Hill when she
11 produced discovery?

12 MS. HILL: I think I have it.

13 MS. BROCKINGTON: She gave me a package
14 last week.

15 MS. DRAWDY: It should be in the same
16 order as the request for production information.

17 Q. So I just want to go through these documents
18 and have you explain to me as we go through them.
19 If you want to take a minute to look through it,
20 you can. It's the documents that your attorney
21 produced to us that is in front of you right now.
22 It's Plaintiff's Exhibit 2. The first page is an
23 accounting by Dorsey Biller; is that correct?

24 A. Yes.

25 Q. What is your understanding of this

1 accounting?

2 A. Well, I called him after -- well, I called
3 the bank first when I got summons -- well, my
4 husband called RBC to get a copy of the cashier's
5 check that I -- and his name was on. We could make
6 out that the check had been taken to Mr. Dorsey.

7 So when I found that out, I called him and
8 asked him, you know, if he had the money. He
9 admitted it freely, and I said, well, I need an
10 accounting of it because since I am the personal
11 representative for my sister. And he -- this was
12 on the 12th of December, and he sent this by e-mail
13 on the 13th of December, that morning.

14 Q. He sent this accounting to you?

15 A. Uh-huh.

16 Q. How did he send it to you?

17 A. E-mail to my husband. I don't have e-mail.

18 Q. So how was it that you saw there was a
19 \$50,000 amount that Mr. Biller allegedly owed?

20 A. Because that's the cashier's check that I
21 deposited in the bank and that's what happened to
22 the cashier's check, Mr. Drews took it to Dorsey
23 Biller. That's what he told me.

24 Q. Mr. Drews took a \$50,000 check to Dorsey
25 Biller?

1 A. Cashier's check.

2 Q. When was that?

3 A. I don't know when he took it. I only know
4 that that's where the check went after I gave it
5 back to my sister.

6 Q. So somewhere before 2009, when Mr. Drews
7 died, he gave a \$50,000 check to Mr. Biller. Is
8 that what you're saying?

9 A. Yes. And I don't know when it was.

10 Q. What was the purpose of that \$50,000 check?
11 Why was Mr. Drews giving it to Mr. Biller?

12 A. I don't know that.

13 Q. Did you ask anyone?

14 A. No. In fact after I gave her the \$50,000
15 cashier's check, I didn't even think any more about
16 it. Of course, I didn't know what was going on
17 with anything.

18 Q. So did Mr. Biller have any other documents
19 he gave you to support this accounting when he sent
20 it to you?

21 A. After Ms. Drews died, he sent a check for
22 \$7,084.12, and I put that in Ms. Drews' estate
23 account. Well, it has the date 25th of March.

24 Q. Did Mr. Biller say why in October 2007 he
25 started making payments to Effie instead of Mr.

1 Drews?

2 A. No. He didn't say anything to me about any
3 of that.

4 Q. Did he say who he owed this money to?

5 A. You mean all of this?

6 Q. Yes. Did he say why he was paying back
7 \$50,000 to Mr. and Ms. Drews?

8 A. Because Mr. Drews gave him the check to -- I
9 guess, to dispense whenever they needed it.

10 Q. Okay. If you will turn to the second page
11 of Exhibit 2, and that's -- at the top it says,
12 condition of EDD's estate assets; is that correct?

13 A. Uh-huh.

14 Q. Who prepared this document?

15 A. My husband.

16 Q. And the first listing is the New York Life
17 Insurance payment; is that correct?

18 A. Yes.

19 Q. And what did you do with that money?

20 A. I put that in my account.

21 Q. Which account?

22 A. I can't remember which one. It might have
23 been in my money market at Wachovia.

24 Q. And the second one is the payout on the
25 First Citizens checking account; is that correct?

1 A. That went into an account for her.

2 Q. Went into where?

3 A. An account at Wachovia that we set up.

4 Q. Who is we?

5 A. My husband and I set up for Ms. Drews.

6 Q. And so at her death, what did you do with
7 that money?

8 A. Well, a lot of it was paid for her -- well,
9 that's in here, what was done with it. The
10 funeral, Magnolia Cemetery. There's a list of
11 everything here. It came to \$11,823.07.

12 Q. And the third item on Bates number 2 is
13 Wachovia checking, and it lists \$7,599 --

14 A. That went into my account, too, because it
15 was left to me.

16 MS. HILL: Make sure and let her finish
17 asking her questions because it's -- the court
18 reporter, it makes it real hard for her to get both
19 of you-all when you are talking at the same time.

20 Q. How was it determined that the balance of
21 the Wachovia checking account was the \$7,599?

22 A. How was it determined?

23 Q. Yes.

24 A. We went to Wachovia after she died to check
25 all of this -- before she died to check all of this

1 out.

2 Q. If you will turn to Bates number 33. It's
3 the number in the lower right-hand corner, that's
4 Bates number 33 of Plaintiff's Exhibit 2.

5 (Exhibit No. 2 was marked for
6 identification.)

7 Q. Now, that's a statement from February to
8 March 2010 for Effie Drews' Wachovia account ending
9 in 487; is that correct?

10 A. Yes.

11 Q. And it has a withdraw of \$8,683.73 closing
12 the account -- or making the closing balance 0; is
13 that correct?

14 A. Yes.

15 Q. So I was curious why the amount listed in
16 her assets is \$1,000 less than what was withdrawn
17 from her account?

18 A. I don't know why. I can find out, I'm sure.

19 Q. Who would you find that out from?

20 A. I can go home and look in my accounts, what
21 I have.

22 Q. You said that your husband put this document
23 together?

24 A. He did.

25 Q. So was he the one dealing with the money for

1 the estate?

2 A. No. We both were. He just put it together,
3 you know.

4 Q. Who withdrew this money from account 487?

5 A. You're talking about the 8,000?

6 Q. \$8,683.

7 A. I probably took that out and put it in my
8 account because it was left to me. She left
9 everything to me.

10 Q. But then when you listed it on the assets
11 for the estate, it has been reduced.

12 A. Did I put it on there?

13 Q. Yes, ma'am.

14 A. Well, it might have been a mistake. I don't
15 know. It's just hard to know when this all
16 happened.

17 Q. Who has the vehicle that Effie had when she
18 died?

19 A. It was sold.

20 Q. And what was the money -- what was done with
21 that money?

22 A. It was put in her estate \$3,000.

23 Q. Which account was that put into?

24 A. We had -- we opened an account -- first we
25 opened a money market account, I think, and then we

1 changed that to an estate account I held together
2 for whatever the -- when we went to probate,
3 whatever they said belonged to the estate. That
4 was with Wachovia that we put that in.

5 Q. Now, if you will turn to Bates number 56 in
6 Exhibit 2.

7 A. 56.

8 Q. This is an account ending in 254 with
9 Wachovia for the estate of Effie Drews; is that
10 correct?

11 A. Uh-huh. Yes.

12 Q. And it shows deposits totaling approximately
13 \$15,000.

14 A. Yes.

15 Q. And is this account holding all of the
16 assets that remain of your sister's estate?

17 A. I know it's in -- I would have to look at
18 home, but it's -- there's 13,900-some dollars left
19 in the estate --

20 Q. Well --

21 A. -- after the bills were paid.

22 Q. So then turning back to the front of
23 Exhibit 2 to Bates number 3, it lists the expenses
24 of your sister's estate. And then at the end the
25 bottom line is assets less expenses is \$43,747.77

1 as of December 2010; is that correct?

2 A. Right.

3 Q. Where is the remaining money from the
4 \$43,000 here?

5 A. Well, it belonged to me. It went into my
6 account, and this is left, the expenditures of
7 her --

8 Q. So it's approximately a \$28,000 difference
9 between what's in her estate account and what's
10 listed on Bates number --

11 A. Well, you know, all of this adds up. A CD
12 was mine. I put in my account. The checking went
13 into my account. And that was left to me. The CD
14 from RBC, and that's why it was -- the remainder is
15 43,000-dollars-and-something. 3,000 was the
16 estate. AARP was in the estate. These refunds
17 were in the estate.

18 Q. Well, I will represent to you that the
19 Answer to the Amended Complaint that we were
20 looking at a little while ago for the common pleas
21 action filed against you lists -- or asks about the
22 net worth of your sister's estate. And your
23 response in your Answer was that you had no
24 knowledge of the assets in your sister's estate.
25 And I would like to know the basis for you not

1 having any knowledge of it if you have received all
2 of these moneys?

3 A. I don't remember saying I didn't know
4 anything about the assets.

5 Q. I will show you, Ms. Atkinson, the Answer to
6 the Amended Complaint in the common pleas action.
7 It's paragraphs 33, 35, and 36 that relate to the
8 estate of Ms. Drews.

9 A. I had to know the assets because I had to --
10 was the -- had to go to probate court. All of that
11 had to have been on here, the net worth.

12 MS. HILL: Here's 33.

13 A. I don't understand any of this.

14 Q. Did you consult with your attorney when the
15 Answer to the Amended Complaint was being prepared
16 in this case -- in the common pleas action?

17 A. I don't remember. I'm sorry, but I don't
18 remember.

19 Q. So do you agree that you received the assets
20 of your sister's estate?

21 A. Yes, it was left to me.

22 Q. You also had in your Answer that your
23 attorney prepared, in the probate case, had -- I
24 will represent to you that you had answered
25 that you had -- you denied the judgment against Mr.

1 Dews' estate. Did you have any basis or any
2 knowledge about the judgment against Mr. Dews'
3 estate?

4 A. Not until he died -- after he died, and it
5 was against him. There was no judgment against my
6 sister.

7 Q. But you do agree that there is a judgment
8 against Mr. Dews?

9 A. Well, I understand there is, yes. After he
10 died I found all of that out.

11 Q. And do you agree that the judgment is now
12 against Mr. Dews' estate?

13 A. Right.

14 Q. And you have no knowledge of whether or not
15 the moneys that were in your sister's account were
16 Mr. Dews' moneys, do you?

17 A. No.

18 Q. We had issued a subpoena to RBC Centura a
19 while back that your attorney was copied on, and it
20 listed numerous accounts that were not listed in
21 your responses to discovery about the accounts that
22 exist. Why is that?

23 A. Numerous? I have a small checking account
24 at RBC, and as far as I know, two CDs.

25 (Exhibit No. 3 was marked for

1 identification.)

2 Q. Let's just go through them then. This has
3 been marked as Plaintiff's Exhibit 3. And it is an
4 RBC account ending in 1316 that I do not believe
5 was listed in your responses to discovery. You can
6 just take a look at that, and it's a printout of
7 the activity in that account. Just let me know
8 when you're done looking through it.

9 A. What did I leave out? I have three -- two
10 CDs there, and a checking account.

11 Q. Well, okay. Just to clarify. This account
12 ending in 1316 --

13 A. Where is that?

14 Q. -- that's marked as Plaintiff's Exhibit 3 --

15 A. This is my daughter that -- I had a CD there
16 long before. That was left to her.

17 Q. Now, if you will turn to what's been Bates
18 number stamp -- Bates number 3, on the lower right
19 corner of Plaintiff's Exhibit 3, and it shows a
20 deposit in March of 2010 for \$10,493.14, which --
21 if we go back to Exhibit 2, Bates number 43 and
22 Bates number 73, shows that that is the insurance
23 CD that was deposited from your sister; is that
24 correct?

25 A. Right.

1 Q. Okay. So that is the account holding this
2 insurance money from Mr. Drews; is that correct?

3 A. Correct.

4 Q. And I'll show you what has been marked as
5 Plaintiff's Exhibit 4.

6 (Exhibit No. 4 was marked for
7 identification.)

8 Q. Now, this is an account that was referenced
9 in your request for production on Bates number 73
10 of Plaintiff's Exhibit 2. And it's an account that
11 you held jointly with your sister, Effie Drews; is
12 that correct?

13 A. Correct.

14 Q. And it's ending in account number ~~XXXX~~ with
15 RBC Centura, correct?

16 A. Correct.

17 Q. Now, if you will look to the very last page
18 of Plaintiff's Exhibit 4, it shows that ending
19 balance was \$10,493.13 in March of 2010. Do you
20 see that?

21 A. Yes. That's a CD, right?

22 Q. So that is the amount that was deposited
23 into your RBC Centura account ~~XXXX~~?

24 A. Uh-huh.

25 Q. Okay. And account 1316 is still open; is

1 that correct?

2 A. Yes. It's the CD -- two CDs.

3 Q. Now, I am going to show you what has been
4 marked as Plaintiff's 7. And it's an RBC Centura
5 account ending in ~~4433~~.

6 MS. HILL: If you want to go copy it,
7 we can stop, but I'm not going to go without.

8 MS. DRAWDY: Are we waiting on somebody
9 to get a copy?

10 MS. HILL: Uh-huh.

11 Q. Now, the last page of Plaintiff's Exhibit 7,
12 which is Bates numbered 7 --

13 (Exhibit No. 7 was marked for
14 identification.)

15 Q. -- for the RBC account ~~4433~~, and it shows
16 that on February 13th, 2007, there was a balance of
17 \$50,014.69; is that correct?

18 A. Correct.

19 Q. And then if you turn to Plaintiff's
20 Exhibit 2, Bates number 98, this is the check paid
21 to you for \$50,041.69 that was endorsed by you and
22 then later by Dorsey Biller; is that correct?

23 A. Correct.

24 Q. So this is the money that you're saying that
25 Dorsey Biller did the accounting for?

1 A. Yes.

2 Q. Now, that money came out of account number
3 7085; is that correct?

4 A. That's what it says, yes.

5 Q. Okay. So I am going to show you what has
6 been marked as Plaintiff's 9.

7 (Exhibit No. 9 was marked for
8 identification.)

9 Q. This is a First Southeast Bank statement for
10 your sister's account from January 2007. Do you
11 see that?

12 A. Yes.

13 Q. Okay. Then the first page of Plaintiff's 9
14 lists four checks, three for \$9,950 and one for
15 \$18,092.89 making a total of \$47,942.89; is that
16 correct.

17 A. Correct.

18 Q. And then attached are the following pages
19 one -- 2 through 5 of Plaintiff's 9 list those
20 copies front and back of those checks; is that
21 correct?

22 A. Correct.

23 Q. And you have endorsed, along with your
24 sister, the back of each of those four checks; is
25 that correct?

1 A. Correct.

2 Q. Now, the deposit stamp on the back of each
3 of those checks lists an RBC Centura account number
4 053100850; is that correct?

5 A. Where would that be?

6 Q. If you turn the second page of Plaintiff's 9
7 sideways, the back side of the checks show the
8 stamp for February 7th, 2007. And that's true of
9 all of the remaining checks attached to Plaintiff's
10 9. Do you see that?

11 A. I see it.

12 Q. Whose account is that?

13 A. Didn't this come from RBC?

14 Q. This is from First Southeast.

15 A. Oh, I don't know anything about those.

16 Q. Well, these four checks that you endorsed
17 are from First Southeast, do you recall endorsing
18 those checks?

19 A. I did endorse the checks, but I didn't look
20 at them. I knew it was her money, and I had no
21 reason to look at them.

22 Q. And when you endorsed them, you deposited
23 them into an RBC account, correct?

24 A. Correct.

25 Q. Which account is this?

1 A. It was a money market account -- a CD
2 account.

3 Q. Well, the \$50,000 check that we have been
4 discussing is from account ending [REDACTED] from RBC,
5 and I'm curious what account these four checks with
6 RBC were deposited into, because it's not from the
7 account that issued the \$50,000 check to Dorsey
8 Biller.

9 A. I don't know. I know I deposited them in
10 RBC.

11 Q. Did you retain the \$47,000 that were
12 deposited into this unknown account with RBC?

13 A. Did I retain it?

14 Q. Yes, ma'am.

15 A. No.

16 Q. Would you agree with me that this -- the
17 back of these four checks do not show that they
18 were deposited into account [REDACTED]?

19 A. I don't know what happened to them. All I
20 know is I deposited the checks into RBC, and I
21 withdrew them on the 13th. I took this cashier's
22 check to my sister, and that's all I know about it.

23 Q. You received \$47,000, approximately, in
24 these four checks. If this is the same money that
25 was given to Dorsey Biller --

1 A. It has to be.

2 Q. -- why is there a difference between the
3 \$47,000 approximately that you received on
4 February 7th, 2007 in one account that was
5 deposited, and then the \$50,000 check that was
6 issued out of account ~~xxxx~~?

