STATEMENT OF CHARGES
EXHIBIT LIST

EXHIBIT 1:	January 15, 1998 transcript of testimony of Grant Anderson on direct and in response to CJC questions
EXHIBIT 2:	May 15, 1989 Addendum to Lease Agreement
EXHIBIT 3:	March 19, 1990 Detail Fee Transaction File List (Time Records)
EXHIBIT 4:	1989 Federal Tax Return of Pacific Lanes, Inc.
EXHIBIT 5:	July 1, 1988 Lease Agreement
EXHIBIT 6:	April 1989 through December 1989 Monthly Balance Sheets and Income Statements of Hoffman-Stevenson, Inc.
EXHIBIT 7:	November 9, 1992 memo from Grant Anderson to First Interstate Bank
EXHIBIT 8:	1992 Federal Tax Return of Hoffman-Stevenson, Inc.
EXHIBIT 9:	1992 Federal Tax Return of Pacific Lanes, Inc.
EXHIBIT 10:	September 25, 1989 Tacoma Police Report re: Alleged Burglary
EXHIBIT 11:	June 28, 1999 Declaration of Kenneth J. Wilson
EXHIBIT 12:	November 8, 1989 Inventory of Assets Re: Charles C. Hoffman
EXHIBIT 13:	November 6, 1992 Detail Fee Transaction File List (Time Records)
EXHIBIT 14:	January 5, 1990, Master Business License Application
EXHIBIT 15:	August 4, 1997 Statement of Charges, CJC No. 96-2179-F
EXHIBIT 16:	April 3, 1998 Commission Decision, CJC No. 96-2179-F

Exhibit

1

EXHIBIT NO. 1

A Almost in, I wouldn't say day 1, but very early on.
Q What was that fee for?
A It was roughly equivalent to what Mr. Hoffman had been taking out for his wages and it was for the business management side of things of the corporations as opposed to the estate work.
Q So you guys were running the -- you were managing the businesses as well as doing estate work?
A Yes.
Q As part of the estate work it needed to run the business?
A They did, very much, they needed leadership, they needed somebody who could pull it all together.
Q And did you just take that as some sort of a flat amount that you figured you were just entitled to?
A No, they -- it had to do with availability and it was roughly equivalent to the hours in time. It was taken in from two, maybe three different sources in the corporation, of the different corporations, and it was put in what I am going to call a management pot and all time records were kept, business management time records were kept against that pot and accounted for in that manner. Now, where the money came from that went into the pot was not necessarily related to where the work was done for that pot. A large part of the work was probably done down at the ocean, down at Surfside.

Q So you kept time records for -- you kept two sets of time records?
A Yes.
Q Attorney time records?
A Yes.
Q And management time records?
A Yes.
Q And other people in your office were working on these matters as well?
A Yes.
Q And the monthly fee would come in and be put into a pot, is that correct?
A Yes.
Q And then they would look at the time that had been generated in connection by everyone in your office including yourself and charge that against the monthly fee?
A Yes.
Q And sometimes the monthly fee would cover it and sometimes it wouldn't?
MR. TAYLOR: Your Honor, I am going to object. We are getting an awful lot of leading questions here at this point.
JUDGE BROWN: Sustained.
Q (Continuing By Mr. Bulmer) Would the monthly fee

sometimes cover it and sometimes not?
A Yes. They were roughly equivalent.
Q Were rental payments for the bowling alley also being paid to Hoffman-Stevenson at that point when you took over?
A The rental payments had been set up on the books when I arrived and they stayed in that same fashion. It wasn't, frankly, until yesterday that I learned that that was a paper transaction by the accountant and that a check was never written.
Q Was that amount $12,000 when you took over?
A That's the amount that had been on and had been in my understanding primarily generated by tax considerations.
Q Okay. Now, when you took over the bowling alley, did you have an appraisal made?
A Yes, I did.
Q Ask you to turn to Exhibit 14. What is Exhibit 14, please?
A This is the appraisal that I had done for estate tax purposes and for my own knowledge as to values and for estate tax purposes.
Q This is on the bowling lane?
A Yes, this one is on the bowling lane.
Q I ask you to turn to page 5 of that appraisal. Now, that's a page with a signature by Mr. Jim Latteri?

A Yes.
Q And who is Mr. Latteri?
A Mr. Latteri is an appraiser that appraises in Pierce County.
Q Independent appraiser?
A Yes.
Q Was he paid to prepare these appraisals?
A Yes.
Q And the appraisal that he came up with was $1 million 334,000?
A Yes.
Q Did you review this appraisal when it came in?
A Yes.
Q I ask you to turn to page 15 of the appraisal. Page 15 is entitled "Description of Improvements." I direct your attention to the third full paragraph and the last sentence that says, "This appraiser would recommend both an electrical inspection and an asbestos inspection." Do you see that?
A Yes, I do.
Q What did that tell you?
A What did that tell me? It told me that he had some reservations, some caveats, if you will, to his appraisal and things that should be looked at as potential problems or influence the value at a later time.

Q We had some testimony about the fax number, he said he was officing there for a short time, at the top it said Gary Frind & Associates. Maybe I misunderstood.
A I don't remember the document. I think that was Frind faxing to him.
Q He didn't office with that accountant?
A Oh, no, they were literally miles apart.
Q Okay. When you said you were elected in September of '82, was it a two-person race?
A Yes.
Q And so whoever won in mid-September --
A Whoever won won.
Q So you had the fortune, I guess, of having about a three-month look at getting out of the practice before you took the bench?
A Yes.
Q Fortune in the sense of having time?
A Having more time than not.
Q And one last thing, and this is a clean-up detail, but on our time line up here it says December 9th, '82, the collateral, the note that goes to the bank as collateral, I think somebody pointed out to us on Exhibit 113, there's a receipt. I hope it's in your book as well. It looks like it's a receipt by the bank for the promissory note, the $250,000 promissory note and it

looks like it's dated 12-24. Was that the date that you actually gave the note to the bank?
A I don't recall that I personally ever took the note down, whether it was Ms. Pagni or Janet Mimick or whether it was my secretary or whether it was somebody that worked for me. I don't recall ever going face-to-face -- my conversations with the bank were telephone and sending documents back and forth, to the best of my recollection.
Q And it may be insignificant, but would you have dropped it off at the bank when you were in on Christmas Eve to sign the papers on the car loan?
A No, totally different banks.
Q Totally different bank?
A Totally.
Q This is First Interstate and the other one was Sound?
A Yes, First Interstate and Sound is in Lakewood.