7 A. I don't understand.

8 MS. HILL: Can you ask that again?

9 Q. When you received these four checks from
10 First Southeast that are paid to your sister, who
11 decided what bank account they would be deposited
12 into?

13 A. My sister asked me to open an account in my
14 name, an RBC -- CD at RBC.

15 Q. Why did she ask you to open an account in
16 just your name?

17 A. I didn't ask her that. I just assumed it
18 was because they wanted someone to have it that
19 they knew in case in the future if they needed
20 money, if one of them died, that that's where it
21 would be.

22 Q. Why wouldn't they just keep the money
23 themselves?

24 A. I don't know.

25 Q. Did you ask them?

1 A. No.

2 Q. Have you ever had any conversations with
3 anyone about why they would give you money to hold
4 for them?

5 A. No, I haven't.

6 Q. Have they ever done that before?

7 A. No.

8 Q. Do you know of anyone else that they have
9 given money to to hold for them?

10 A. No, I don't.

11 Q. Have you ever had any conversations with
12 Donald Lancaster about whether he was holding money
13 for the Drews?

14 A. No.

15 Q. Do you know anything about that?

16 A. No. Hearsay I know. I know he talked to my
17 husband about, you know, buying -- I didn't even
18 know they didn't own their house until he died.

19 Q. And how did you learn that?

20 A. Because he told us.

21 Q. Who is he?

22 A. Donald.

23 Q. What did he tell you?

24 A. That he had -- he had bought the house.
25 That the house was given him. That was it.

1 Q. Why was the house given to him?

2 A. And he was going to let them live in it
3 until they died. That's when he was trying to help
4 my sister get papers together or whatever they
5 needed to do because of the subpoena she had
6 gotten.

7 Q. Did Donald say why the house was given to
8 him?

9 A. No. He didn't say anything to me. I didn't
10 ask.

11 Q. Did Donald say anything else about what the
12 Drews had given to him over the years?

13 A. No.

14 Q. About anything --

15 A. Not to me, no.

16 Q. Who did he say something to?

17 A. I don't know.

18 Q. Is there anything else that your husband was
19 told about Mr. Drews' money?

20 A. No, not that I know of.

21 Q. Do you have anything to show that this
22 \$47,942 that was deposited into an RBC account by
23 you, do you have anything to show that that
24 47,000-some-odd dollars is the same money that was
25 issued out of account number [REDACTED]?

1 A. Well, you see where I deposited the money in
2 RBC.

3 Q. It's deposited into an account ending in
4 ~~8704~~ -- I'm sorry, ~~8704~~.

5 A. Well, that's my account evidently. RBC
6 wouldn't give you somebody else's account if it was
7 deposited into mine.

8 Q. Well, you have numerous accounts with RBC.

9 A. I have two. I have two CDs and a checking
10 account.

11 Q. But you will agree that account ending in
12 ~~0950~~ is different than account ending ~~7005~~, will
13 you agree with me that those are different
14 accounts?

15 A. Well, it must be. I have two accounts
16 there.

17 Q. After this \$47,942 was deposited by you --

18 A. Along with a check Ms. Drews made.

19 Q. What was that check for?

20 A. I don't know. I didn't look at them, but it
21 came to \$50,000.

22 Q. And did you sign that check also?

23 A. Yes. And that's what went to Dorsey. The
24 cashier's check was given back to me for \$50,000 --
25 \$50,041 and something, and I took that check to my

1 sister, and we found out later the check was taken
2 to Dorsey.

3 Q. But you have nothing to show that these four
4 checks that were deposited into an RBC account by
5 you are the same moneys that were given back to
6 Dorsey Biller, do you?

7 A. Well, it seems to me like it would tell you
8 that right there. I don't understand it. I knew
9 nothing about any of the affairs with my sister or
10 brother-in-law because they never told me anything,
11 and they called and asked me to do this for them,
12 and I did it.

13 Q. When you say they called you --

14 A. She called me. I'm sorry.

15 Q. Did you ever have any conversations with Mr.
16 Drews about accepting money for them and holding it
17 for them?

18 A. No, I didn't.

19 Q. I will show you what has been marked as
20 Plaintiff's Exhibit 5.

21 (Exhibit No. 5 was marked for
22 identification.)

23 Q. This is an RBC account ending in 9486 that's
24 in your name payable on death to Drew Putt.

25 A. Right.

1 Q. Who is your daughter, correct?

2 A. Right.

3 Q. Now, what is this account? This is a CD
4 that you're referring to, correct?

5 A. Correct.

6 Q. And how much is this CD worth?

7 A. I don't know. I would have to -- I don't
8 know until they send me something in the mail.

9 11,295 I imagine on the back.

10 Q. Was this listed in your bank accounts when
11 you were doing responses to this discovery?

12 A. I don't know.

13 (Exhibit No. 6 was marked for
14 identification.)

15 Q. And this is an account ending in 8969 that's
16 a CD held in your name payable on death to Drew
17 Putt, correct?

18 A. Correct.

19 Q. What's the value of this?

20 A. 10,429.

21 Q. Was this listed in your list of bank
22 accounts when you were answering discovery?

23 A. It should have been. I don't know whether
24 it was or not. It should have been listed.

25 Q. And Plaintiff's Exhibit 8 -- I don't know if

1 you have looked at that already. Now, Plaintiff's
2 Exhibit 8 is account -- a checking account held in
3 your name with RBC Centura that's ending in ~~XXXX~~.
4 This is the sole checking account that you have
5 with RBC?

6 (Exhibit No. 8 was marked for
7 identification.)

8 A. Uh-huh.

9 Q. Have you ever had any other checking
10 accounts with RBC?

11 A. No.

12 Q. And the 47 -- approximately \$47,000 worth of
13 checks that you deposited into RBC, was that
14 deposited into a checking account?

15 A. The 47 --

16 Q. The four checks that total the 47,000 --

17 A. That was deposited into a CD.

18 Q. Which CD that we have looked at so far?
19 Which statement? Because I issued a subpoena to
20 RBC for every bank account held in your name or
21 your sister's name or jointly between you and your
22 sister, and I received statements for six accounts,
23 and none of them match the numbers on the back of
24 the checks that you deposited that total \$47,942.

25 Now, you said that your sister asked you to

1 open an account in February of 2007 specifically to
2 deposit these checks into.

3 A. That's the only reason was to put them in
4 there and -- in the CD.

5 Q. What else did you do with this account that
6 you specifically opened for your sister and Mr.
7 Drews?

8 A. What else did I do with it?

9 Q. Had you ever deposited or done anything else
10 activitywise with that account that you opened for
11 your sister and Mr. Drews?

12 A. I got it out and gave it to my sister.

13 Q. So nothing else has ever occurred in this
14 account?

15 A. No.

16 Q. Do you have any records on this account?

17 A. Well, I will certainly go down to RBC
18 tomorrow and find out.

19 Q. Was this account that you deposited the
20 47-some-odd -- \$47,942 in for your sister and Mr.
21 Drews, that you opened specifically for Mr. Drews
22 and your sister, that was listed in your discovery
23 responses as an account held in your name?

24 A. I opened it for Ms. Drews. The four checks
25 were taken there, and I put it in a CD on the 7th

1 of February. And on the 13th of February I
2 withdrew it because she asked me to and took it
3 back. And you have the proof of that with the
4 cashier's check.

5 Q. No. I have a cashier's check that was
6 issued from an account ended in 7085, but on the
7 back of this check I don't see any number ending in
8 7085. If you will take a look at Plaintiff's
9 Exhibit 9 --

10 A. Where is that?

11 Q. -- and show me where on the back of that
12 check it shows that it was deposited into account
13 ending 7085?

14 A. Where do I find that?

15 Q. It's right here.

16 A. This one. What number?

17 Q. The cashier's check that was given to Dorsey
18 Biller came from account number ~~7085~~ -- ending in
19 number -- the account number is ~~7085~~ that
20 was issued from RBC paid to you, and then endorsed
21 on the back by Dorsey Biller for \$50,041.69.

22 I'm asking you in Plaintiff's Exhibit 9, the
23 four checks that you endorsed and deposited into
24 RBC, if you will show me where they indicate that
25 they were deposited into RBC account ending in

1 7085?

2 A. Are the three checks in here?

3 Q. There are four checks attached to the back
4 of Plaintiff's Exhibit 9.

5 A. This is from Southwest, not from RBC.

6 Q. The checks you're looking at were issued
7 from First Southeast, which is Effie Drews'
8 account, and on the back of those First Southeast
9 checks, they are shown they are deposited into RBC
10 accounts.

11 A. Yes.

12 Q. Yes. But they do not indicate that they
13 were deposited into RBC account ~~from~~ from which the
14 moneys to Dorsey Biller came. Do you agree with
15 me?

16 A. I don't know. I'm going to have to go to
17 RBC and find out what has happened. I don't
18 understand it. I don't understand it. I deposited
19 the money, and then a week later got it out,
20 cashier's check. That's all I know. I had no idea
21 it wasn't in there.

22 Q. Have you ever -- over the course of the time
23 that you have known Mr. Drews ever been asked to
24 hold money for him?

25 A. No.

1 Q. So this was the first time?

2 A. I beg your pardon?

3 Q. In 2007 was the first time that you were
4 asked to hold money for Mr. Drews?

5 A. For Ms. Drews I was asked to deposit some
6 money, some checks.

7 Q. I believe you testified earlier that Ms.
8 Drews had asked you to hold money for them, she and
9 her husband; is that correct?

10 A. What do you mean hold? She asked me to
11 deposit checks in the RBC Bank, which I did.

12 Q. Did she -- you had testified before that she
13 asked you to specifically open an RBC account to
14 deposit their money; is that correct?

15 A. Yes.

16 Q. Did that not seem odd to you?

17 A. She asked me. No, it didn't seem odd to me.
18 I figured they needed the money maybe for future
19 references. I was the executrix of both of their
20 wills, and if one of them died, there would be
21 money to take care of the other, you know. I just
22 assumed that. I did it because she asked me to.
23 They didn't ask me to do much of anything in my
24 life.

25 Q. Did they -- did you owe them any money?

1 A. Did I owe them money? No.

2 Q. Did they owe you any money?

3 A. No.

4 Q. So they were just giving you \$47,000 or were
5 you supposed to use that money for yourself?

6 A. No. I was supposed to use that for them.
7 This money should have gone in a separate account,
8 a CD, and, you know, I'm going to go find out why
9 it's different than the -- I know nothing about
10 their business, never did.

11 Q. When you were providing your attorney with
12 information about your bank accounts to list in the
13 discovery responses, was there a reason that you
14 did not include the accounts ending in 13169486 and
15 8969 with RBC?

16 A. What are those? CDs.

17 Q. The ones that we just looked at, which are
18 Exhibits 3, 5, and 6.

19 A. I don't know. I thought I had.

20 Q. Okay. And do you have any records at home
21 regarding this account that you opened on behalf of
22 your sister, Effie Drews, and Mr. Drews?

23 A. I just have copies like the cashier's check.

24 Q. Now, that's the cashier's check for account
25 number 7085, which is Plaintiff's Exhibit 7; is

1 that correct?

2 A. I'm getting so confused. I don't know these
3 numbers, you know. I can't remember what numbers
4 all of these accounts were in.

5 Q. Sure.

6 A. And I need to write down the -- what you're
7 telling me about the checks that were deposited --
8 or taken out of another --

9 Q. If you will look at Plaintiff's Exhibit 7,
10 Plaintiff's Exhibit 7 is an account held in your
11 name that was opened with account ending 7085.

12 A. Okay.

13 Q. And I'm just trying to clarify whether or
14 not that account is the same account that you
15 deposited -- you specifically opened for your
16 sister and Mr. Drews and deposited their money
17 into?

18 A. Yes. It says right here, 50,000.

19 Q. And you're telling me that there's another
20 check somewhere that is not -- that no one has a
21 copy of that takes your --

22 A. I don't know. This came to -- she wrote --
23 you mean there's only three checks in here that
24 you're showing.

25 Q. I have four checks that total \$47,900, and

1 you said that Effie wrote an additional check?

2 A. There should be four checks only.

3 Q. I have four checks. Three for \$9,950, one
4 for \$18,092.89, that total \$47,942.89?

5 A. Well, there should be another check for --

6 Q. And that's the check I'm asking you about.

7 A. Well, I don't know.

8 Q. Do you have a copy of that check?

9 A. No. I didn't look at any of that. I just
10 signed it.

11 Q. Do you know what check that bank account --
12 do you know what bank account that check was issued
13 from?

14 A. No.

15 Q. Do you know who signed that check?

16 A. I did. She did and I did. I'm going by
17 there. That should have been in here. They should
18 have --

19 Q. Who handed you the First Southeast checking
20 account -- the checks that you're looking at in
21 Plaintiff's Exhibit 9, the four checks that you
22 endorsed the backs of, who handed those to you?

23 A. Effie Drews.

24 Q. Was Mr. Drews present?

25 A. Yes, he was.

1 Q. Where was this?

2 A. At their home.

3 Q. And you drove over there to pick up these
4 checks?

5 A. Yes, I did.

6 Q. What did Mr. Drews say?

7 A. He didn't say anything. This was her money.

8 Q. How do you know that was her money?

9 A. Because she told me.

10 Q. Do you have any other independent basis for
11 believing that was her money?

12 A. No. But her name was on them.

13 Q. Did she ever have any independent source of
14 income besides her husband?

15 A. No. Except I told you she had a Social
16 Security check she got each month.

17 Q. Did she ever represent to you that this
18 47,000-some-odd dollars that came out of the First
19 Southeast account was from her Social Security?

20 A. No.

21 Q. And you said you don't recall where the
22 other fifth check came from?

23 A. My husband was with me when we did this, and
24 he said Effie wrote a check to make it 50,000.

25 Q. Who said that?

1 A. My husband.

2 Q. Why was he saying that to you?

3 A. Because he was standing there -- we both
4 were standing there, and I know that it was
5 \$50,000.

6 Q. Was there anyone else present besides you
7 and your husband and Ms. Drews and Mr. Drews?

8 A. No. I'm going to RBC because they have to
9 have another check that was not -- that they did
10 not give you because the amount deposited was 50.
11 And the cashier's check, you know, had made a
12 little interest. I don't have that at home, but
13 I'm going to find it.

14 Q. So other than her Social Security, Ms. Drews
15 had no other source of income; is that correct?

16 A. That's correct.

17 Q. Did Ms. Drews ever talk to you about
18 property that was in her husband's name that was
19 transferred into her name?

20 A. No.

21 Q. Did you ever talk to anyone about that?

22 A. No.

23 Q. Did you know anything about property being
24 held in Ms. Drews' name?

25 A. No, I don't know. I don't know any of that

1 business of their property.

2 Q. Do you know anything about the business
3 transactions or real estate transactions between
4 Don Lancaster and Mr. and Ms. Drews?

5 A. I don't know any detailed information. All
6 I know is that I found out he owned the house.

7 Q. What else about that did you learn?

8 A. That he owned the house and that they could
9 live in it -- I think it was given to him. You
10 know, I'm just not sure.

11 Q. Was Mr. Lancaster telling this to you?

12 A. Well, we were sitting at the table in my
13 sister's kitchen after her husband died, and that's
14 when we found -- my husband and I were there, and
15 that's when we found it out, that the house was --
16 that's when we found out. We didn't know anything
17 about the lawsuit or anything until he died.

18 Q. Why was Alden Scott listed as a witness in
19 this case?

20 A. I guess because he's my husband.

21 Q. Is there anything specific -- specifically
22 that he is a witness about for this case?

23 A. He knows -- he's the one that helped with
24 the probate and did most of it because he's --

25 Q. And he was present when you received the

1 money for the Drews in 2007; is that correct?

2 A. Yes. When they gave it to me.

3 Q. Are you and Mr. Scott separated?

4 A. Yes, we are.

5 Q. When was that?

6 A. 14th of January.

7 Q. Was Hank Atkinson ever present during any
8 conversations about the Drews' money?

9 A. Not that I know of.

10 Q. What about Drew Putt?

11 A. No.

12 Q. Do you know Don Lancaster's brother, Ray
13 Lancaster?

14 A. I have met him. I don't know him.

15 Q. When was that?

16 A. I met him many years ago.

17 Q. Where did you meet him?

18 A. At the Drews' home when they lived downtown
19 is the first time I met him.

20 Q. Have you had any conversations with him in
21 the last five years?

22 A. No.

23 Q. What about Don Lancaster, when is the last
24 time you talked to him?

25 A. At my sister's funeral.

1 Q. What was that conversation about?

2 A. It was about \$2,500 that was found in the
3 house. And I told him about it because he was
4 taking my sister to the lawyer, and he said that
5 was money for the lawyer. So I gave him 2,000 and
6 about three or four days later, I found \$500 in a
7 purse. And I called him and told him I needed the
8 money because it was part of the estate, and he
9 sent me \$1,800, and said he had taken 200 out for
10 the rent -- for the electricity. So I wrote a
11 check for the 2,500 and put it in to her estate
12 account. And that's the last time I talked to him.

13 Q. Okay. You said --

14 A. No, it wasn't. I think we all went -- I
15 can't remember. I can't remember the last time. I
16 think that was -- for anything like that that
17 concerned Ms. Drews, that was the last. And then
18 we went -- we went to Kerry Koon's office after my
19 sister died, and he was there, but I can't even
20 remember if we -- I didn't talk --

21 Q. Who went to Mr. Koon's office after Effie
22 died?

23 A. When I got the summons and Donald had to go
24 for some reason. We both went.

25 Q. Anybody else present?

1 A. No. Kerry.

2 Q. Did your husband go?

3 A. No.

4 Q. You said that you found \$2,500 in the house,
5 and then you said you gave 2,000 of it to Donald?

6 A. Well, that's what I found first. And I told
7 him that I had found it, and he said, well, that
8 must be for the -- Dorsey must have given that for
9 the lawyer's fee. And since he had been taking
10 her, you know, I handed it to him -- to the lawyer,
11 you know.

12 Q. Did you just say Dorsey must have given that
13 for the attorney?

14 A. No. He said that Dorsey must have -- she
15 must have just gotten money from Dorsey for
16 lawyer's fees. That must be what it was.

17 Q. Why was Dorsey giving Effie money for
18 lawyer's fees?

19 A. I imagine the money that there's an account
20 of there, when she needed money. Maybe she asked
21 him, you know. Maybe she asked him and told him
22 she needed some money. I don't know. But anyhow I
23 told him I needed it back. After I found the other
24 500, I put it in the estate.

25 Q. Did you know what this accounting that Mr.

1 Biller had done -- did anyone indicate to you when
2 he was supposed to make these payments?

3 A. No. I don't know anything about that.

4 Q. Do you know whether it was on an as-needed
5 basis?

6 A. I don't know. I know she was a very frugal
7 person. She didn't spend a lot of money. She was
8 very careful with her money, and she -- you know,
9 she lived very simply. So I don't know how often
10 he gave her money.

11 Q. Going back to the money that you found in
12 the house. You said that you initially gave the
13 \$2,000 to Donald, and then you found \$500 after
14 that.

15 A. Yes.

16 Q. What did you do with that?

17 A. I put it in her estate.

18 Q. And then --

19 A. After he sent me the 1,800, I wrote a check
20 for 2,500 and put it in the estate because he had
21 taken 200 out to make it the 25, which was found.

22 Q. Which is the check that was written off of
23 your account?

24 A. Yes.

25 Q. Ending -- it's the account ending in 315.

1 Is that your Wachovia account?

2 A. Probably.

3 Q. Any other money that was found in the house..

4 A. No, I didn't find any.

5 Q. So what have you done with the proceeds from
6 Effie's estate?

7 A. What have I done with the proceeds? I paid
8 her bills.

9 Q. Which were \$11,823.

10 A. Right. And the other money was left to me,
11 so that was put in various accounts. I don't know
12 which ones.

13 Q. Who -- do you deposit them or did someone
14 else deposit them?

15 A. I did.

16 Q. So was there a rhyme or reason to how you
17 disbursed the money throughout your accounts?

18 A. No. Well, two were CDs, you know. One may
19 have gone into my money market or a checking at
20 Wachovia. It's all there.

21 Q. On Bates number 5 of Exhibit 2, which is the
22 second page of the petition for Effie's estate that
23 you opened, I was just curious, number 11 it lists
24 the decedent's estate at about \$12,000. Was that
25 just a guess that you made at the time?

1 A. Well, it probably was. It says about the
2 value.

3 Q. And then going to Bates number 24 of
4 Exhibit 2, who prepared what's Bates numbered 24 of
5 Exhibit 2?

6 A. It looks like I did.

7 Q. You did that?

8 A. This?

9 Q. Listed at the top is transaction register,
10 Wachovia, temporary account.

11 A. Uh-huh.

12 Q. Ending in ~~254~~

13 A. Well, my husband helped me with all of this,
14 but this is my writing.

15 Q. And then turning to Bates number 25, is that
16 also your writing?

17 A. Yes.

18 Q. And that's Wachovia checking account ending
19 in 254 for the estate of Effie Drews; is that
20 correct?

21 A. That's the estate account we opened for her.

22 Q. And now the one on Bates number 24, you said
23 that was just a temporary account for her estate?

24 A. Yes. Until we got it into the estate
25 account.

1 Q. What was the reason for needing a temporary
2 account before you --

3 A. Because we didn't know anything about what
4 we were going to have to do, so we just wanted to
5 get the money in an account. And then we were told
6 that, you know, by the bank, that whatever went
7 into the estate, we would have to open an estate
8 account, which we did.

9 Q. Who purchased the Buick for \$3,000?

10 A. I have got his name at home. I can't think
11 of it.

12 Q. And then on Bates number 25 it says \$1,200
13 to Kerry Koon, attorney. What was that for?

14 A. That's what she owed him for his
15 representation.

16 Q. Now, the \$3,000 is listed under the same
17 line. You guys just listed your credits and debits
18 all on the same line there?

19 A. Yeah. I guess it looks like that.

20 Q. Bates number 52 of Exhibit 2, which is your
21 Wachovia account ending in [REDACTED], what was the
22 material reason for including this in your document
23 production?

24 A. Well, I think this was the temporary
25 account -- or it looks like it. Or maybe I just

1 made a mistake and put mine in there. I don't
2 know. That's what it looks like.

3 Q. Because Bates number 56, that we had already
4 looked at before, this is the permanent estate
5 account, is that correct, ending in [REDACTED]?

6 A. Yes.

7 Q. Now, it starts with a balance of \$15,103.93
8 as the deposit into that account opening that
9 account; is that correct?

10 A. I think so, and then I added to it.

11 Q. And now these were produced a few months
12 ago. Do you know what the balance on that account
13 is now?

14 A. Which one?

15 Q. Ending in 254 for the estate of Effie Drews.

16 A. I mean, it's 13,900-and-some dollars.
17 Didn't get any interest.

18 Q. What was the reduction from 15 to 13?

19 A. The money for Kerry Koon.

20 Q. When did you pay him?

21 A. I don't know. I will have to --

22 Q. When is the last time that you spoke with
23 Kerry Koon?

24 A. Huh?

25 Q. When was the last time you spoke with Kerry

1 Koon?

2 A. November of last year.

3 Q. What was that about?

4 A. Another lawyer -- getting another lawyer.
5 He was fed up of 18 years of this going on. That's
6 what he said. He was tired of it. It should have
7 been over.

8 Q. If you will look at Bates number 52 and
9 compare it with Bates number 24. That would show
10 that that is the temporary account that you opened;
11 is that correct?

12 MS. HILL: You said 24?

13 MS. DRAWDY: Yes, ma'am.

14 Q. So that is the temporary account?

15 A. Yes.

16 Q. The Bates number 74 of Plaintiff's 2 -- and
17 actually we will start at Bates number 73. This is
18 the insurance policy. It says issue date 2007 for
19 \$10,035.46. And then whose handwriting is that --

20 A. My husband's.

21 Q. The handwriting that indicates deposit to
22 purchase CD above?

23 A. Yes.

24 Q. That's your husband's handwriting?

25 A. Yes.

1 Q. Now, this is the -- the \$10,045 is the money
2 from Mr. Drews' insurance; is that correct?

3 A. I would think so.

4 Q. Okay. When did your husband write that, do
5 you know? On Bates number 73.

6 A. No, I don't.

7 Q. Turning to Bates number 74, this indicates
8 an account at the top, ~~XXXX~~. I will just represent
9 to you that that's the account statement we looked
10 at that's Plaintiff's Exhibit 3. What was the
11 reason that -- or did Effie ever talk to you about
12 this 10,000 -- approximately \$10,000 from her
13 husband's insurance, why she didn't want to use it
14 herself?

15 A. No. She wanted to buy a CD with it.

16 Q. And who did she have help her do that?

17 A. I went with her.

18 Q. When did you go?

19 A. I don't know. I will have to look at the
20 date at home. I don't know. 2010. That can't be
21 right.

22 Q. I believe that was when it was deposited
23 into your account.

24 A. Oh, yes. That's right.

25 Q. Is there anything else as far as exchanges

1 of money or property that you have been involved in
2 with Mr. Drews and Ms. Drews that we haven't
3 discussed today?

4 A. No. I have never been involved in any of
5 their property or any of their business.

6 Q. I will show you what has been marked
7 Plaintiff's Exhibit 1, which is the subpoena and
8 notice of deposition.

9 (Exhibit No. 1 was marked for
10 identification.)

11 Q. It's actually just the notice of deposition
12 to you, and it lists documents for you to either
13 produce or bring with you today to produce. Are
14 there any other documents that you brought with you
15 today besides what your attorney's already produced
16 to us?

17 A. No. I don't know if I have any more.

18 Q. Have you made a search of the documents?

19 A. I have tried to go through everything and --

20 Q. What did you do to prepare for today's
21 deposition?

22 A. I went over a lot of the stuff that I have
23 at home, and I talked to my attorney. I have never
24 had any -- I think we have brought all of this.
25 Whatever I have here is what I have. I never had

1 any business dealings with my brother-in-law or
2 sister. I know nothing about their --

3 MS. DRAWDY: Okay. I think we are
4 just going to take a quick break.

5 (Off-the-record discussion.)

6 Q. Ms. Atkinson, are you aware that my client
7 has filed a claim against Effie Drews' estate?

8 A. Yes. Not against hers. I thought it was --
9 I thought the judgment was against Bob Drews.

10 Q. There is a judgment against Bob Drews.

11 A. But not one was against her, was it?

12 Q. But there is a claim that my client, Frank
13 Gordon, has filed against Effie Drews' estate. And
14 my question to you is we have not received any
15 notice of disallowance or denial of that claim; is
16 that correct?

17 A. No, I haven't.

18 Q. You have not filed a notice of disallowance?

19 A. No.

20 Q. And you have not filed a denial of our claim
21 against your sister's estate?

22 A. No.

23 Q. The codicil to your sister's will lists that
24 all personal property would go to your daughter,
25 Drew Putt; is that correct?

1 A. Correct.

2 Q. What personal property went to your
3 daughter?

4 A. Well, it was a lot of -- her dining room,
5 silver, flatware, you know.

6 Q. So basically was it all of her personal
7 property in the house at the time of her death?

8 A. Yes.

9 Q. Is there anything left in the house now that
10 belongs to her?

11 A. No. The house was sold. It was sold right
12 away.

13 Q. And do you know why Donald Lancaster sold
14 the house right away?

15 A. No. But he told us that he needed -- he
16 thought he had a buyer, and we needed to get the
17 things out of there, so I worked my you know what
18 off for I don't know how long to try to go through
19 her stuff.

20 Q. Are there any other creditors besides my
21 clients against --

22 A. Not that I know of.

23 Q. Let me just finish the question. Are there
24 any other creditors against your sister, Effie
25 Drews', estate other than my client's claim?

1 A. No.

2 Q. When Dorsey Biller was previously deposed in
3 this case, he was asked about the 50,000 --
4 approximately \$50,000 cashier's check that both you
5 and he had endorsed the back of. And he indicated
6 that Mr. Drews had wanted to make a deal with you,
7 and you didn't want to do it. And that's --

8 A. A deal with me?

9 Q. Yes, ma'am. Do you know what he's referring
10 to?

11 A. I don't know what he's talking about.

12 Q. Well, I will read the transcript from Dorsey
13 Biller's deposition.

14 Question: And you never asked any questions
15 about why that \$50,000 check was originally
16 endorsed by Jessie Atkinson?

17 Answer: Basically he, being Mr. Drews, told
18 me that he wanted to make the same deal with
19 Jessie, but Jessie didn't want to do it, and I'm
20 not sure why.

21 A. I don't know what he's talking about. There
22 was no deal mentioned to me.

23 Q. Okay. Well, there's further testimony. I
24 will read it.

25 Question: So when did he, being Mr. Drews,

Deposition of Jessie Atkinson

1 tell you that he tried to make that deal with
2 Jessie, but she didn't want to do it?

3 Answer: Well, that was actually when he was
4 giving me the check. I'm not sure why she wouldn't
5 give him back the money or whatever. I don't know
6 what the whole deal was. He was going to do
7 something with Jessie first, and then give me some
8 money and -- I don't know.

9 Do you know what he's referring to?

10 A. No.

11 Q. Do you know what he's referring to when he
12 says that you wouldn't give Mr. Drews back the
13 money?

14 A. No. I gave Ms. Drews back a cashier's check
15 for \$50,000.

16 Q. Is there any other money that you still have
17 or retained control over that was given to you by
18 Mr. or Ms. Drews?

19 A. No. I don't have any money of theirs. I
20 never have.

21 MS. DRAWDY: I think that's all the
22 questions I have. There may be some other
23 questions for you.

24 EXAMINATION

25 BY MS. BROCKINGTON:

1 Q. Ms. Atkinson, I'm Shirrese Brockington. I
2 have been court appointed as the special
3 administrator for Mr. Drews' estate. So that's
4 like occupying the role as personal representative.
5 I just have a few questions to follow up. With
6 regard to the \$50,000 that was given by you to Mr.
7 Biller on behalf of Ms. Drews, were you aware of
8 these payments being made to your sister from when
9 it was given in February of '07?

10 A. Well, I was aware after my brother-in-law
11 died that she was getting it, but I had no idea
12 when or how or how much.

13 Q. Do you know who controlled this money? Was
14 it just Mr. Biller?

15 A. I don't know. As far as I know, probably.
16 I don't know.

17 Q. And just to clarify for the record. Your
18 brother-in-law, he passed September of '07, not
19 2009. At the time of his death, were Mr. and Ms.
20 Drews living in the [REDACTED] Road property?

21 A. [REDACTED], uh-huh.

22 Q. Do you recall if they were living there at
23 that time?

24 A. 2007?

25 Q. Yes, ma'am. When he died.

1 A. Yes.

2 Q. Okay. And when did you become aware that
3 they did not own that property?

4 A. After his death.

5 Q. Are you aware of any real estate that your
6 brother-in-law owned at the time that he died?

7 A. No. I don't know anything about the real
8 estate.

9 Q. Do you know what type of car Mr. Drews owned
10 when he passed away, if he owned any?

11 A. He owned a station wagon -- my sister did,
12 but I don't think -- I think Donald Lancaster
13 somehow got his station wagon. I don't know how
14 or --

15 Q. Was this a different station wagon than the
16 one you sold out of Ms. Drews' estate?

17 A. Yes, it is.

18 Q. Was that titled just in Ms. Drews' name, the
19 station wagon that you sold?

20 A. Right.

21 Q. The cash money that was found in the house,
22 where was that located physically?

23 A. Well, when I went over to start going
24 through her things and cleaning up, I found it in a
25 shoe box up in the -- up in the closet. And the

1 other I found was in an old purse -- in a little
2 change purse, you know, inside of a larger purse.