EXAMINATION

BY JUDGE DONOHUE:

Q The question that I had really is for clarification purposes. There is a dispute and some of our attention needs to be focused on the management fees that were received over a period of time. My understanding of your testimony is that that was a fixed amount that was charged against on the basis of time earned?
A Yes.
Q And those time records were kept both for legal services provided and also against for management services provided?
A Yes, as have been made available, yes.
Q Okay. Thank you.

MS. BRIGHTON: I forgot I had one more question because I just can't get -- I just don't understand this.

EXAMINATION

BY MS. BRIGHTON:

Q Yesterday the accountant testified that the rent had been $1200 a month and that it had been --
A $12,000.
Q Excuse me, $12,000, and it had been established before he started with the books, he didn't know where that came from, he didn't know why that had been changed to the 6. He was told to do it, but he didn't know what initiated --
A The $12,000 figure was, to the best of my knowledge, established by Knight, Vale & Gregory before I was ever involved, for tax purposes of between the estates, excuse me, between the corporations. I didn't, frankly, realize until Mr. Iverson testified yesterday that it was

a book entry by the accountant and there was never a check written that went back and forth. The $6,000 was negotiated reasonable real rent as opposed to a tax entry rent that had been taking place before. They were both cash flow numbers. $9,000 being the $3,000 payment plus $6,000 payment were terms that were acceptable to Mr. Hamilton and were acceptable to me on behalf of the estate as covering what would be equivalent of interest and payments, adequate payments to make the -- and they were net, they were truly net payments with no expenses attached period.
Q Thank you.

JUDGE BROWN: Any other questions from the Commission? Mr. Bulmer, did you wish to ask any follow-up questions?

MR. BULMER: Just a couple, Your Honor

FURTHER REDIRECT EXAMINATION

BY MR. BULMER:

Q A couple thing on Surfside. There were other things going on at Surfside other than just the time shares, correct?
A Yes.
Q In fact, Surfside remained in the estate and got transferred to the --

AUG - 1998 A B C D C.J.C.

Exhibit
2

EXHIBIT NO. 2

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM made and entered into this 15th day of May, 1989, by and between HOFFMAN-STEVENSON, INC., a Washington corporation, hereinafter referred to as "Lessor," and PACIFIC LANES, INC., a Washington corporation, hereinafter referred to as "Lessee."

WITNESSETH

1. Rent. Lessor hereby amends the Lease Agreement and Lessee hereby covenants and agrees to said amendment of the rent provision in Paragraph 4. Specifically, to increase the amount of rent payable to Lessor, as minimum rental for said premises, to a monthly rental of Twelve Thousand and no/100ths ($12,000.00) Dollars per month, said payments to be made on the 1st day of each month, commencing May 1, 1989, all payments to be made in lawful money of the United States, in advance, on the 1st day of each calendar month of the Lease term to Lessor, or such other party at such other place as Lessor may hereafter designate.

With the exception of Paragraph 4 herein described, all other provisions of said Lease Agreement, effective as of July 1, 1988, shall remain unchanged in its present form, and the Lessee shall remain obligated thereunder.

LESSOR

HOFFMAN-STEVENSON, INC.

By: Grant L. Anderson
President

LESSEE

PACIFIC LANES, INC.

By: Grant L. Anderson
President

STATE OF WASHINGTON)
: ss.
County of Pierce)

On this 15th day of May, 1989, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared GRANT L. ANDERSON, to me known to be the President of HOFFMAN-STEVENSON, INC., the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and

voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

DIANE DELEON NOTARY PUBLIC 10-25-92 STATE OF WASHINGTON

Notary Public in and for the State of Washington, residing at Tacoma.
My commission expires: 10-25-92

STATE OF WASHINGTON)
: ss.
County of Pierce)

On this 17th day of May, 1989, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared GRANT L. ANDERSON, to me known to be the President of PACIFIC LANES, INC., the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

DIANE DELEON NOTARY PUBLIC 10-25-92 STATE OF WASHINGTON

Notary Public in and for the State of Washington, residing at Tacoma.
My commission expires: 10-25-92