3 Q. Okay.

4 A. And that was \$500.

5 Q. Was the money like tucked into envelopes or
6 was it just loose?

7 A. No. It was just out.

8 Q. Was there any notation with any of this cash
9 money like the source of the funds?

10 A. No.

11 Q. So there was nothing to indicate where the
12 money would have come from?

13 A. No.

14 Q. And I'm sure you did a thorough search of
15 the house after that?

16 A. I did.

17 Q. Did you find any other lump sums of cash
18 anywhere?

19 A. No.

20 Q. And you stated that you initially gave
21 \$2,000 to Donald Lancaster from that cash, and he
22 returned 1,800. And you found 500, but yet you
23 paid the full 2,500 into the estate. Why did you
24 pay the full 2,500?

25 A. Because that was what was found. That's

1 what I found. And he took 200. He said he was
2 going to pay the electric bill, that it didn't
3 belong to the estate anyway. And I said, well, I
4 need it, so I just added the 200 that he left out.

5 Q. Did you give any other funds to Mr.
6 Lancaster from your sister's estate?

7 A. No, I didn't have any to give him.

8 Q. When you got the check for the 7,084 from
9 Dorsey Biller, did that check bounce when you first
10 deposited it?

11 A. It did. Insufficient funds.

12 Q. Did you call Mr. Biller upon that occurrence
13 or did you just redeposit the check?

14 A. I think my husband called him, but, you
15 know, I'm not sure, but I know that it wasn't maybe
16 a couple of days until, you know, that that was
17 taken care of.

18 Q. So the check was made good and it was a
19 valid deposit the second time?

20 A. Yes. I just had to pay \$10 I think.

21 Q. Did you question Mr. Biller about the
22 balance that he gave you -- I mean, I know he
23 provided the accounting, but did you ask him, you
24 know, why he presented this check to you?

25 A. Well, I called -- I called him and asked him

1 did he have other moneys other than the 7,000 check
2 that he sent and what was that from, and he said it
3 was what was left. And that was it.

4 Q. Okay. To your knowledge, has Mr. Biller
5 ever held any other funds of the Drews in that
6 manner?

7 A. I don't know anything about it, if he did.

8 MS. BROCKINGTON: Okay. Thank you.

9 That's all the questions I have for you, Ms.
10 Atkinson.

11 EXAMINATION

12 BY MS. HILL:

13 Q. When you said -- when you asked Mr. Biller
14 was there any other money other than the
15 7,000-some-odd dollars he sent and what that money
16 was from, what did you mean?

17 A. You know, he said it was Bob Drews, you
18 know, that he had given him 50,000 to hold, you
19 know, whenever Effie need it -- when they needed
20 it. And this was the account of it. He would
21 send -- he would get it to me by the next morning.
22 I told him, I need it as soon as you can get it to
23 me. So we got it the next day by e-mail.

24 Q. And that accounting, do you have any
25 knowledge as to whether Effie received all of that

1 money or not?

2 A. No, I don't. I don't have. I know she was
3 very frugal. She didn't spend a lot of money.

4 Q. And prior to receiving the 7,000 from Mr.
5 Biller, did you know that Mr. Biller had the
6 50,000?

7 A. Well, I found out that he had it after Mr.
8 Drews died. That he, well, you know, had it. But
9 I had to find out for myself and get proof of it
10 with the cashier's check, so yes. But I didn't
11 know how he distributed it or how much she had
12 asked for. I don't know anything about that.

13 Q. And the \$50,000 that Effie Drews gave you,
14 you deposited that in RBC?

15 A. Right.

16 Q. And did Effie Drews ever give you, at any
17 other time, any other funds to deposit at RBC?

18 A. No.

19 Q. Did she give you funds to deposit at any
20 other bank?

21 A. No.

22 Q. What about Bob Drews? Did he ever ask you
23 to deposit money at any other bank?

24 A. No.

25 Q. And so the \$50,000 that Effie Drews gave you

1 to deposit at RBC that you withdrew by cashier's
2 check and returned to Effie Drews, is that the only
3 \$50,000 that you had?

4 A. That is the only \$50 I had.

5 Q. You mean 50,000?

6 A. 50,000, yeah. Right.

7 Q. And even though the check coming out of
8 Effie Drews' account totaled 47,000-some-odd
9 dollars, it was actually \$50,000 that you were
10 given?

11 A. Exactly. That's what the cashier's check
12 was for.

13 Q. You took that money when your sister asked
14 because you thought you were going to take care of
15 them?

16 A. Yes, I did.

17 Q. And when she asked for it back, you
18 immediately returned it?

19 A. I did. I went down there the morning she
20 called me, and I went down and got it and took it
21 to her the same day.

22 Q. And you testified earlier that you were
23 embarrassed to go back to RBC.

24 A. I was.

25 Q. But you did that?

1 A. But I did it because she asked me to.

2 MS. HILL: I think that's all I have.

3 MS. DRAWDY: I just have a couple of
4 more.

5 EXAMINATION

6 BY MS. DRAWDY:

7 Q. Were you the only name on the RBC account
8 that was opened to deposit the Drews' money in
9 February of 2007?

10 A. Yes.

11 Q. When you were given the checks -- when you
12 were at the Drews' house when you were given the
13 five checks that totaled approximately \$50,000, did
14 anyone ask you to over time in the future disburse
15 that money back to Mr. and Ms. Drews as needed?

16 A. No.

17 Q. Were you ever told when you would be asked
18 to give that money back?

19 A. No.

20 Q. Besides being asked by Mr. and Ms. Drews to
21 deposit those moneys in an account that you would
22 open with RBC, were you asked to do anything else
23 with that money?

24 MS. HILL: I object to the form of the
25 question.

1 A. No.

2 Q. How long was the conversation that you had
3 with the Drews when you were receiving those five
4 checks?

5 A. It wasn't much of a conversation. They
6 asked me would I deposit -- open an account for
7 them at RBC into a CD account, and I said I would.
8 I had no reason not to. They asked me to do a
9 favor, I did it. It was her money. As far as I
10 knew it was her money.

11 Q. How did Dorsey Biller get the cashier's
12 check from you?

13 A. He didn't get it from me. I took it to my
14 sister's house and gave it to her, and I understand
15 Mr. Drews took it to him.

16 Q. How do you understand that?

17 A. Huh?

18 Q. How do you know that?

19 A. He told me that. Dorsey told me that when I
20 called him.

21 Q. When did you call him?

22 A. In December when I was asking him for the
23 account of the moneys that he had -- that he had
24 that belonged to Ms. Drews -- Mr. and Ms. Drews.

25 Q. You had just testified that Bob gave Dorsey

1 Biller the \$50,000 check to hold whenever they
2 needed the money; is that correct?

3 A. I don't know why he gave it to them. I
4 imagine that's why he gave it to them.

5 Q. Why do you imagine that?

6 A. Why else would they -- he do it? I don't
7 understand any other reason.

8 Q. Okay.

9 A. Unless he owed him that. I don't know. I'm
10 just assuming.

11 Q. And then why would they give it to you? Why
12 would they give the \$50,000 to you to hold?

13 A. Who?

14 Q. Why would Bob and Effie give the \$50,000 to
15 you to hold?

16 MS. HILL: I would object to the form
17 of the question again.

18 A. Yeah. I have answered that already two or
19 three times.

20 Q. Well, if Dorsey Biller wasn't owed \$50,000
21 and you just said you assumed that he was holding
22 it for them whenever they needed it --

23 A. Exactly. And that's what he was doing.

24 Q. And how do you know that?

25 A. Because my sister was getting money from him

1 whenever she needed it. I found this out after
2 he -- Mr. Drews died.

3 MS. DRAWDY: That's all the questions I
4 have.

5 (The deposition was concluded at
6 12:28 p.m.)

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CLIENT

ORIGINAL DOCUMENT

ORIGINAL
DOCUMENT

[illegible]

199962

01-07

~~CONFIDENTIAL~~



1947-1948

SECRET

10-10-68

10-10-68

CONCLUSIONS

515-722-4177

For de position
Dorsey A. B. Miller

Jennie R. Atkinson
South Carolina



Exh. 2 / 22

1040

OFFICIAL CHECK

City/Branch 407-001 Charleston

Preparer's Initials PDJ

101854681

Description	Amount
CD Withdrawal ~~XXXXXXXXXX~~	\$50,041.69***



RBC Centura
RBC Centura Bank

25-1554/440

Date February 12, 2007

Pay Dollars \$50,041.69***

to the Order of
Jessie D. Atkinson

DRAWER: RBC Centura Bank

NON-NEGOTIABLE

Authorized Signature

CUSTOMER COPY
101854681
MP

Printed By: Travelers Express Company, Inc. P.O. Box 9475, Milwaukee WI 53209 Drawee: Funding - National Bank Columbia, SC
Two signatures required for amounts of \$10,000.00 or more

1047

Certificate Account Withdrawal Authorization

Depositor authorizes withdrawal, and acknowledges receipt, of funds from the account indicated below.

Date 2/13/07

City/Branch 407-001

Principal Amount \$ 50,000.00

Depositor Jessie D Atkinson

Interest Amount \$ 41.69

Depositor Dec 1-2006 119-121 PRINT NAME
Russ D. Atkinson SIGNATURE
AUTHORIZED BANK SIGNATURE

Penalty Amount \$

Total Withdrawal Amount \$ 50,041.69

Tran Codes: 57-Partial Withdrawal with Penalty 63-Partial Withdrawal without Penalty
75-Payout with Penalty 73-Payout without Penalty

CITY # ACCOUNT NUMBER TRAN CODE
[REDACTED] 73

B24 (Rev. 3-02)

OFFICIAL CHECK

101854681

City/Branch 407-001 Charleston

Preparer's Initials RDJ

Description

Amount

CD Withdrawal \$50,041.69



RBC Centura
RBC Centura Bank

25-1554/440

Date February 13, 2007

Pay \$50,041.69 Dollars

To the Order of Jessie D. Atkinson

DRAWER: RBC Centura Bank

NON NEGOTIABLE
CUSTOMER COPY

Authorized Signature

Two signatures required for amounts of \$10,000.00 or more

Issued By: Travelers Express Company, Inc. P.O. Box 9476 Minneapolis, MN 55480 Drawer: Huntington National Bank Columbus, OH

1042

ACCOUNT Withdrawal Authorization

Depositor authorizes withdrawal, and acknowledges receipt, of funds from the account indicated below.

Date 2/13/07

City/Branch 407-001

Principal Amount \$ 50,000.00

Depositor Jesse D Atkinson

Interest Amount \$ 41.69

Depositor Doc (signature) PRINT NAME

Penalty Amount \$

Randy D. [Signature] SIGNATURE

Total Withdrawal Amount \$ 50,041.69

AUTHORIZED BANK SIGNATURE

Tran Codes: 57-Partial Withdrawal with Penalty 63-Partial Withdrawal without Penalty
 75-Payout with Penalty 73-Payout without Penalty

CITY # ACCOUNT NUMBER


TRAN CODE
73

CUSTOMER COPY

B24 (Rev 3-02)

1043

SEPT 9, 1996

Builders Station

Charleston SC 29407

Gentlemen:

In consideration of your agreeing to admit me as a shareholder of Builders Station Inc., a Subchapter S corporation to be formed under the laws of the State of South Carolina (the "Corporation"), I do hereby deposit \$ 50,000 and do agree to acquire from you and do hereby subscribe for the number of shares of common stock (the "Shares") of the Corporation shown above my signature on the last page of this Subscription Agreement. I understand and agree that said deposit shall be applied towards the purchase of 50 Shares at a purchase price of \$1,000.00 per Share. I understand and agree that the balance of the purchase price for such Shares, to wit: \$ —0—, shall be due and payable no later than thirty (30) days from the date hereof. I understand and agree that all deposited funds shall be applied to the purchase price of the Shares upon issuance by the Corporation. I understand and agree that any earnings on the Shares will be paid no later than March 15 for the Corporation's previous fiscal year. I represent and warrant that:

(i) I am aware that investment in the Shares is speculative in nature and subject to various risks, including but not limited to those which have been discussed with me;

(ii) I and my representatives, if any, have been furnished with all materials relating to the Corporation and its proposed business activities which have been requested, and have been afforded the opportunity to ask questions of, and receive answers from, authorized representatives of the Corporation concerning the terms and conditions of the offering and to obtain any additional information necessary to verify the accuracy of any representations or information provided to me;

(iii) I am investing in the Shares solely for my own account and not for resale, fractionalization, or further distribution, and no other party has any beneficial interest in the Shares;

(iv) I have been advised that I must bear the economic risks of the investment for an indefinite period of time because the Shares have not been registered under state securities laws and substantial restrictions exist as to the disposition of the Shares;

(v) I will not transfer or otherwise dispose of the Shares in the absence of an effective registration statement under the Act and applicable state securities laws with respect to the Shares, or an opinion of counsel satisfactory to the Corporation and its counsel, to the effect that the proposed transfer will not violate the Act or any applicable state securities laws, and the Shares will be legended accordingly;

PLAINTIFF'S
EXHIBIT

18

1044

(vi) no representations or warranties of any nature have been made to me with respect to the ultimate economic or tax consequences of my investment in the Shares;

(vii) I shall enter into a Shareholders' Agreement approved as to form and substance by a majority of the shareholders of the Corporation restricting the disposition of the Shares, including, without limitation, a restriction that Shares may only be transferred to other such shareholders of record unless otherwise approved by a majority of such shareholders; and

(viii) I understand that the Corporation is represented by legal counsel and that this Subscription Agreement and all other documents related to the Corporation that have been presented to me have been prepared with the assistance of the Corporation's legal counsel, who do not and cannot, without specific limitations, represent me or my interest in this transaction.

(ix) this Subscription Agreement may be accepted or rejected in whole or in part by the Corporation.

I further understand and agree that, in the event of a natural disaster or fire or decision by the majority of the Corporation's shareholders of record that the Corporation shall discontinue its business, then all of the Corporation's assets will be sold and the proceeds of such sale will be distributed pro rata to its shareholders of record other than Raymond Beasley and R.R. Drews until each such shareholder shall have received par value for all of his Shares; and that, in the event funds remain from the sale of the Corporation's assets after all shareholders other than Raymond Beasley and R.R. Drews have received par value for their shares, then the remaining funds shall be distributed equally between Raymond Beasley and R.R. Drews.

IN WITNESS WHEREOF, I have executed this Subscription Agreement to be effective as of the 9th day of SEPT, 1996.

No. of Shares subscribed for: 50

Subscriber: DOROTHY S. GORDON

Signature *Dorothy S. Gordon*

Address 1749 PEARL ST.

CHARLESTON SC 29407

Social Sec. No. _____

ACCEPTED:

BUILDERS STATION INC.

By: *Raymond Beasley, Pres*

By: *R.R. Drews, Sec/Treas.*

Date: SEPT 9, 1996

1045

802029

Certificate No 9 For 50 Shares Issued to Dorothy Gordon Transferred from 1 / 19
 Dated September 9 19 96 Receipt acknowledged Dorothy Gordon
 No. Original Certificate No. Original Shares No. Of Shares Transferred

0193

OFFICIAL CHECK		WX152912 501038
REMITTER <u>DOROTHY GORDON</u>		67-212/532
SEPTEMBER 9, 19 <u>96</u>		
PAY TO THE ORDER OF <u>*****BUILDERS STATION INC.*****</u>		\$ **50,000.00**
<u>THE SUM 50000 DOLLARS</u>		DOLLARS
SouthTrust Bank of South Carolina, N.A. Charleston SC 29402	<u>RC Baldwin</u> AUTHORIZED SIGNATURE	
⑈ 501038 ⑈		

1046

Certificate No. 9 For 50 Shares Issued to Dorothy Gordon

Transferred from

1 / 19

No. Original Certificate

No. Original Shares

No. Of Shares Transferred

Dated September 9, 19 96 Receipt acknowledged

NUMBER	INCORPORATED UNDER THE LAWS OF	SHARES
9	THE STATE OF SOUTH CAROLINA	50



BUILDERS STATION INC.
4,000 SHARES COMMON STOCK, PAR VALUE \$1000.00

This Certifies that DOROTHY GORDON *is the owner of*
FIFTY (50) *fully paid*
and non-assessable Shares of the Capital Stock of the above named Corporation
transferable only on the books of the Corporation by the holder hereof in person or
by duly authorized Attorneys upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers
and its Corporate Seal to be hereunto affixed this 9th *day of* September *A. D. 19* 96

<u>R. R. Drews</u>	SECRETARY/TREASURER	<u>Raymond Beasley</u>	PRESIDENT

0194

1047

9610

802029

Certificate No. 9 For 50 Shares Issued to Dorothy Gordon

Transferred from

/ /19

Dated September 9, 19 96 Receipt acknowledged

No. Original Certificate

No. Original Shares

No. Of Shares Transferred

NUMBER	INCORPORATED UNDER THE LAWS OF	SHARES
9	THE STATE OF SOUTH CAROLINA	50


BUILDERS STATION INC.
4,000 SHARES COMMON STOCK, PAR VALUE \$1000.00

This Certifies that DOROTHY GORDON *is the owner of*
FIFTY (50) *fully paid*
and non-assessable Shares of the Capital Stock of the above named Corporation
transferable only on the books of the Corporation by the holder hereof in person or
by duly authorized Attorney upon surrender of this Certificate properly endorsed.

In Witness Whereof, the said Corporation has caused this Certificate to be signed by its duly authorized officers
and its Corporate Seal to be hereunto affixed this 9th *day of* September *A. D.* 1996

<u>R.R. Drews</u>	<u>SECRETARY/TREASURER</u>	<u>Raymond Beasley</u>	<u>PRESIDENT</u>

R.R. Drews
Meeting Street Note & Mortgage Receivable



Assignment to Effie



Assignment to Lancaster



Assignment to Effie



\$130,000 to Effie



\$50,000 to Atkinson



(via R.R. Drews)

\$50,041.49 to Biller



\$14,000

R.R. Drews



\$30,084

Effie



\$7,084.12

Effie's Estate

(including interest)

PLAINTIFF'S
EXHIBIT

82 I.D.

1049

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT, ROBERT B. AVERY, in the State aforesaid, for and in consideration of the sum of ONE HUNDRED SIXTY THOUSAND AND NO/100S (\$160,000.00), to me in hand paid at and before the sealing of these presents by DONALD W. LANCASTER, in the State aforesaid, for which the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said DONALD W. LANCASTER, his heirs and assigns, forever, in fee simple, the following described real property, to-wit:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section 1, as shown and designated on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section 1, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated and recorded in Plat Book R, Page 94.

This being the same property as conveyed to Robert B. Avery by deed of Richard H. Lee and Virginia G. Lee dated July 15, 1980 and recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina in Book W-122 at Page 263.

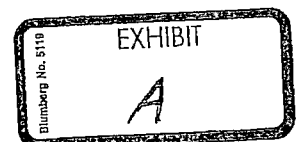
Grantee's Address: ~~1735 Bunker Hill~~ Drive, Charleston, SC 29407

TMS #: 415-03-00-135

TOGETHER with all and singular, the Rights, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises

1050



before mentioned unto the said DONALD W. LANCASTER, his Heirs and Assigns forever.

AND I do hereby bind myself, and my Heirs, Personal Representatives, Executors and Administrators, to warrant and forever defend, all and singular, the said Premises unto the said DONALD W. LANCASTER, his Heirs and Assigns, against me and my Heirs, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

WITNESS my Hand and Seal, this 22nd day of May in the year of our Lord one thousand nine hundred and ninety-two (1992) and in the two hundred and sixteenth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

Diane C. Jaeger
Lee W. Ailshie

Robert B. Avery
ROBERT B. AVERY

SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me _____ and made oath that _____ saw the within named ROBERT B. AVERY, sign, seal, and as his act and deed, deliver the within written Deed, and that _____ with Lee W. Ailshie witnessed the execution thereof.

Diane C. Jaeger

SWORN to before me, this 22nd
day of May, 1992.

John W. Allshouse
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: 10-31-98

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

AGREEMENT

[Handwritten signatures]

WHEREAS, on May 22, 1992, Donald W. Lancaster, ~~R. R. Drews and Effie D. Drews~~ purchased the real property known as Lot 22, Block A, Charlestowne Estates Subdivision, Section I, Charleston County, South Carolina, from Robert B. Avery for the purchase price of \$160,000.00; and

WHEREAS, it is the intent of the parties hereto to grant R. R. Drews and Effie D. Drews a life estate in the hereinafter described real property;

This Agreement is entered into this 22nd day of May, 1992, by and between Donald W. Lancaster, R. R. Drews and Effie D. Drews.

That DONALD W. LANCASTER, in consideration of the sum of TEN (\$10.00) AND NO/100S DOLLARS and love and affection for my uncle and aunt, to me in hand paid by R. R. DREWS AND EFFIE D. DREWS in the State aforesaid (the receipt of which is hereby acknowledged) has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the said R. R. DREWS AND EFFIE D. DREWS, a life estate in fee simple, in the following described real property, to-wit:

ALL that lot, piece or parcel of land, situate in the City of Charleston, State of South Carolina, and known as Lot 22, Block A, Charlestowne Estates, Section I, as shown and designated on a plat dated May, 1973, entitled "Plat of an Extension of Charlestowne Estates, Section I, St. Andrews Parish, Charleston, South Carolina" by W. L. Gaillard, L. S., dated and recorded in Plat Book R, Page 94.

TOGETHER with all and singular, the Rights, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said R. R. DREWS AND EFFIE D. DREWS, a life estate in fee simple.

And Witness my hand and seal this 22nd day of May, 1992

[Handwritten signature of Donald W. Lancaster]
Donald W. Lancaster

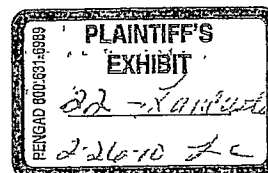
[Handwritten signature of Sammy A. Hoover]

[Handwritten signature]

ACKNOWLEDGED:

[Handwritten signature of R. R. Drews]
R. R. Drews

Effie D. Drews



STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PROBATE

Personally appeared before me TAMMY A. HOOVER who, after
being duly sworn, says that s/he saw DONALD W LANCASTER sign
the within written Agreement and as his act and deed deliver the same, and that
s/he with LEE W. AILSHIE witnessed the execution thereof.

Tammy A. Hoover

Sworn to before me this 22ND
day of MAY, 1992

Lee W. Ailshie
Notary Public for South Carolina
My Commission Expires: _____

OK L 255PG127

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS, THAT WE, WILLIAM L. JOYE, JR. and KAREN JOYE PAYNE, in the State aforesaid, for and in consideration of the sum of ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/HUNDREDS DOLLARS (\$125,000.00) to us in hand paid at and before the sealing of these presents by DONALD W. LANCASTER in the State aforesaid, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said DONALD W. LANCASTER, his Heirs and Assigns forever, the following described real property, to wit:

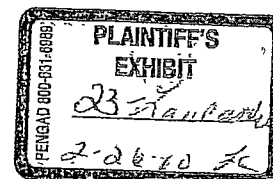
ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot 12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property as was conveyed to the Grantors herein by deed of distribution from William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248), dated September 4, 1994, and recorded February 6, 1995, in Book G252, Page 591, in the R.M.C. Office for Charleston County.

TMS # 352-07-00-032

PROPERTY STREET ADDRESS: [REDACTED] Road
Charleston SC 29407

1055



TOGETHER with all and singular the Rights, Member, Heridita-
ments and Appurtenances to the said Premises belonging or in
anywise incident or appertaining.

TO HAVE AND HOLD, all and singular, the said Premises before
mentioned unto the said DONALD W. LANCASTER, his Heirs and Assigns
forever.

AND we do hereby bind ourselves, our Heirs, Assigns, Executors
and Administrators, to warrant and forever defend, all and
singular, the said Premises unto the said DONALD W. LANCASTER, his
Heirs and Assigns, against us and our Heirs, and all persons
whomsoever lawfully claiming, or to claim the same or any part
thereof.

WITNESS our Hands and Seals, this 16th day of May in the year
of our Lord One Thousand Nine Hundred and Ninety-Five and in the
two hundred and eighteenth year of the Sovereignty and Independence
of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

Witness

Witness

Witness

Witness

WILLIAM L. JOYE, JR.

KAREN JOYE PAYNE

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, did depose and say that s/he saw the within named WILLIAM L. JOYE, JR. sign, seal and, as his act and deed, deliver the within written Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

W. Ray P. Hutchison

SWORN TO BEFORE ME THIS
16th day of May, 1995.

[Signature]
Notary Public of South Carolina
My Commission Expires: 7-1-2001

STATE OF GEORGIA)
COUNTY OF Cobb)

PROBATE

PERSONALLY appeared before me the undersigned witness who, being duly sworn, did depose and say that s/he saw the within named KAREN JOYE PAYNE sign, seal and, as her act and deed, deliver the within written Deed, and that s/he with the other subscribing witness witnessed the execution thereof.

Donald J. Mahi

SWORN TO BEFORE ME THIS

15 day of May, 1995.

Laurel C. Brown

Notary Public of Georgia

My Commission Expires: _____

Notary Public, Cobb County, Georgia.
My Commission Expires May 26, 1997.

Please return to:

Roy Hutchins

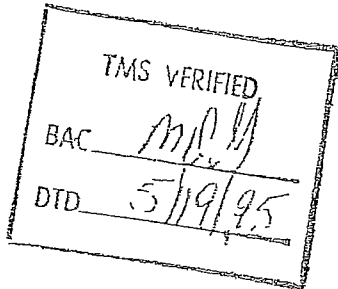
147 Wappoo Creek Dr

Suite 601

Charleston SC 29412

(Encls)

YH
AMW



EX L 255PG131

FILED

L 255-127 /
95 MAY 17 AM 11:10

CHARLIE C. LYBRAND
REGISTER
CHARLESTON COUNTY, SC

10.00

325.00

137.50

472.50 B

Recorded this 17 day of May 1995
on Property Record Card

Reggie A. Mosley
Auditor Charleston County

1059

DEF #4

2255PG119

STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

MEMORANDUM OF LEASE
AND SUBORDINATION AGREEMENT

THIS MEMORANDUM OF LEASE, entered as of this 17th day of May, 1995, by and among Donald W. Lancaster, 1305 Fairmont Avenue, Mount Pleasant SC 29464 (hereinafter the "Lessor"), and R. R. Drews and Effie D. Drews, [REDACTED] Drive, Charleston SC 29407 (hereinafter the "Lessees"), witnesseth as follows:

WHEREAS, Lessor owns real property including buildings and improvements located at [REDACTED] Road, Charleston SC 29407 (TMS # 352-07-00-032), which property is more particularly described on Exhibit A attached hereto and incorporated herein by reference (hereinafter the "Property"), the deed to which Property was dated and recorded May 17, 1995, in Book L255, Page 127, in the R.M.C. Office for Charleston County; and

WHEREAS, Lessor has executed a mortgage in favor of the National Bank of South Carolina (hereinafter "NBSC"), which mortgage, dated and recorded May 17, 1995, in Book L255, Page 446, in the R.M.C. Office for Charleston County, constitutes a first and paramount lien on the Property; and

WHEREAS, Lessor has leased the Property to Lessees pursuant to terms and conditions set forth in an unrecorded lease, a memorandum of which the parties hereto have agreed to place on the public record;

NOW, THEREFORE, in consideration of the sum of Ten and No/Hundreds Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessees hereby agree as follows:

1. Term of Lease. Lessor has granted to Lessees, and Lessees have received from Lessor, a life tenancy in the Property beginning as of the date hereof.

2. Subordination of Lease to Mortgage. Lessees acknowledge that Lessor has executed a mortgage to NBSC, which mortgage constitutes a first and paramount lien on the Property; and Lessees hereby subordinate their leasehold interest in the Property to the lien of the NBSC mortgage.

31 225576120

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the date first written above.

LeRoy P. Hutchinson
Witness
[Signature]
Witness

"LESSOR"
[Signature]
Donald W. Lancaster

LeRoy P. Hutchinson
Witness
[Signature]
Witness

"LESSEES"
R. R. Drews
R. R. Drews
Effie D. Drews
Effie D. Drews

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw DONALD W. LANCASTER sign, seal and as his act and deed deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

LeRoy P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

[Signature]
Notary Public for South Carolina
My Commission Expires: 10/24/04

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw R. R. DREWS sign, seal and deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

W. P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

D. H. H. H.
Notary Public for South Carolina
My Commission Expires: _____

STATE OF SOUTH CAROLINA)

COUNTY OF CHARLESTON)

PROBATE

Before me, the undersigned notary public, personally appeared the undersigned witness, who, being duly sworn, deposed and said that he saw EFFIE D. DREWS sign, seal and deliver the foregoing instrument, and that he together with the other witness witnessed the execution thereof.

W. P. Hutchinson
Witness

SWORN TO AND SUBSCRIBED BEFORE ME
this 30 day of May, 1995.

D. H. H. H.
Notary Public for South Carolina
My Commission Expires: 10/24/04

EXHIBIT A

ALL that certain piece, parcel or lot of land, with buildings and improvements thereon, situate, lying and being in Sandhurst Subdivision, City of Charleston, County of Charleston, State of South Carolina, known and designated as Lot 12 Block M Sandhurst Subdivision, as shown on a plat of Sandhurst Subdivision made by E.M. Seabrook, Jr., dated June 22, 1964, and recorded in the R.M.C. Office for Charleston County in Plat Book R, Page 147; said lot having such size, shape, dimensions, buttings and boundings as by reference to said plat will more fully appear.

THIS being the same property conveyed to Donald W. Lancaster by deed of William L. Joye, Jr. and Karen Joye Payne dated May 17, 1995, and recorded May 17, 1995, in Book L255, Page 127 in the R.M.C. Office for Charleston County; and being the same property conveyed to William L. Joye, Jr. and Karen Joye Payne by deed of distribution from William L. Joye, Jr., Personal Representative of the Estate of Dorothy O. Joye (Charleston County Probate File 94ES10-1248), dated January 31, 1995, and recorded February 6, 1995, in Book G252, Page 591, in the R.M.C. Office for Charleston County.

Please return to

Roy Hutchinson

John Martin & Associates

147 Wagon Creek Drive

Suite 601

Charleston SC 29412

(Em)

J. H. V

01 2255PP123

10-1

FILED

Z255-119

95 JUN -1 AM 11:36

CHARLES HILL GRAND
REGISTER
CHARLESTON COUNTY SC

106K

Donald W. Lancaster

2-6-93	Loan	\$5,000.00
4-19-93	Loan	3,000.00
7-9-93	Loan	7,000.00
8-28-93	Loan	6,000.00
12-21-93	Loan	3,000.00
1-18-94	Loan (Texas)	6,000.00
6-20-94	Loan	5,000.00
1-30-95	Loan (Bia)	5,000.00
		\$40,000.00

Δ6

RRD LOANS

7.00%, non-compounded, from date posted, through 4/30/94 (6% Prime + 1% at SCN)
 7.25%, non-compounded, from date posted, from 5/01/94 (7.25% Prime + 0 at First Federal)
 6.95%, non-compounded for \$25,000 from 6/01/94; variable rate for the remainder
 7.75%, non-compounded from 9/01/94 (7.75% Prime + 0 at First Federal)
 8.50%, non-compounded from 12/01/94 (8.50% Prime + 0 at First Federal)
 9.50%, non-compounded from 01/01/95 (8.50% Prime + 1 at Wachovia)