Exhibit
3

EXHIBIT NO. 3

T	DATE	TMKR	CAT	SRC	H T B R P X C C	TCODE	RATE	HOURS	AMOUNT	
10	10/04/90	005	3		P	11	90.00	0.25	22.50	Legal research re redemption of stock to pay estate taxes and administration expenses. HOFFMAN ESTATE/CHARLES C
SUBTOTAL FOR TIMEKEEPER # 005						BILLABLE		2.42	121.80	Todd J Tuell
						TOTAL		2.42	121.80	
10	07/18/89	007	3		P	11	40.00	2.25	90.00	Legal Research regarding preparationof escrow instruments and drafting of escrow instructions. HOFFMAN ESTATE/CHARLES C
10	07/31/89	007	3		P	13	40.00	1.50	60.00	Preparation of escrow instructions. HOFFMAN ESTATE/CHARLES C
10	08/01/89	007	3		P	13	40.00	0.33	13.20	Preparation of and revisions to escrow instructions. HOFFMAN ESTATE/CHARLES C
10	03/19/90	007	3		P	50	40.00	0.83	33.20	Preparation of Addendum to Lease re increased rent from Pacific Lanes to Hoffman-Stevenson, Inc.; preparation of Minutes of Special Meeting of Board of Directors re Marketing Agreement for Hoffman-Stevenson, Inc.; preparation of Waiver of Special Meeting and Annual Minutes of corporation, Hoffman-Stevenson, Inc. HOFFMAN ESTATE/CHARLES C
10	10/02/90	007	3		P	11	40.00	0.42	16.80	Legal research regarding tax issues re corporate redemption of stock. HOFFMAN ESTATE/CHARLES C
10	10/04/90	007	3		P	11	40.00	0.75	30.00	Legal research regarding tax questions on redemption of stock. HOFFMAN ESTATE/CHARLES C
10	10/30/90	007	3		P	1	40.00	0.83	33.20	Telephone call from Don Devor; telephone call from Wayne Buck. HOFFMAN ESTATE/CHARLES C
10	12/04/90	007	3		P	1	60.00	0.50	30.00	Telephone call to attorney Alan Weaver re estate tax; review of file re payment of tax; preparation of information for payment of federal and state estate taxes. HOFFMAN ESTATE/CHARLES C
10	04/03/91	007	3		P	5	60.00	7.75	465.00	Travel to Bellevue re sale of surfside units to Pacific Resorts, Inc. HOFFMAN ESTATE/CHARLES C
10	05/10/91	007	3		P	3	60.00	0.50	30.00	Review counter offer to sell units with Grant L. Anderson. HOFFMAN ESTATE/CHARLES C
10	08/09/91	007	3		P	1	90.00	0.25	22.50	Telephone call from Don LeMaster re closing on Thursday and Waiver of Dickerson's wife's community property interest. HOFFMAN ESTATE/CHARLES C
10	12/13/91	007	3		P	1	90.00	0.25	22.50	Telephone call from LeMaster re desire to purchase additional unit. HOFFMAN ESTATE/CHARLES C

Exhibit 4

EXHIBIT NO. 4

Form **1120** — Department of the Treasury, Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 1989 or tax year beginning _____, 1989, ending _____, 19____

► Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

OMB No. 1545-0123

1989

Check if a—
- 1 Consolidated return ☒
- 8 Personal holding co. ☐
- C Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T—see instructions) ☐

Use IRS label. Otherwise, please print or type.

Name: Pacific Lanes Inc. and Subsidiary

Number and street (or P.O. box number if mail is not delivered to street address): 7015 South D Street

City or town, state, and ZIP code: Tacoma WA 98408

D Employer identification number: 91-0699154

E Date incorporated: 10-09-59

F Total assets (see Specific Instructions): $ 840657

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

Income	1a	Gross receipts or sales _____ b Less returns and allowances _____ c Bal ►	1c	419875
	2	Cost of goods sold and/or operations (Schedule A, line 7)	2	168464
	3	Gross profit (line 1c less line 2)	3	251411
	4	Dividends (Schedule C, line 19)	4	
	5	Interest	5	9674
	6	Gross rents	6	
	7	Gross royalties	7	
	8	Capital gain net income (attach Schedule D (Form 1120))	8	
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)	9	
	10	Other income (see instructions—attach schedule)	10	577125
	11	Total income—Add lines 3 through 10 ►	11	838210
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)	12	
	13a	Salaries and wages _____ b Less jobs credit _____ c Balance ►	13c	319393
	14	Repairs	14	53376
	15	Bad debts	15	
	16	Rents	16	144000
	17	Taxes	17	70205
	18	Interest	18	20278
	19	Contributions (see instructions for 10% limitation)	19	
	20	Depreciation (attach Form 4562) — 20: 67158	21b	67158
	21	Less depreciation claimed on Schedule A and elsewhere on return — 21a: _____	22	
	22	Depletion	23	30238
	23	Advertising	24	
	24	Pension, profit-sharing, etc., plans	25	17201
	25	Employee benefit programs	26	133084
	26	Other deductions (attach schedule)	27	854933
	27	Total deductions—Add lines 12 through 26 ►	28	(16723)
	28	Taxable income before net operating loss deduction and special deductions (line 11 less line 27)	29c	
	29	Less: a Net operating loss deduction (see instructions) 29a _____ b Special deductions (Schedule C, line 20) 29b _____	30	(16723)
	30	Taxable income—Line 28 less line 29c	31	
	31	Total tax (Schedule J, line 10)		
Tax and Payments	32	Payments: a 1988 overpayment credited to 1989 32a _____ b 1989 estimated tax payments 32b 2440 c Less 1989 refund applied for on Form 4466 32c ( ) d Bal ► 32d 2440 e Tax deposited with Form 7004 32e _____ f Credit from regulated investment companies (attach Form 2439) 32f _____ g Credit for Federal tax on fuels (attach Form 4136) 32g _____	32h	2440
	33	Enter any penalty for underpayment of estimated tax—Check ► ☐ if Form 2220 is attached	33	
	34	Tax due—If the total of lines 31 and 33 is larger than line 32h, enter amount owed	34	0
	35	Overpayment—If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35	2440
	36	Enter amount of line 35 you want: Credited to 1990 estimated tax ► _____ Refunded ►	36	2440

RECEIVED
MAY 06 1999

Please sign here

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

Signature of officer _____ Date 4-30-99 Title _____

Paid Preparer's Use Only

Preparer's signature _____ Date 4/30/99 Check if self-employed ☒ Preparer's social security number [redacted]

Firm's name (or yours if self-employed) and address: LARSON & FRIND, 2301 SO. TACOMA WAY TACOMA, WA

E.I. No. ► 91-1468939

ZIP code ► 98409

Schedule A Cost of Goods Sold and/or Operations (See instructions for line 2, page 1.)

1	Inventory at beginning of year	1	151651
2	Purchases	2	165942
3	Cost of labor	3	
4a	Additional section 263A costs (see instructions—attach schedule)	4a	
b	Other costs (attach schedule)	4b	
5	Total—Add lines 1 through 4b	5	181593
6	Inventory at end of year	6	13129
7	Cost of goods sold and/or operations—Line 5 less line 6. Enter here and on line 2, page 1	7	168464

8a Check all methods used for valuing closing inventory:
(i) ☒ Cost (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)
(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)
(iv) ☐ Other (Specify method used and attach explanation.) ▶

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

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 8c

d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☒ No

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

Schedule C Dividends and Special Deductions (See instructions.)