		No. Days	7% / 365	Interest current	Interest cumulative			
02/28/1993	\$5,000	20	0.00019178	\$19.18	\$19.18	\$5,000	02/08/1993	SCN 103
03/31/1993	\$5,000	31		\$29.73	\$48.90			
04/30/1993	\$5,000	30		\$28.77	\$77.67			
	\$3,000	10		\$5.75	\$83.42	\$3,000	04/20/1993	SCN 104
05/31/1993	\$8,000	31		\$47.56	\$130.99			
06/30/1993	\$8,000	30		\$46.03	\$177.01			
07/31/1993	\$8,000	31		\$47.56	\$224.57			
	\$7,000	18		\$24.16	\$248.74	\$7,000	07/13/1993	SCN 105
08/31/1993	\$15,000	31		\$89.18	\$337.92	\$6,000	08/31/1993	SCN 106
09/30/1993	\$21,000	30		\$120.82	\$458.74			
10/31/1993	\$21,000	31		\$124.85	\$583.59			
11/30/1993	\$21,000	30		\$120.82	\$704.41			
12/31/1993	\$21,000	31		\$124.85	\$829.26			
	\$3,000	9		\$5.18	\$834.43	\$3,000	12/22/1993	SCN 107
01/31/1994	\$24,000	31		\$142.68	\$977.12			
	\$6,000	12		\$13.81	\$990.93	\$6,000	01/19/1994	SCN 109
02/28/1994	\$30,000	28		\$161.10	\$1,152.02			
03/31/1994	\$30,000	31		\$178.36	\$1,330.38			
04/30/1994	\$30,000	30		\$172.60	\$1,502.98			
05/31/1994	\$30,000	31		\$184.73	\$1,687.71			
			7.25% / 365 =	0.00019863				
			6.95% / 365 =	0.00019040				
06/30/1994	\$5,000	30	0.00019863	\$29.79	\$1,717.50			
	\$5,000	8	0.00019863	\$7.95	\$1,725.45	\$5,000	06/22/1994	FFed 1001
	\$25,000	30	0.00019040	\$142.80	\$1,868.25			
07/31/1994	\$10,000	31	0.00019863	\$61.58	\$1,929.82			
	\$25,000	31	0.00019040	\$147.56	\$2,077.38			
08/31/1994	\$10,000	31	0.00019863	\$61.58	\$2,138.96			
	\$25,000	31	0.00019040	\$147.56	\$2,286.52			
			7.75% / 365 =	0.00021233				
09/30/1994	\$10,000	30	0.00021233	\$63.70	\$2,350.22			
	\$25,000	30	0.00019040	\$142.80	\$2,493.02			
10/31/1994	\$10,000	31	0.00021233	\$65.82	\$2,558.84			
	\$25,000	31	0.00019040	\$147.56	\$2,706.40			
11/30/1994	\$10,000	30	0.00021233	\$63.70	\$2,770.10			
	\$25,000	30	0.00019040	\$142.80	\$2,912.90			
			8.50% / 365 =	0.00023288				
12/31/1994	\$10,000	31	0.00023288	\$72.19	\$2,985.09			
	\$25,000	31	0.00019040	\$147.56	\$3,132.65			
			9.50% / 365 =	0.00026027				
01/31/95	\$10,000	31	0.00026027	\$80.63	\$3,213.33			
	\$25,000	31	0.00019040	\$147.56	\$3,360.89			
02/28/95	\$15,000	28	0.00026027	\$109.31	\$3,470.21	\$5,000	02/01/95	SCN 115
	\$25,000	28	0.00019040	\$133.28	\$3,603.49			
				\$3,603.49	\$40,000.00			

1066

RRD Note - 3/01/95				Rev. 2/03/97		
\$40,000 compounded annually @ 7.00% from 3/01/95, date of the note						
		No. Days	7% / 365	Interest current	Interest cumulative	Total Balance Due
Forward						
02/28/95	\$40,000				\$3,603.49	
1995						
03/31/95	\$40,000	31	0.00019178	\$237.81	\$3,841.30	\$40,000.00
04/30/95	\$40,000	30	0.00019178	230.14	\$4,071.43	\$40,230.14
05/31/95	\$40,000	31	0.00019178	237.81	\$4,309.24	\$40,467.95
06/30/95	\$40,000	30	0.00019178	230.14	\$4,539.38	\$45,007.33
						(\$3,000.00) paid interest 8/03/96
						(\$100.00) paid interest 11/29/96
						(\$300.00) paid interest 2/03/97
07/31/95	\$40,000	31	0.00019178	237.81	\$1,139.38	\$46,146.71
08/31/95	\$40,000	31	0.00019178	237.81	\$1,377.18	\$46,384.51
09/30/95	\$40,000	30	0.00019178	230.14	\$1,607.32	\$46,614.65
10/31/95	\$40,000	31	0.00019178	237.81	\$1,845.13	\$46,852.46
11/30/95	\$40,000	30	0.00019178	230.14	\$2,075.26	\$47,082.59
12/31/95	\$40,000	31	0.00019178	237.81	\$2,313.07	\$47,320.40
				\$2,347.39	=====	
1996	(\$40,000 + \$2,347 1995 interest = \$42,347)					
1/31/96	\$42,347	31	0.00019178	\$251.76	\$251.76	\$47,572.16
2/29/96	\$42,347	29	0.00019178	235.52	\$487.28	\$47,807.68
3/31/96	\$42,347	31	0.00019178	251.76	\$739.04	\$48,059.44
4/30/96	\$42,347	30	0.00019178	243.64	\$982.68	\$48,303.08
5/31/96	\$42,347	31	0.00019178	251.76	\$1,234.44	\$48,554.84
6/30/96	\$42,347	30	0.00019178	243.64	\$1,478.08	\$48,798.48
7/31/96	\$42,347	31	0.00019178	251.76	\$1,729.84	\$49,050.24
8/31/96	\$42,347	31	0.00019178	251.76	\$1,981.60	\$49,302.00
9/30/96	\$42,347	30	0.00019178	243.64	\$2,225.24	\$49,545.64
10/31/96	\$42,347	31	0.00019178	251.76	\$2,477.00	\$49,797.40
11/30/96	\$42,347	30	0.00019178	243.64	\$2,720.64	\$50,041.04
12/31/96	\$42,347	31	0.00019178	251.76	\$2,972.40	\$50,292.80
		366		\$2,972.40	=====	

1067

RRD Note -- 3/01/95					Rev. 12/31/98		
\$40,000 compounded annually @ 7.00% from 3/01/95, date of the note							
				Interest	Interest	Total Balance	
No. Days		7% / 365	current	cumulative	Due		
1997 (Original \$40,000 + \$1,539 1995 interest outstanding at 12/31/96 + \$2,972 1996 interest = \$44,511)							
1/31/97	\$44,511	31	0.00019178	\$264.63	\$264.63	\$40,116.39	(\$148.24) remaining from \$400 int paid 7/18/97
2/28/97	\$44,511	28	0.00019178	239.02	\$503.64	\$40,355.40	
3/31/97	\$44,511	31	0.00019178	264.63	\$768.27	\$40,620.03	
4/30/97	\$44,511	30	0.00019178	256.09	\$1,024.36	\$40,876.12	(\$3,000.00) principal paid 5/10/97
(\$41,276 balance at 4/30/97 - \$3,000 principal paid 5/10/97 = \$38,276)							
5/31/97	\$38,276	31	0.00019178	227.56	\$1,251.92	\$38,103.68	
6/30/97	\$38,276	30	0.00019178	220.22	\$1,472.13	\$38,323.89	
7/31/97	\$38,276	31	0.00019178	227.56	\$1,699.69	\$38,551.45	
8/31/97	\$38,276	31	0.00019178	227.56	\$1,927.25	\$38,779.01	
9/30/97	\$38,276	30	0.00019178	220.22	\$2,147.47	\$38,999.23	
10/31/97	\$38,276	31	0.00019178	227.56	\$2,375.02	\$39,226.78	
11/30/97	\$38,276	30	0.00019178	220.22	\$2,595.24	\$39,447.00	
12/31/97	\$38,276	31	0.00019178	227.56	\$2,822.80	\$39,674.56	
		365		\$2,822.80			
1998 (\$39,674.56 (Balance at 12/31/97))							
01/31/1998	\$39,675	31	0.00019178	\$235.87	\$235.87	\$39,910.43	
02/28/1998	\$39,675	28	0.00019178	213.05	\$448.92	\$40,123.48	
03/31/1998	\$39,675	31	0.00019178	235.87	\$684.79	\$40,359.35	
04/30/1998	\$39,675	30	0.00019178	228.26	\$913.05	\$40,587.61	
05/31/1998	\$39,675	31	0.00019178	235.87	\$1,148.93	\$40,823.49	
06/30/1998	\$39,675	30	0.00019178	228.26	\$1,377.19	\$41,051.75	
07/31/1998	\$39,675	31	0.00019178	235.87	\$1,613.06	\$41,287.62	
08/31/1998	\$39,675	31	0.00019178	235.87	\$1,848.94	\$41,523.49	
09/30/1998	\$39,675	30	0.00019178	228.26	\$2,077.20	\$41,751.76	
10/31/1998	\$39,675	31	0.00019178	235.87	\$2,313.07	\$41,987.63	
11/30/1998	\$39,675	30	0.00019178	228.26	\$2,541.33	\$42,215.89	
12/31/1998	\$39,675	31	0.00019178	235.87	\$2,777.21	\$42,451.77	
		365		\$2,777.21			

1068

RRD LOANS

RRD LOANS

Interest Rate 7%, calculated daily

Payment due on 1st, by 10th

[illegible]

1069

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2004									
12/8/03 - 1/7/04	\$42,654.38	0.416667%	5.00%	\$177.73	\$177.73	\$42,832.10	\$540.00	01/07/2004	01/13/2004
1/8 - 2/7/04	\$42,292.10	0.416667%	5.00%	\$176.22	\$353.94	\$42,468.32	\$540.00	02/07/2004	02/10/2004
2/8 - 3/7/04	\$41,928.32	0.416667%	5.00%	\$174.70	\$528.64	\$42,103.02	\$540.00	03/07/2004	03/16/2004
3/8 - 4/7/04	\$41,563.02	0.416667%	5.00%	\$173.18	\$701.82	\$41,736.20	\$540.00	04/07/2004	04/10/2004
4/8 - 5/7/04	\$41,196.20	0.416667%	5.00%	\$171.65	\$873.48	\$41,367.85	\$540.00	05/07/2004	05/24/2004
5/8 - 6/7/04	\$40,827.85	0.416667%	5.00%	\$170.12	\$1,043.59	\$40,997.97	\$540.00	06/07/2004	06/10/2004
6/8 - 7/7/04	\$40,457.97	0.416667%	5.00%	\$168.57	\$1,212.17	\$40,626.54	\$540.00	07/07/2004	07/10/2004
7/8 - 8/7/04	\$40,086.54	0.416667%	5.00%	\$167.03	\$1,379.19	\$40,253.57	\$540.00	08/07/2004	08/19/2004
8/8 - 9/7/04	\$39,713.57	0.416667%	5.00%	\$165.47	\$1,544.67	\$39,879.04	\$540.00	09/07/2004	09/14/2004
9/8 - 10/7/04	\$39,339.04	0.416667%	5.00%	\$163.91	\$1,708.58	\$39,502.96	\$540.00	10/07/2004	06/10/2005
10/8 - 11/7/04	\$38,962.96	0.416667%	5.00%	\$162.35	\$1,870.92	\$39,125.30	\$540.00	11/07/2004	06/10/2005
11/8 - 12/7/04	\$38,585.30	0.416667%	5.00%	\$160.77	\$2,031.70	\$38,746.07	\$540.00	12/07/2004	06/10/2005
				\$2,031.70			\$6,480.00		

1020

EDD NOTE - 11/07/01

\$50,912.00 Balance on 1999 Loan

Interest Rate: 5%, Based On 30 Days X 12 Months

Payment of \$540.00 due on 7th, by 17th X 120 Months

Period	Balance Begin Period	Monthly Interest Rate	Annual Rate	Monthly Interest	YTD Interest	Balance End Period	Payment Amount	Due Date	Payment Date
2005									
12/8/04 - 1/7/05	\$38,206.07	0.416667%	5.00%	\$159.19	\$159.19	\$38,365.27	\$540.00	01/07/2005	06/10/2005
1/8 - 2/7/05	\$37,825.27	0.416667%	5.00%	\$157.61	\$316.80	\$37,982.87	\$540.00	02/07/2005	06/10/2005
2/8 - 3/7/05	\$37,442.87	0.416667%	5.00%	\$156.01	\$472.81	\$37,598.88	\$540.00	03/07/2005	06/10/2005
3/8 - 4/7/05	\$37,058.88	0.416667%	5.00%	\$154.41	\$627.22	\$37,213.29	\$540.00	04/07/2005	06/10/2005
4/8 - 5/7/05	\$36,673.29	0.416667%	5.00%	\$152.81	\$780.03	\$36,826.10	\$540.00	05/07/2005	06/10/2005
5/8 - 6/7/05	\$36,286.10	0.416667%	5.00%	\$151.19	\$931.22	\$36,437.29	\$540.00	06/07/2005	07/19/2005
6/8 - 7/7/05	\$35,897.29	0.416667%	5.00%	\$149.57	\$1,080.79	\$36,046.86	\$540.00	07/07/2005	07/19/2005
7/8 - 8/7/05	\$35,506.86	0.416667%	5.00%	\$147.95	\$1,228.74	\$35,654.81	\$35,621.12	08/07/2005	09/29/2005
8/8 - 9/7/05	\$33.69	write off		(\$33.69)	\$1,195.05	\$0.00			
9/8 - 10/7/05	\$0.00								
10/8 - 11/7/05	\$0.00								
11/8 - 12/7/05	\$0.00								
				\$1,195.05			\$39,401.12		

1001

Δ7

SCHEDULE OF MONIES RECEIVED ON NOTES AND/OR MORTGAGES

DATE	AMOUNT	DESCRIPTION
08/03/1996	\$3,000.00	interest
11/29/1996	100.00	interest
02/03/1997	300.00	interest
05/10/1997	3,000.00	principal
07/18/1997	400.00	interest
07/12/1999	450.00	P&I on RRD note
08/03/1999	450.00	P&I on RRD note
09/03/1999	450.00	P&I on RRD note
10/07/1999	450.00	P&I on RRD note
11/15/1999	450.00	P&I on RRD note
12/06/1999	450.00	P&I on RRD note
01/07/2000	450.00	P&I on RRD note
02/04/2000	450.00	P&I on RRD note
03/08/2000	450.00	P&I on RRD note
04/05/2000	450.00	P&I on RRD note
05/10/2000	450.00	P&I on RRD note
06/05/2000	450.00	P&I on RRD note
07/10/2000	450.00	P&I on RRD note
08/04/2000	450.00	P&I on RRD note
09/06/2000	450.00	P&I on RRD note
10/05/2000	450.00	P&I on RRD note
11/02/2000	450.00	P&I on RRD note
12/06/2000	450.00	P&I on RRD note
01/08/2001	450.00	P&I on RRD note
02/01/2001	450.00	P&I on RRD note
03/05/2001	450.00	P&I on RRD note
04/04/2001	450.00	P&I on RRD note
05/04/2001	450.00	P&I on RRD note
06/04/2001	450.00	P&I on RRD note
07/02/2001	450.00	P&I on RRD note
08/06/2001	450.00	P&I on RRD note
09/05/2001	450.00	P&I on RRD note
10/04/2001	450.00	P&I on RRD note
11/08/2001	450.00	P&I on RRD note
11/09/2001	10,639.63	principal on RRD note
01/07/2002	540.00	P&I on EDD note
02/07/2002	540.00	P&I on EDD note
03/15/2002	540.00	P&I on EDD note
05/13/2002	1,080.00	P&I on EDD note
06/14/2002	540.00	P&I on EDD note
07/08/2002	540.00	P&I on EDD note
08/12/2002	540.00	P&I on EDD note
10/10/2002	540.00	P&I on EDD note
11/30/2002	540.00	P&I on EDD note
12/26/2002	540.00	P&I on EDD note
01/28/2003	540.00	P&I on EDD note
12/31/2003	6,480.00	P&I on EDD note
01/13/2004	540.00	P&I on EDD note
02/10/2004	540.00	P&I on EDD note
03/16/2004	540.00	P&I on EDD note
04/10/2004	540.00	P&I on EDD note
05/24/2004	540.00	P&I on EDD note
06/10/2004	540.00	P&I on EDD note
07/10/2004	540.00	P&I on EDD note
08/19/2004	540.00	P&I on EDD note
09/14/2004	540.00	P&I on EDD note
06/10/2005	4,320.00	P&I on EDD note
07/19/2005	1,080.00	P&I on EDD note
09/29/2005	35,621.12	payoff of EDD note
TOTAL	\$89,330.75	

1072

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First Citizens Bank

Member FDIC

DONALD W LANCASTER
1305 FAIRMONT AVE
MT PLEASANT SC 29464

H

Statement Period: May 13, 1999
Thru June 10, 1999

Account Number: 07920839300

EXPANDED BY LANCASTER
THE LANCASTER GROUP, INC. 4500
MT PLEASANT, SC 29464
Date: May 31, 99
Pay to the order of: Katherine Lancaster \$260.00
For deposit only
FIRST CITIZENS BANK
00000412
Donald W. Lancaster

Chk# 4500

\$260.00

EXPANDED BY LANCASTER
THE LANCASTER GROUP, INC. 4502
MT PLEASANT, SC 29464
Date: June 2, 99
Pay to the order of: First Citizens Bank \$5,000.00
For deposit only
FIRST CITIZENS BANK
00000412
Donald W. Lancaster

Chk# 4502

\$5,000.00

EXPANDED BY LANCASTER
THE LANCASTER GROUP, INC. 4503
MT PLEASANT, SC 29464
Date: June 1, 99
Pay to the order of: Donald W. Lancaster \$150.00
For deposit only
FIRST CITIZENS BANK
01509171441248
Donald W. Lancaster

Chk# 4503

\$150.00

1073

19

REVISED 1972

N-7 NOTE
7-6-00

South Carolina

\$ 50,912.00

November 19th 2001

FOR VALUE RECEIVED, the undersigned promise (s) to pay to the order of _____

DONALD W. LANCASTER

at MOUNT PLEASANT, South Carolina, in lawful money of the United States of America,
the principal sum of

Fifty Thousand Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars,
together with interest at the rate of five percent (5.00%) per
annum, payable in one hundred twenty equal, consecutive monthly
installments of principal and interest of Five Hundred Forty and
00/100 (\$540.00) Dollars, commencing December 6, 2001, and
continuing the sixth day of each month until fully paid. *E.B.*

This note may be prepaid without penalty.

January 6, 2002 DA

If default be made in the performance of or compliance with any of the covenants and conditions of the mortgage or any other instrument securing this note, then in any of said events, said principal sum with all accrued interest thereon shall become at once due and payable at the option of holder thereof and be collectible without further notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

If this note be placed in the hands of an attorney for collection after the same shall for any reason become due, or if collected by legal proceedings or through the probate or bankrupt courts, or under foreclosure proceedings under the mortgage securing this note, then all cost of collection, including a reasonable sum for attorney fee shall be added hereto as attorney's fees secured and collectible as the principal hereof.

The undersigned expressly agree jointly and severally to remain and continue bound for the payment of the principal and interest provided for by the terms of this note notwithstanding any extension or extensions of the time of, or for the payment of said principal or interest, or any change or changes in the amount or amounts agreed to be paid under and by virtue of the obligation to pay provided for in this note, or any change or changes by way of release or surrender of any collateral held as security for this note and waive all and every kind of notice of such extension or extensions, change or changes and agree that the same may be made without the joinder of the undersigned.

Presentment, protest, and notice are hereby waived.

It is expressly agreed and declared that this note is given for an actual loan of Fifty Thousand
Nine Hundred Twelve and 00/100 (\$50,912.00) Dollars.

This note is secured by a mortgage of even date conveying property in Charleston
County, South Carolina.

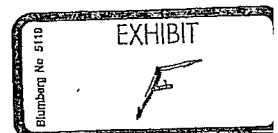
Witness the hand and seal of each of the signers hereof.

Witness:

[Signature]
[Signature]

[Signature] (LS)
EFFIE M. DREWS
D. (LS)

1074



TELEPHONE: BUS.: (843) 795-7000
FAX: (843) 762-5276
RES.: (843) 571-2929

Δ10

KERRY W. KOON
Attorney at Law
147 WAPPOO CREEK DRIVE
WAPPOO CENTRE, SUITE 203
CHARLESTON, SOUTH CAROLINA 29412

January 28, 2002

Mr. Donald W. Lancaster
~~REDACTED~~ Avenue
Mt. Pleasant, SC 29464

Dear Donald:

Please find enclosed the original collateral assignment of the mortgage from Charleston Antiques District to Bob Drews, which was assigned to Mrs. Drews and then to you to secure your note.

With kindest regards, I am

Very truly yours,

Kerry W. Koon
Kerry W. Koon

KWK:rb
Enclosure

1075

EX 11 1965

K. 1040 8/1/01

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ASSIGNMENT

For good and valuable consideration, the receipt whereof is hereby acknowledged, the undersigned Effie D. Drews, hereby grants, sells, bargains, conveys and assigns unto Donald W. Lancaster, that certain mortgage of Charleston's Antiques District, LLC, to Rudolph Robert Drews dated November 7th, 2001, and recorded in the RMC Office for Charleston County in Book H387, Page 431.

This assignment is made to secure the repayment of a Note to the said Donald W. Lancaster dated November 6, 2001, and shall become null and void upon payment in full of the Note.

WITNESS my hand and seal this 7th day of November, 2001.

Lorena Blacklocke
Lorena Blacklocke

Effie D. Drews
EFFIE D. DREWS

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

I, LORENA BLACKLOCKE, do hereby certify that
(print name of notary)

EFFIE D. DREWS

personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

This 7th day of November, 2001.

Lorena Blacklocke
(notary signs here)
NOTARY PUBLIC FOR SOUTH CAROLINA
MY COMMISSION EXPIRES: 1-5-03
(fill in)

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DODDS & HENNESSY, L.L.P.
ATTORNEYS AT LAW

BK K 387PG066

asgt
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FILED

K387-65

2001 NOV -8 AM 10:35

CHARLIE LEBRAND
REGISTER
CHARLESTON COUNTY SC

ASSIGNMENT

1077

STATE OF SOUTH CAROLINA)
COUNTY OF Charleston)

EXECUTION AGAINST PROPERTY

Frank Gordon, Jr.
et al.

DATE OF JUDGMENT 3/14/02
DATE ENROLLED 3/18/02

PLAINTIFF

AMOUNT DUE

- VS -

JUDGMENT \$65,789.12

COSTS \$0.00

Rudolph Robert
Drews, et al.
DEFENDANT

ATTORNEY FEES \$42,693.50

LESS PAYMENTS \$0.00

TOTAL \$108,482.62

TO THE SHERIFF OF

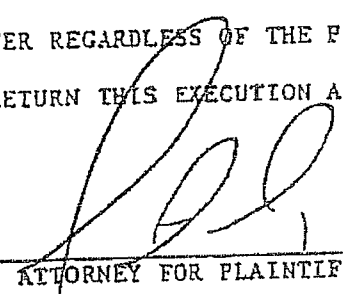
COUNTY:

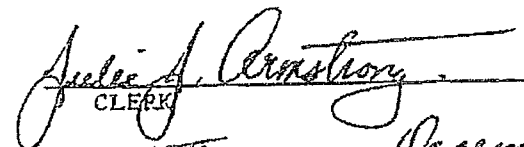
WHEREAS, JUDGMENT WAS RENDERED AND ENTERED IN THE REFERENCED CASE ON THE DATE SHOWN ABOVE IN FAVOR OF THE PLAINTIFF AGAINST THE DEFENDANT(S) IN THE AMOUNT SET FORTH; AND

WHEREAS, THE JUDGMENT WAS DOCKETED IN YOUR COUNTY ON THE DATE SHOWN, OR, IF YOUR COUNTY IS OTHER THAN THAT WHERE THE JUDGMENT WAS ORIGINALLY ENTERED, A TRANSCRIPT THEREOF WAS ENTERED IN YOUR COUNTY ON THE DATE INDICATED ABOVE; AND

WHEREAS, THE AMOUNT ITEMIZED IS DUE AND OWING

THEREFORE, THE UNDERSIGNED ATTORNEY FOR PLAINTIFF COMMAND YOU TO SATISFY THE JUDGMENT OUT OF PROPERTY OF DEFENDANT(S) JUDGMENT DEBTOR(S) WITHIN YOUR COUNTY; IF SUFFICIENT PERSONAL PROPERTY CAN NOT BE FOUND, THEN YOU ARE TO SATISFY THE JUDGMENT OUT OF REAL PROPERTY THEREAFTER REGARDLESS OF THE PERSON NOW CLAIMING OWNERSHIP OR POSSESSION, AND TO DULY RETURN THIS EXECUTION ACCORDING TO LAW TO THE CLERK OF COURT.


ATTORNEY FOR PLAINTIFF OR PLAINTIFF


CLERK

THIS 18th DAY OF December, 2003

1078

300
Jeff

ORIGINAL

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE No.:99-CP-10-1407

2001 DEC -5 PM 3:38

FRANK GORDON, JR. as attorney-in-fact
for DOROTHY GORDON,

Plaintiff,

vs.

RUDOLPH ROBERT DREWS, and
RAYMOND BEASLEY

Defendants.

ORDER GRANTING JUDGMENT IN FAVOR OF PLAINTIFF

Plaintiff's Attorney:	Justin Lucy
Defendant Drew's Attorney:	Kerry W. Koon
Defendant Beasley:	<i>Pro se</i>
Date of Hearing:	December 3-4, 2001

BACKGROUND

The plaintiff's complaint alleges both defendants violated S.C. Code §§ 35-1-1490 and 1500 arising out of a sale of stock in a closely-held corporation called Builders Station, Inc. The plaintiff also alleges both defendants misrepresented material facts when he purchased the stock, and he further alleges the defendant Drews breached fiduciary duties owed to him arising out of that stock sale. Drews denied all of the allegations. Beasley, in a *pro se* answer, admitted the allegations were true, but declared it was all Drews' fault. The matter was referred to this court for final disposition by order of Judge Gregory on January 29, 2001.

FINDINGS OF FACTS

Based upon the record in this action and the evidence produced at trial, this court finds the following facts to have been established for the purposes of the record in this proceeding:

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1. In 1996, the defendants were the original incorporators of a corporation called Builders Station, Inc. ("Builders Station").
2. In order to open a store called Builders Station, they decided to capitalize the business by selling stock in the company for \$1,000 per share.
3. Under the terms of an agreement with the corporation, the defendants were to receive one-half of a share of stock each for every share of stock sold to investors.
4. The defendants did not register these securities with the Securities Commissioner of South Carolina.
5. Both defendants found investors who purchased shares of stock in Builders Station.
6. Both defendants received one-half of a share of stock for each share of stock sold to these investors.
7. On September 9, 1996, the plaintiff purchased 50 shares of stock in Builders Station in consideration of the sum of \$50,000.00.
8. A preponderance of the evidence shows the defendants represented to the plaintiff the status of the Small Business Administration ("SBA") loan when the plaintiff purchased stock in Builders Station was that it was a "done deal" or "in the bag." This finding is based upon the testimony of the plaintiff and the defendant Beasley.
9. This representation about the status of the SBA loan was a material fact upon which the plaintiff relied when he purchased stock on behalf of his mother in Builders Station.
10. A preponderance of the evidence shows the defendants did not know the SBA was going to require all or almost all of the defendant Drews' property as collateral for the loan at the time the defendants represented to the plaintiff that the SBA loan was a "done deal" or "in the bag" on or before September 9, 1996. This finding of fact is based on several pieces of evidence. First, the defendant Drews testified that he did not know he was going to be required to pledge all of the property the SBA loan commitment required until September 27, 1996, which was the date he received the SBA loan

commitment letter dated September 25, 1996 from Business Development Corporation ("BDC"). Second, there is no documentary evidence which shows the SBA would require Drews to pledge his property at the time of the loan application, and the documentary evidence placed in evidence does not give Drews any notice of such a requirement prior to the September 25, 1996 letter. In fact, a BDC letter to Drews of September 9, 1996 only mentions the lender was concerned about the store's inventory when mentioning collateral. Third, none of the corporate minutes prior to September 25, 1996 indicate the corporation expected Drews use his property as collateral for the SBA loan. Fourth, there was no testimony from any of the loan brokers who procured the SBA loan about what they had made Drews aware of prior to September 25, 1996 concerning what property was expected to be used collateral for the loan. Finally, the corporation's attorney testified that he had no indication the SBA was seeking to have Drews use his property as collateral prior to September 25, 1996.

CONCLUSIONS OF LAW

Under S.C. Code § 35-1-50, the defendants were required to file with the Securities Commissioner of South Carolina "any prospectus, pamphlet, circular, form letter, advertisement or other sales literature or advertising communication addressed or intended for distribution to prospective investors . . . unless the security or transaction is exempted by Section 35-1-310 or 35-1-320, or the security is a federal covered security or the transaction is with respect to a federal covered security." S.C. Code § 35-1-810 makes it unlawful "for any person to offer or sell any security in this State unless (a) it is registered under this chapter, (b) the security or transaction is exempted under Section 35-1-310 or 35-1-320, or (c) it is a federal covered security."

S.C. Code §35-1-320(9), which is known as the limited offering exception, provides that:

Any transaction pursuant to an offer directed by the offeror to not more than twenty-five persons . . . in this State during any period of twelve consecutive months, whether or not the offeror or any of the offerees is then present in this State, if (a) the seller reasonably

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believes that all the buyers in this State . . . are purchasing for investment and (b) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this State

Under S.C. Code § 35-1-340, the defendants have the burden of proving they are entitled to an exemption under either S.C. Code § 35-1-310 or 320.¹ Thus, under § 35-1-320(9), the defendants have a threshold burden of proving they did not offer to sell shares in Builders Station to more than 25 persons within a 12 month period. The defendants have not proven this by a preponderance of the evidence. Drews denial of offering to sell the stock to more than 25 people was as vague as Beasley's assertion that Drews had to have offered it to more than 25 people. Furthermore, the evidence is uncontroverted the defendants received remuneration of one-half of a share of stock in Builders Station every time an investor purchased a share of stock. The defendants maintain this issuance of stock was simply to maintain their one-quarter share each ownership in the stock of Builders Station, and thus it was not compensation. This court is not persuaded by this characterization. Black's Law Dictionary defines remuneration as "payment; compensation" and "the act of paying or compensating."² Issuing stock to the defendants when they procured an investor who purchased stock is textbook compensation, either directly or indirectly, and is even referred to as additional compensation in the defendants' employment contracts. Thus, even if the offer was not made to more than 25 in-state investors, the defendants are not entitled to exemption from registration under S.C. Code § 35-1-320(9) because they received remuneration in the form of one-half of a share of stock every time a share of Builders Station stock was sold to an investor.

Under S.C. Code § 35-1-1490(1), "Any person who offers or sells a security in violation of . . . Section 35-1-810 . . . is liable to the person buying the security from him, who may sue either at law or in equity to recover the consideration paid for the security, together with interest

¹See S.C. Code § 35-1-340 which states: "In any proceeding under this chapter the burden of proving an exemption or an exception from a definition is upon the person claiming it."

²Black's Law Dictionary, 1298 (7th ed. 1999).

at six percent per year from the date of payment, costs, and reasonable attorneys' fees, less the amount of any income received on the security, upon the tender of the security" The plaintiff tendered the stock at trial, meeting the requirement of S.C. Code § 35-1-1510 which states: "Any tender specified in Section 35-1-1490 may be made at any time before entry of judgment." In addition, both defendants are jointly and severally liable under S.C. Code § 35-1-1500 since they both materially aided in the sale of the stock. Therefore, the plaintiff is entitled to recover from the defendants under S.C. Code § 35-1-1490(1)³ the consideration paid for the stock, which the evidence showed to be \$50,000.00, plus interest at six percent per year from September 9, 1996, plus costs and reasonable attorney's fees. The evidence is uncontroverted no income was ever received on the security.

Under S.C. Code § 35-1-1490(2), "Any person who . . . [o]ffers or sells a security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, the buyer not knowing of the untruth or omission, and who does not sustain the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the untruth or omission . . ."⁴ is also liable for the same damages as for a violation of S.C. Code § 35-1-1490(1).

This court has made a finding of fact that a preponderance of the evidence shows the defendants represented to the plaintiff that the status of the Small Business Administration ("SBA") loan when the plaintiff purchased stock in Builders Station was the loan was a "done deal" or "in the bag." This is based primarily on the testimony of the plaintiff, who stated that he

³At the conclusion of the trial the court allowed the plaintiff to amend his complaint to conform to the evidence to delineate that he was complaining of a violation of S.C. Code § 35-1-1490(1) and (2). His original amended complaint only stated a violation of section 35-1-1490. The defendant Drews objected; however, it is clear Drews answered the original complaint as if there were violation of both subsections, he presented evidence to controvert both subsections, and even argued against a violation of either subsection in closing. It does not appear Drews suffered any prejudice by allowing this clarifying amendment.