	(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total—Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
19 Total dividends—Add lines 1 through 17. Enter here and on line 4, page 1. ▶			

20 Total deductions—Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶

Schedule E Compensation of Officers (See instructions for line 12, page 1.)
Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are $500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	(e) Preferred	(f) Amount of compensation
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

2 Total compensation of officers	
3 Less: Compensation of officers claimed on Schedule A and elsewhere on return	( )
4 Compensation of officers deducted on line 12, page 1	

Schedule J Tax Computation

1	Check if you are a member of a controlled group (see sections 1561 and 1563) ▶ ☐		
2	If the box on line 1 is checked:		
a	Enter your share of the $50,000 and $25,000 taxable income bracket amounts (in that order): (i) $ (ii) $		
b	Enter your share of the additional 5% tax (not to exceed $11,750) ▶ $		
3	Income tax (see instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see instructions). ▶ ☐		3
4a	Foreign tax credit (attach Form 1118)	4a	
b	Possessions tax credit (attach Form 5735)	4b	
c	Orphan drug credit (attach Form 6765)	4c	
d	Credit for fuel produced from a nonconventional source (see instructions)	4d	
e	General business credit. Enter here and check which forms are attached: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	4e	
f	Credit for prior year minimum tax (attach Form 8801)	4f	
5	Total—Add lines 4a through 4f		5
6	Line 3 less line 5		6
7	Personal holding company tax (attach Schedule PH (Form 1120))		7
8	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		8
9a	Alternative minimum tax (attach Form 4626)		9a
b	Environmental tax (attach Form 4626)		9b
10	Total tax—Add lines 6 through 9b. Enter here and on line 31, page 1		10

Additional Information (See instruction F.)

		Yes	No
H	Refer to the list in the instructions and state the principal:		
	(1) Business activity code no. ▶ 7900		
	(2) Business activity ▶ Restaurant / Bowling		
	(3) Product or service ▶ Meals / Entertainment		
I	(1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		X
	(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c)	X	
	(a) Attach a schedule showing name, address, and identifying number.		
	(b) Enter percentage owned ▶ 100%		
	(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) Note: *If "Yes," the corporation may have to file Form 5472.*	X	
	If "Yes," enter owner's country ▶		
J	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation.		X
K	At any time during the tax year, did the corporation 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 instruction F and filing requirements for form TD F 90-22.1.) If "Yes," enter name of foreign country ▶		X
L	Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.		X
M	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		X
N	During this tax year, did the corporation maintain any part of its accounting/tax records on a computerized system?		X
O	Check method of accounting: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶		
P	Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐ If so, the corporation may have to file Form 8281.		
Q	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ 0		
R	Enter the number of shareholders at the end of the tax year if there were 35 or fewer shareholders ▶		

Schedule L Balance Sheets

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		118605		175435
2a Trade notes and accounts receivable	3600			
b Less allowance for bad debts		3600		
3 Inventories		15651		13129
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule) FIT Refund				3485
7 Loans to stockholders		4808		
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets	352594		551076	
b Less accumulated depreciation	335849	16745	409972	141104
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets (attach schedule) Hoffman Stevenson		708417		507504
15 Total assets		867826		840657
Liabilities and Stockholders' Equity				
16 Accounts payable		9466		10456
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach schedule)		38882		28476
19 Loans from stockholders				
20 Mortgages, notes, bonds payable in 1 year or more		126533		126533
21 Other liabilities (attach schedule)				
22 Capital stock: a Preferred stock				
b Common stock	42100	42100	42100	42100
23 Paid-in or capital surplus				
24 Retained earnings—Appropriated (attach schedule)				
25 Retained earnings—Unappropriated		650845		633092
26 Less cost of treasury stock		( )		( )
27 Total liabilities and stockholders' equity		867826		840657

Schedule M-1 Reconciliation of Income per Books With Income per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1 Net income per books	(16723)	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax		a Tax-exempt interest $	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation $	
a Depreciation $		b Contributions carryover $	
b Contributions carryover $			
c Travel and entertainment $			
		9 Total of lines 7 and 8	
6 Total of lines 1 through 5	(16723)	10 Income (line 28, page 1)—line 6 less line 9	(16723)

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 25, Schedule L) (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1 Balance at beginning of year	650845	5 Distributions: a Cash	
2 Net income per books	(16723)	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		Net Prior year amended returns	1030
		7 Total of lines 5 and 6	1030
4 Total of lines 1, 2, and 3	634122	8 Balance at end of year (line 4 less line 7)	633092

Form **851** (Rev. March 1989)
Department of the Treasury
Internal Revenue Service

Affiliations Schedule

(To be filed with each consolidated income tax return)

Tax Year Ended Dec. 31, 19 89

OMB No. 1545-0025
Expires 2-29-92

Common parent corporation: Pacific Lanes Inc.

Employer identification number: 91-0699154

Number and street (or P.O. box number if mail is not delivered to street address)

City or town, state, and ZIP code

Part I Prepayment Credits

No.	Name and address of corporation	Employer identification number	Prepayment Credits: Portion of Form 7004 tax deposits	Prepayment Credits: Portion of estimated tax credits and deposits
1	Common parent corporation		2440	
2	Subsidiary corporations: Surfside	91-1020776		
3				
4				
5				
6				
7				
8				
10				
	Totals (Must equal amounts shown on the consolidated tax return) ▶		2440	

Part II Voting Stock Information, etc.

No.	Principal business activity	Did the subsidiary make any nondividend distributions? (See instructions.) Yes	No	Capital stock outstanding at beginning of year: Number of shares Voting	Nonvoting	Stock holdings at beginning of year: Voting: Number of shares	Percent voting power	Nonvoting: Number of shares	Percent	Owned by corporation number—
1	Common parent corporation									
2	Subsidiary corporations: Restaurant		X	500		500	100 %		%	01
3							%		%	
4							%		%	
5							%		%	
6							%		%	
7							%		%	
8							%		%	
							%		%	
10							%		%	

For Paperwork Reduction Act Notice, see Instructions.

Form 851 (Rev. 3-89)

Part III Changes In Stock Holdings During the Year

Corporation No.*	Corporation Name	Stockholder (Corporation No.)*	Date	Change in stock holdings during the year: Changes: Shares acquired: Voting	Shares acquired: Nonvoting	Shares disposed of: Voting	Shares disposed of: Nonvoting	Shares held at end of y: Voting: Percent voting power	Shares held at end of y: Nonvotin: Percent of shares
	N/A							%	%
								%	%
								%	%
								%	%
								%	%
								%	%
								%	%
								%	%

*The numbers used must agree with the corporation numbers in Part I, page 1.

If additional stock was issued, or if any stock was retired during the year, show the dates and amounts for these transactions.

If the equitable owners of any capital stock shown above were other than the holders of record, give full details.

Remarks: _____

Part IV Additional Information (See Instructions for Part IV for Questions 1 through 4.)

No.*	Name	Answer to Question 1: Yes	Answer to Question 1: No	If yes, list and describe each class of stock:
2	Surfside		X	

No.*	Name	Answer to Question 2: Yes	Answer to Question 2: No	If yes, but such stock was not owned for the entire tax year, provide dates to show period of ownership:
2	Surfside	X		

No.*	Name	Answer to Question 3: Yes	Answer to Question 3: No	If yes, but such stock was not owned for the entire tax year, provide dates to show period of ownership:
2	Surfside	X		

No.*	Name	Answer to Question 4(a) Yes	Answer to Question 4(a) No	If yes, enter the percentage asked for in Item 4(b):	If yes, enter the percentage asked for in Item 4(c):	If yes, enter the percentage asked for in Item 4(d):
2	Surfside		X	%	%	%
				%	%	%
				%	%	%
				%	%	%

No.* Item 4(e)—Description of arrangements: (* The numbers used must agree with the corporation numbers in Part I, page 1.)

Signature

...er penalties of perjury, I declare that I have examined this form, including accompanying statements, and to the best of my knowledge and belief, it is true, correct, and ...nplete for the tax year as stated.

Signature of officer | Date | Title

Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1989

Attachment Sequence No. 67

Name(s) as shown on return: Pacific Lanes, Inc. + Subsidiary

Identifying number: 91-0699154

Business or activity to which this form relates: Bowling Alley / Restaurant

Part I Depreciation *(Use Part III for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement.)*

Section A.—Election To Expense Depreciable Assets (Section 179)

1 Maximum dollar limitation	1	$10,000
2 Total cost of section 179 property placed in service during the tax year (see 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, but do not enter less than -0-.)	4	
5 Dollar limitation for tax year (Subtract line 4 from line 1, but do not enter less than -0-.)	5	

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Elected cost
6			

7 Listed property—Enter amount from line 28	7	
8 Tentative deduction (Enter the lesser of: (a) line 6 plus line 7; or (b) line 5.)	8	
9 Taxable income limitation (Enter the lesser of :(a) Taxable income; or (b) line 5) (see instructions)	9	
10 Carryover of disallowed deduction from 1988 (see instructions)	10	
11 Section 179 expense deduction (Enter the lesser of: (a) line 8 plus line 10; or (b) line 9.)	11	
12 Carryover of disallowed deduction to 1990 (Add lines 8 and 10, less line 11.) ▶	12	

Section B.—MACRS Depreciation

(a) Classification of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
13 General Depreciation System (GDS) (see instructions): *For assets placed in service ONLY during tax year beginning in 1989*						
a 3-year property						
b 5-year property						
c 7-year property		3374	7	MQ 4	MACRS	60
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
h Nonresidential real property			31.5 yrs.	MM	S/L	
			31.5 yrs.	MM	S/L	
14 Alternative Depreciation System (ADS) (see instructions): *For assets placed in service ONLY during tax year beginning in 1989*						
a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

15 Listed property—Enter amount from line 27	15	
16 GDS and ADS deductions for assets placed in service before 1989 (see instructions)	16	53753

Section C.—ACRS and/or Other Depreciation

17 Property subject to section 168(f)(1) election (see instructions)	17	
18 ACRS and/or other depreciation (see instructions)	18	13345

Section D.—Summary

19 Total (Add deductions on line 11 and lines 13 through 18.) Enter here and on the appropriate line of your return (Partnerships and S corporations—see instructions.)	19	67158
20 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	20	

Pacific Lanes Inc. - Subsidiary
#91-0699154
12-31-89

	Initials	Date
Prepared By		
Approved By		

	(1)	(2)
Other income - Pg 1 - Line 10		
Bowling	424128	
Machines	20497	
Pulltabs	99313	
Service rentals	33187	
	577125	
Other deductions - Pg 1 - Line 26		
Professional services	26123	
Telephone - utilities	41552	
Supplies	50056	
Office	8242	
Auto expense	5088	
Bank charges	1391	
Insurance	632	
	133084	
Additional information - I(1)		
Surfside inn company		
3512 J Place, Ocean Park, Wa		
#91-1020776		
100%		
Taxable income <2099>		
I(2)(a)		
Estate of Charles Hoffman		
Tacoma, Wa		
#91-6314431		
Other Current Liabilities - Pg 4 - Line 18	Beginning	Ending
FIT Payable	2754	0
Accrued Interest	1225	1450
Accrued Wages	9061	15401
Accrued Taxes	9947	11625
	28987	28476