⁴One wonders if the author of that sentence has an aversion to the English language.

was told by the defendants that the SBA loan was a "done deal" or "in the bag," and the testimony of the defendant Beasley, who admitted to making that statement to the plaintiff. This court further made a finding of fact that this representation about the status of the SBA loan was a material fact upon which the plaintiff relied when he purchased stock in Builders Station, and that the plaintiff relied on this representation in deciding whether or not to purchase stock in Builders Station. However, this court also made a finding of fact that a preponderance of the evidence shows the defendants did not know the SBA was going to require all or almost all of the defendant Drews' property as collateral for the loan at the time the defendants represented to the plaintiff that the SBA loan was a "done deal." Therefore, under S.C. Code § 35-1-1490(2), while the defendants were persons who offered or sold a security by means of an untrue statement of a material fact, the defendants have sustained "the burden of proof that [t]he[y] did not know, and in the exercise of reasonable care could not have known, of the untruth or omission" As a result, the plaintiff cannot prevail against the defendants under S.C. Code § 35-1-1490(2).

For the same reasons as outlined above in dismissing the plaintiff's complaint of a violation of S.C. Code § 35-1-1490(2), this court finds the plaintiff is not entitled to judgment against the defendants for his cause of action for common-law misrepresentation. The defendants reasonably believed their statements made to the plaintiff on or before September 9, 1996 about the status of the SBA loan were true and had no reason to believe they were untrue at the time they were made.

The plaintiff's cause of action for breach of fiduciary duty was against the defendant Drews only. This complaint is essentially that Drews breached his fiduciary duties to the plaintiff when he refused to pledge his property as collateral for the SBA loan. As noted above, this court has already made a finding of fact that a preponderance of the evidence did not show Drews knew the SBA required him to pledge his property as collateral for the loan prior to September 27, 1996, the date when Drews received the loan commitment letter from BDC.

While it is true that Drews agreed to pledge some of his property for the SBA loan after he received notice of the collateral requirement, he was under no duty to do so at the time and he was not offered any additional consideration to do so. Thereafter, Drews and Beasley personally guaranteed a bridge loan from Southtrust Bank, which again Drews was not obligated to do. Later, Drews and Beasley had a falling-out over whether the Southtrust Bank loan proceeds were to be used entirely to invest in new inventory or whether some should be held in reserve for contingencies. That sort of decision is inherently a business judgment, and it is not for courts to second-guess whether it was the right business decision to make or not. What is relevant about this is that this falling-out between the defendants led to a series of events which caused Beasley to gain the other board members' support to oust Drews from his duties as comptroller of the corporation, effectively freezing Drews out of any say in how the company was run. This naturally led Drews to refuse to pledge his property and personally guarantee the SBA loan. From this court's viewpoint, the board members bet on Beasley and lost. It was completely unrealistic of the board to freeze Drews out of a closely-held corporation and still expect him to be their savior. Whatever duties Drews may have gratuitously assumed to go forward with the SBA loan were at that point extinguished by the board's actions. Therefore, as a board member who approved of Drews' ouster, the plaintiff cannot now prevail against Drews for breach of fiduciary duty, and this cause of action must therefore be dismissed as well.

THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED:

1. That the plaintiff is entitled to judgment against the defendants Rudolph Robert Drews and Raymond Beasley, jointly and severally, for violation of S.C. Code § 35-1-1490(1) in the amount of \$50,000.00, plus interest at the rate of six percent per year since September 9, 1996 which totals \$15,789.12 through the date of this order, plus costs and reasonable attorney's fees. The defendant shall have 15 days from the date of receipt of this order to request a hearing challenging the

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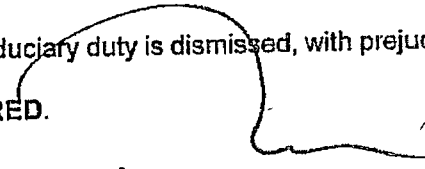


reasonableness of the attorney's fee request submitted by the plaintiff at trial.

The court shall amend this order on the issue of attorney's fees at a later time.

2. That the plaintiff's cause of action against both defendants for violation of S.C. Code § 35-1-1490(2) is dismissed, with prejudice.
3. That the plaintiff's cause of action against both defendants for common-law misrepresentation is dismissed, with prejudice.
4. That the plaintiff's cause of action against the defendant Rudolph Robert Drews for breach of fiduciary duty is dismissed, with prejudice.

AND IT IS SO ORDERED.



Judge Roger M. Young
Master-in-Equity for Charleston County

Charleston, South Carolina
December 5, 2001

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON
IN THE COURT OF COMMON PLEAS

JUDGMENT IN A CIVIL CASE
1999-CP-10-001407

GORDON, FRANK JR ETAL

VS. DREWS, RUDOLPH ROBERT ETAL

GORDON, DOROTHY ETAL

BEASLEY, RAYMOND ETAL

PLAINTIFF(S)

DEFENDANT(S)

- () JURY VERDICT. THIS ACTION CAME BEFORE THE COURT FOR A TRIAL BY JURY.
THE ISSUES HAVE BEEN TRIED AND A VERDICT RENDERED.
- () DECISION BY THE COURT. THIS ACTION CAME TO TRIAL OR HEARING BEFORE THE
COURT. THE ISSUES HAVE BEEN TRIED OR HEARD AND A DECISION RENDERED.
- () ACTION DISMISSED: () RULE 12(B), SCRPC; () RULE 41(A), SCRPC (VOL.
NONSUIT); () RULE 43(K), SCRPC (SETTLED); () OTHER-
- () ACTION STRICKEN: () RULE 40(J) SCRPC; () BANKRUPTCY; () BINDING
ARBITRATION, SUBJECT TO RIGHT TO RESTORE TO CONFIRM, VACATE OR MODIFY
ARBITRATION AWARD; () OTHER

IT IS ORDERED AND ADJUDGED: () SEE ATTACHED; () JUDGMENT BY COURT
ORDER GRANTING JUDGMENT IN FAVOR OF THE PLAINTIFF.

DATED AT CHARLESTON, SOUTH CAROLINA, THIS 05TH DAY OF DECEMBER, 2001

B. Logan H. Young
PRESIDING JUDGE

THIS JUDGMENT WAS ENTERED ON THE 05TH DAY OF DECEMBER, 2001 AND A COPY
MAILED FIRST CLASS THIS 13TH DAY OF DECEMBER, 2001 TO ATTORNEYS OF

RECORD OR TO PARTIES (WHEN APPEARING PRO SE) AS FOLLOWS:
BROWN, JOHN G II KOOON, KERRY W
PRO SE

ATTORNEY(S) OR PRO SE(S)

ATTORNEY(S) OR PRO SE(S)

John G. Brown
CLERK OF COURT

SCRPC FORM 1

1086

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
CASE No.: 99-CP-10-1407

FRANK GORDON, JR., as attorney-in-fact
for DOROTHY GORDON,

Plaintiff,

vs.

RUDOLPH ROBERT DREWS and
RAYMOND BEASLEY,

Defendants.

BY

CLERK OF COURT

2002 MAR 15 AM 9:13

FILED

ORDER AWARDING PLAINTIFF ATTORNEY'S FEES

The defendant Rudolph Robert Drews filed a motion to challenge the reasonableness of the plaintiff's request for attorney's fees submitted at trial as ordered by this court's order of December 5, 2001. This court heard testimony and arguments on this issue on February 27, 2002. The plaintiff has requested an award of attorney's fees in the amount of \$42,693.50.¹ Based upon the record produced at trial and the February 27, 2002, I make the following findings in support of this court's award of attorney's fees:

The general rule is that attorney's fees are not recoverable unless authorized by contract or statute.² The plaintiff prevailed under S.C. Code § 35-1-1490(1), which provides, *inter alia*, for the recovery of reasonable attorney's fees.

When determining the reasonableness of attorney's fees under a statute mandating the award of attorney's fees, a court must consider six factors: (1) the nature, extent, and difficulty of the legal services rendered, (2) the time and labor necessarily devoted to the case, (3) the

¹The original request was for \$44,893.50. This was reduced by \$2,200 at the February 27, 2002 hearing.

² Baron Data System, Inc. v. Loter, 297 S.C. 382, 377 S.E.2d 296 (1989).

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professional standing of counsel, (4) the contingency of compensation, (5) the fee customarily charged in the locality for similar legal services, and (6) the beneficial results obtained.³ Consideration should be given to all six criteria in establishing reasonable attorney's fees; none of these six factors is controlling.⁴

This court shall now examine each factor in turn.

1. The Nature, Extent and Difficulty of the Legal Services Rendered.

The plaintiff's attorney spent considerable time and effort on the prosecution of this case. From a review of the file, this case involved securities fraud and misrepresentation, which can be relatively complex litigation. I find this case's complexity warranted the time expended by the plaintiff's attorney, despite the defendant Drews' expert's characterization that the case was "relatively simple." That expert had relatively little experience in securities litigation and his expertise in attorney's fees issues seemed to be more in the field of domestic or family court litigation. The defendant actively litigated the defense of this lawsuit.

2. The Time and Labor Necessarily Devoted to the Case.

This court has reviewed the statements and affidavit of the plaintiff's attorney, Justin Lucey. Mr. Lucey documented the time billed by him and his staff. The plaintiff has requested an award of attorney's fees in the amount of \$42,693.50. At the hearing he stated he had re-reviewed his billing records and found it necessary to reduce his request by \$2,200 to avoid double-charging certain entries. The total hours documented were in excess of 300.

3. The Professional Standing of Counsel.

This court finds Mr. Lucey is known to this court to be an experienced, highly-skilled attorney of high professional standing in the legal community. This court is aware that Mr. Lucey and his law firm have high standing and regard in the legal community. Furthermore, the

³ Baron Data Systems, Inc. v. Loter, 297 S.C. 382, 377 S.E.2d 296 (1989), Blumberg v. Nealco, 310 S.C. 492, 427 S.E.2d 659 (1993).

⁴ Darden v. Witham, 263 S.C. 183, 209 S.E.2d 42 (1974).

defendant has not objected to the quality or standing of any of the plaintiff's attorney in this matter.

4. The Contingency of Compensation.

Mr. Lucey stated his fee agreement with his client was 40% of any award or the fee awarded by the court, whichever is greater.

5. The Fee Customarily Charged in the Locality for Similar Legal Services.

Drews primary argument goes to the issue that the plaintiff should not be allowed to recover all of his attorney's fees because he was not successful on all of his causes of action. In Hensley v. Eckerhart,⁵ the United States Supreme Court said:

We hold that the extent of a plaintiff's success is a crucial factor in determining the proper amount of an award of attorney's fees under 42 U.S.C. §§ 1988. Where the plaintiff has failed to prevail on a claim that is distinct in all respects from his successful claims, the hours spent on the unsuccessful claim should be excluded in considering the amount of a reasonable fee. Where a lawsuit consists of related claims, a plaintiff who has won substantial relief should not have his attorney's fee reduced simply because the district court did not adopt each contention raised. But where the plaintiff achieved only limited success, the district court should award only that amount of fees that is reasonable in relation to the results obtained.⁶

Under this court's order, the plaintiff recovered for a violation of S.C. Code § 35-1-1490(1). This violation entitled the plaintiff to an award of his reasonable attorney's fees. This court did not allow recovery for the plaintiff's claims of violation of S.C. Code § 35-1-1490(2), common-law misrepresentation and breach of fiduciary duty.

The relief the plaintiff was awarded for violation of S.C. Code § 35-1-1490(1) was substantial: a complete refund of the sums invested plus interest, costs and attorney's fees. This court found Drews and the other defendant did offer to sell a security by means of an untrue statement; however, this court found the defendants sustained the burden of proving they did not know, and in the exercise of reasonable care could not have known, the truth or

⁵ 461 U.S. 424, 103 S.Ct. 1933, 76 L.Ed.2d 40 (1983). See also, Alexander S. By and Through Bowers v. Boyd, 929 F.Supp. 925 (D.S.C., 1995).

⁶ Id. at 440, 103 S.Ct. at 1943.

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untruth of the omission. The finding of a misrepresentation is not an unsubstantial finding. In fact, one could argue that it was only a technicality that kept Drews from facing even further damages. Under these circumstances, the lack of distinctiveness between the successful and unsuccessful causes of action should not cause a reduction in the award of attorney's fees.

6. The Beneficial Results Obtained.

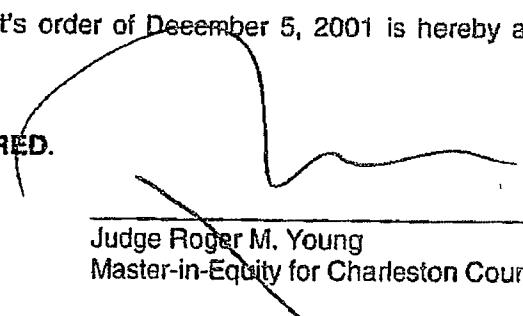
As noted above, Mr. Lucey was able to procure for his client a substantial award: a complete refund of the sums invested plus interest, costs and attorney's fees.

Under these circumstances, I find an award of \$42,693.50 in attorney's fees to be reasonable.

THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED:

1. That the plaintiff is awarded attorney's fees in the amount of \$42,693.50 for a violation of S.C. Code § 35-1-1490(1); and
2. That this court's order of December 5, 2001 is hereby amended to reflect this award.

AND IT IS SO ORDERED.



Judge Roger M. Young
Master-in-Equity for Charleston County

Charleston, South Carolina
March 14, 2002

AIR

THIS CHECK CONTAINS A MICROGRAM ON THE FRONT AND AN ARTIFICIAL WATERMARK ON THE BACK WHICH MUST BE VIEWED AT AN ANGLE

3001920022

WACHOVIA

DATE June 7, 1999

ISSUING OFFICE SE1080 dca

PAY TO THE ORDER OF *****SouthTrust Bank*****

\$15,000.00**

THE SUM \$15000.00

For R. R. DREWS

Wachovia Bank, N.A. Raleigh, NC

AUTHORIZED AGENT OF PAYING BANK

⑈ 3001920022⑈ ⑆ 053107633⑆ 016260 998002⑈

1691

STATE OF SOUTH CAROLINA
IN THE
COURT OF APPEALS

Appeal from the Court of Common Pleas
For Charleston County
Honorable J. C. Nicholson, Jr., Circuit Judge
Civil Action Nos.: 2010-CP-10-9096
And 2011-CP-10-8840
Appellate Case Tracking No. 2014-001247

RECEIVED
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SC Court of Appeals

Frank Gordon, Jr., Individually and as Trustee
of Dorothy S. Gordon (Deceased) Trust,

Respondent,

v.

Donald W. Lancaster,

Appellant.

**Rule 210(g), SCACR, Certificate of Counsel
(Volume III)**

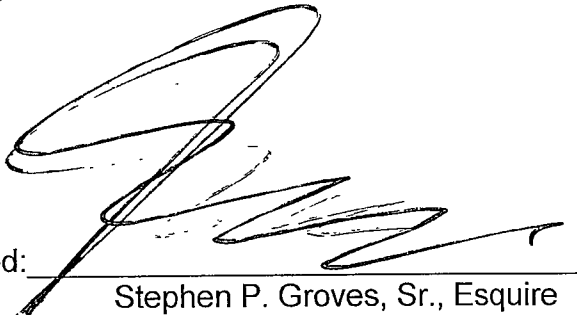
Stephen P. Groves, Sr., Esquire
S.C. Bar No. 007854
NEXSEN PRUET, LLC
205 King Street, Suite 400
Charleston, South Carolina 29401
Telephone: 843.720.1725
Telecopier: 843.414.8206
E-Mail: SGroves@nexsenpruet.com

John J. Dodds, III, Esquire
S.C. Bar No. 001707
CISA & DODDS
858 Lowcountry Boulevard, Suite 101
Mount Pleasant, South Carolina 29464
Telephone: 843.881.6530
E-Mail: john@cisadodds.com

Attorneys for the Appellant

1091A

I, Stephen P. Groves, Sr., Esquire, hereby certify, pursuant to Rule 210(g), SCACR, that this **Record on Appeal (Volumes I, II, and III)** contains all of the material and documentation proposed to be included by any of the parties and not any other material.

Signed: 
Stephen P. Groves, Sr., Esquire

Charleston, South Carolina

22 October 2015