Code names used on statements

Surfside - Surfside Inn Company
31512 J. Place
Ocean Park, WA 98640

Form 1155 2 Bull - Form G552 Green

Pacific Lanes, Inc. + Subsidiary

Income Statements

12-31-89

9/1+06 77154

	Initials	Date
Prepared By		
Approved By		

		(1)	(2) Combined	(3) Pacific Lanes	(4) Surfside
	Income				
1	Sales		419875	272177	147698
2	Cost of goods sold		168464	100471	67993
3	Gross Profit		251411	171706	79705
4	Interest income		9674	9674	
5	Bowling		424128	424128	
6	Service rentals		33137	14242	18945
7	Machines		20492	20492	
8	Pulltabs		99313	76175	23138
9	Total income		838210	716422	121788
10	Deductions				
11	Wages		319393	266696	52697
12	Taxes		70205	57934	12271
13	Advertising		30238	15287	14951
14	Rent		144000	144000	
15	Interest		20278	20278	
16	Repairs		53326	44792	8534
17	Depreciation		67158	67158	
18	Employee benefits		17201	15679	1522
19	Professional services		26123	26123	
20	Telephone + utilities		41552	27835	20095
21	Supplies		50056	32091	11587
22	Office		8242	7629	613
23	Auto expense		5088	5088	
24	Bank charges		1391		1391
25	Insurance		632	456	176
26	Total Deductions		854933	731046	123887
27					
28	Net (Loss)		(16723)	(14624)	(2099)
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					

Burroughs Shelby Form 1554 Built - Form G554 Green

Pacific Lanes, Inc + Subsidiary
Balance Sheets
12-31-89

91-0699154

	Initials	Date
Prepared By		
Approved By		

		(1) Combined	(2) Consolidated Adjustments	(3) Pacific Lane	(4) Surfside
	Assets				
1	Cash	175435		169694	5741
2	Inventory	13129		6258	6871
3	Fixed Assets - net	141104		141104	
4	Note Rec - Pacific Lanes		(1170)		1170
5	Investment - Surfside		(500)	500	
6	Advances - Hoffman-Stevenson	507504	(18152)	525656	
7	FIT Refund	3485		3485	
8	Total Assets	840657	(19822)	846697	13782
9					
10	**Liabilities + Equity**				
11	Accounts pay.	10456		10456	
12	Taxes payable	11625		7891	3734
13	Accrued payroll	15401		12906	2495
14	Accrued interest	1450		1450	
15	Notes payable	126533		126533	
16	Note pay. - Surfside		(1170)	1170	
17	Advances pay. - Hoffman-Stevenson		(18152)		18152
18	Common stock	42100	(500)	42100	500
19	Retained earnings	633092		644191	(11099)
20	Total liab. & Equity	840657	(19822)	846697	13782
21					
22					
23					
24	**Combined Schedule M-1's**				
25					
26	Net income per books	(16723)		(14624)	(2099)
27	Total	(16723)		(14624)	(2099)
28					
29					
30	**Combined Schedule M-2's**				
31	Balance at beginning of year	650845		659845	(9000)
32	Net income per books	(16723)		(14624)	(2099)
33	Prior year amended returns	(1030)		(1030)	
34		633092		644191	(11099)
35					
36					
37					

Burroughs Hadley Form 1554 Bull - Form G554 Green

Form **1139**
(Rev. January 1989)
Department of the Treasury
Internal Revenue Service

Corporation Application for Tentative Refund

(See Instruction D for When To File)

Do Not Attach to Your Income Tax Return—Mail in a Separate Envelope

OMB No. 1545-0582
Expires 11-30-90

Name: Pacific Lanes, Inc + Subsidiaries

Employer identification number: 91-0699154

Number and street (or P.O. box number if mail is not delivered to street address): 7015 So. D Street

Date of incorporation: 10-9-59

City or town, state, and ZIP code: Tacoma, WA 98408

Telephone no. (optional): ( )

1 This application is filed to carry back:
(a) Net operating loss (attach computation) . . . . $ 16723
(b) Net capital loss (attach computation) . . . . $
(c) Unused general business credit (attach computation) . . . . $

2 Return for year of loss, unused credit, or overpayment under section 1341(b)(1) . ▶
(a) Tax year ended: 12-89
(b) Date filed: 4-16-90
(c) Service center where filed: Ogden, UT

3 If this application is for an unused credit created by another carryback, give year of the first carryback . . . . . ▶

4 Was a consolidated return filed for any year covered on this application? . . . . . ☒ Yes ☐ No
If "Yes," identify the year and enter the employer identification number if different from above ▶

5 If Form 1138 (Extension of Time for Payment of Taxes by a Corporation Expecting a Net Operating Loss Carryback) has been filed, was an extension of time granted for filing the return for the year of the net operating loss? . . . . . ☐ Yes ☒ No
If "Yes," give date to which extension was granted ▶ ..... Give date Form 1138 was filed ▶ .....
Unpaid tax for which Form 1138 is in effect ▶

6 If you changed your accounting period, give date permission to change was granted ▶

7 If this is an application of a dissolved corporation, give date of dissolution ▶ .....

8 Have you filed a petition in Tax Court for the year or years to which the carryback is to be applied? . . . . . ☐ Yes ☒ No

9 Does this carryback include a loss or credit from a tax shelter required to be registered? . . . . . ☐ Yes ☒ No

Computation of Decrease in Tax

Note: *If no entry in 1(a) or (b), skip lines 10–14.*

		3rd preceding tax year ended ▶ 1986		2nd preceding tax year ended ▶ 1987		1st preceding tax year ended ▶ 1988	
		(a) Before carryback	(b) After carryback	(c) Before carryback	(d) After carryback	(e) Before carryback	(f) After carryback
10	Taxable income from tax return	10532	10532	17995	12995		
11	Capital gains offset by capital loss carryback						
12	Subtract line 11 from line 10	10532	10532	12995	12995		
13	Net operating loss deduction after carryback		10532		6191		
14	Taxable income (subtract line 13 from line 12)	10532	0	12995	6804		
15	Income tax	1580	0	1949	1021		
16	General business credit (attach schedules)						
17	Other credits (identify)	-					
18	Total credits (add lines 16 and 17)	0	0	0	0		
19	Subtract line 18 from line 15	1580	0	1949	1021		
20	Personal holding company tax (Sch. PH 1120)						
21	Recapture taxes						
22	Minimum tax or alternative minimum tax						
23	Total tax liability (add lines 19 through 22)	1580	0	1949	1021		
24	Enter amounts from line 23, cols. (b), (d), and (f)	0		1021			
25	Decrease in tax (subtract line 24 from line 23)	1580		928			
26	Overpayment of tax due to a claim of right adjustment under section 1341(b)(1)—attach computation						2508

Under penalties of perjury, I declare that I have examined this application and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Date

Signature of officer — TAXPAYERS COPY

Title

Preparer other than taxpayer (name and address) ▶

Date ▶ 4/12/90

Instructions

(Section references are to the Internal Revenue Code.)

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

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

Recordkeeping	26 hrs., 19 min.
Learning about the law or the form	3 hrs., 32 min.
Preparing the form	8 hrs., 46 min.
Copying, assembling, and sending the form to IRS	1 hr., 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to the Internal Revenue Service, Washington, DC 20224, Attention: IRS Reports Clearance Officer, TR:FP; or the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503.

CL 11204

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 1989 or tax year beginning _____, 1989, ending _____, 19____
► Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

OMB No. 1545-0123
1989

Check if a—
Consolidated return ☒
d Personal holding co. ☐
e Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T—see instructions) ☐

Use IRS label. Otherwise, please print or type.

Name: Pacific Lanes Inc. and Subsidiary
Number and street (or P.O. box number if mail is not delivered to street address): 7015 South D Street
City or town, state, and ZIP code: Tacoma WA 98408

D Employer identification number: 91-0699154
E Date incorporated: 10-09-59
F Total assets (see Specific Instructions): $ 840657

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

Income	1a	Gross receipts or sales	b Less returns and allowances	c Bal ► 1c 419875
	2	Cost of goods sold and/or operations (Schedule A, line 7)		2 168464
	3	Gross profit (line 1c less line 2)		3 251411
	4	Dividends (Schedule C, line 19)		4
	5	Interest		5 9674
	6	Gross rents		6
	7	Gross royalties		7
	8	Capital gain net income (attach Schedule D (Form 1120))		8
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		9
	10	Other income (see instructions—attach schedule)		10 577125
	11	Total income—Add lines 3 through 10		► 11 838210
Deductions (See instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)		12
	13a	Salaries and wages	b Less jobs credit	c Balance ► 13c 319393
	14	Repairs		14 53376
	15	Bad debts		15
	16	Rents		16 144000
	17	Taxes		17 70205
	18	Interest		18 20278
	19	Contributions (see instructions for 10% limitation)		19
	20	Depreciation (attach Form 4562)	20 67158	
	21	Less depreciation claimed on Schedule A and elsewhere on return	21a	21b 67158
	22	Depletion		22
	23	Advertising		23 30238
	24	Pension, profit-sharing, etc., plans		24
	25	Employee benefit programs		25 17201
	26	Other deductions (attach schedule)		26 133084
	27	Total deductions—Add lines 12 through 26		► 27 854933
	28	Taxable income before net operating loss deduction and special deductions (line 11 less line 27)		28 (16723)
	29	Less: a Net operating loss deduction (see instructions)	29a	
		b Special deductions (Schedule C, line 20)	29b	29c
	30	Taxable income—Line 28 less line 29c		30 (16723)
Tax and Payments	31	Total tax (Schedule J, line 10)		31
	32	Payments: a 1988 overpayment credited to 1989	32a	
		b 1989 estimated tax payments	32b 2440	
		c Less 1989 refund applied for on Form 4466	32c ( )	d Bal ► 32d 2440
		e Tax deposited with Form 7004		32e
		f Credit from regulated investment companies (attach Form 2439)		32f
		g Credit for Federal tax on fuels (attach Form 4136)		32g 32h 2440
	33	Enter any penalty for underpayment of estimated tax—Check ► ☐ if Form 2220 is attached		33
	34	Tax due—If the total of lines 31 and 33 is larger than line 32h, enter amount owed		34 0
	35	Overpayment—If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35 2440
	36	Enter amount of line 35 you want: Credited to 1990 estimated tax ►	Refunded ►	36 2440

Please Sign Here

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

Signature of officer _____ Date _____ Title _____

Paid Preparer's Use Only

Preparer's signature _____ Date 4/12/90 Check if self-employed ☒ Preparer's social security number [redacted]

Firm's name (or yours if self-employed) and address: LARSON & FRIND, 2201 SO. TACOMA WAY TACOMA, WA

E.I. No. ► 91-1468939
ZIP code ► 98409

Form **1120X**
(Rev. June 1988)
Department of the Treasury
Internal Revenue Service

Amended U.S. Corporation Income Tax Return

OMB No. 1545-0132
Expires 6-30-91

For tax year ending in ▶ DEC. 1988
(Enter month and year)

Please Type or Print

Name: PACIFIC LANES, INC & SUBSIDIARY
Employer identification number: 91-0699154

Number and street (or P.O. box number if mail is not delivered to street address): 2015 South D St.

City or town, state, and ZIP code: Tacoma, Wa. 98405
Telephone number (optional): ( )

Enter name and address used on original return (if same as above, write "Same"): "SAME"

Internal Revenue Service Center where original return was filed ▶ Ogden, Utah

Fill In Applicable Items and Use Part II To Explain Any Changes

Part I Income and Deductions	(a) As originally reported or as adjusted (See Specific Instructions)	(b) Net change (Increase or Decrease—explain in Part II)	(c) Correct amount
1 Total income (line 11 of Form 1120 or 1120-A)	628663		628663
2 Total deductions (total of lines 27 and 29c, Form 1120, or lines 23 and 25c, Form 1120-A)	596258	6965	603223
3 Taxable income (subtract line 2 from line 1)	32405	(6965)	25440
4 Tax (line 31, Form 1120, or line 27, Form 1120-A)	4864	(1045)	3819
Payments and Credits			
5a Estimated tax payments (include overpayment in prior year allowed as a credit)			
b Amount of refund applied for on Form 4466			
c Subtract line 5b from line 5a			
6 Tax deposited with Form 7004 (automatic extension of time to file)	4765		4765
7 Credit from regulated investment companies			
8 Credit for Federal tax on fuels			
9 Other payment or refundable credit (specify) ▶ Balance Of Corporate Tax	79		79
10 Tax deposited or paid with (or after) the filing of the original return			4864
11 Total of lines 5c through 10, column (c)			4844
12 Overpayment, if any, as shown on original return or as later adjusted			—0—
13 Subtract line 12 from line 11			4864
Tax Due or Refund			
14 Tax due (subtract line 13 from line 4, column (c)). Make check payable to Internal Revenue Service (see instructions) ▶			
15 Refund (subtract line 4, column (c), from line 13)			1045

Please Sign Here

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

TAXPAYERS COPY

▶ Signature of officer ▶ Date ▶ Title

Paid Preparer's Use Only

Preparer's signature ▶ [signature] CPA
Date 4/12/90
Check if self-employed ▶ ☒
Preparer's social security no. [redacted]

Firm's name (or yours if self-employed) and address ▶ LARSON & FRIND
2301 SO. TACOMA WAY TACOMA, WA
E.I. No. ▶ 91-1468939
ZIP code ▶ 98409

For Paperwork Reduction Act Notice, see Instructions on back. Form 1120X (Rev. 6-88)

Part II Explanation of Changes to Income, Deductions, Credits, Etc. Enter the line reference from page 1 for which a change is reported, and give the reason for each change. Show any computation in detail. Attach any schedules needed.

Check here ▶ ☐ If the change is due to a net operating loss carryback, a capital loss carryback, a general business credit carryback, or for tax years beginning before 1986, a research credit carryback.

Depreciation claimed on original 1120 #3405
Plus: Additional depreciation recognized by 6965
Hoffman-Stevenson that should be Pacific Lanes.
Amended total 1986 Depreciation #10370

SEE ATTACHED FORM 4562

General Instructions

(Section references are to the Internal Revenue Code.)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. The information is sed to ensure that taxpayers are complying with ese laws and to allow us to figure and collect he correct amount of tax. You are required to give us this information.

Purpose of Form.—Use Form 1120X to correct Form 1120, U.S. Corporation Income Tax Return, or Form 1120-A, U.S. Corporation Short-Form Income Tax Return, as you originally filed it or as it was later adjusted by an amended return, claim for refund, or an examination. Please note that it often takes 3 to 4 months to process Form 1120X.

Do not use this form to apply for a tentative refund or a quick refund of estimated tax.

- For a quick refund of estimated tax, file Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. File Form 4466 only within 2½ months after the end of the tax year and before the corporation files its tax return.
- For a tentative refund due to the carryback of a net operating loss, a net capital loss, unused credits, or overpaid tax resulting from a claim-of-right adjustment under section 1341(b)(1), file Form 1139, Corporation Application for Tentative Refund. You may use Form 1139 only if one year or less has passed since the tax year in which the carryback or adjustment occurred. For additional information on net operating losses and a worksheet to help figure the corporation's net operating loss deduction in a carryback year, see Publication 536, Net Operating Losses.

When To File.—File Form 1120X only after the corporation has filed its original return. Generally, Form 1120X must be filed within 3 years after the date the original return was due or 3 years after the date the corporation filed it, whichever s later. A Form 1120X based on a net rating loss carryback, a capital loss carryback, general business credit carryback, or for tax ears beginning before 1986, a research credit carryback, generally must be filed within 3 years after the due date of the return for the tax year of the net operating loss, capital loss, or unused credit. Other claims for refund must be filed within 3 years after the date the original return was due, 3 years after the date the corporation filed it, or 2 years after the date the tax was paid, whichever is later.

What To Attach.—If you are amending your return to include any item (loss, credit, deduction, other tax benefit, or income) relating to a tax shelter required to be registered, you must attach Form 8271, Investor Reporting of Tax Shelter Registration Number.

Information on Income, Deductions, Tax Computation, etc.—Refer to the instructions for the Form 1120 and related schedules and forms, for the year being amended, concerning the taxability of certain types of income, the allowability of certain expenses as deductions from income, computation of tax, etc.

Note: *Deductions for such items as charitable contributions and dividends received may have to be refigured due to changes made to items of income or expense.*

Where To File.—Mail this form to the Internal Revenue Service Center where the corporation filed its original return.

Specific Instructions

Tax Year.—In the space above the employer identification number, enter the ending month and year of the calendar or fiscal year for the tax return you are amending.

Column (a)

Enter the amounts from your return as originally filed or as you later amended it. If your return was changed or audited by IRS, enter the amounts as adjusted.

Column (b)

Enter the net increase or net decrease for each line you are changing. Bracket all decreases. Explain the increase or decrease in Part II. If the change involves an item of income, deduction, or credit that the corporation income tax return or its instructions requires the corporation to support with a schedule, statement, or form, attach the appropriate schedule, statement, or form to Form 1120X.

Column (c)

Lines 1 and 2.—Add the increase in column (b) to the amount in column (a) or subtract the column (b) decrease from column (a). Report the result in column (c). For any item not changed, enter the amount from column (a) in column (c).

Line 4.—Figure the new amount of tax using the taxable income on line 3, column (c). Use Schedule J, Form 1120, or Part I, Form 1120-A, of the original return to make the necessary tax computation.

Line 6.—If you are amending a tax year prior to 1983 for which you filed Form 7005, include on line 6 the amount you deposited with Form 7005.

Line 12—Overpayment.—Enter the amount of overpayment received (or expected to be received) or the amount to be credited to estimated tax, as shown on the original return. That amount must be considered in preparing Form 1120X since any refund due from the original return will be refunded separately (or credited to estimated tax) from any additional refund claimed on Form 1120X.

Line 14—Tax due.—Make the check payable to "Internal Revenue Service" for the amount shown on line 14 and attach it to this form. Do not use the depositary method of payment.

Line 15—Refund.—If the corporation is entitled to a refund larger than the amount claimed on the original return, line 15 will show only the additional amount of refund. This additional amount will be refunded separately from the amount claimed on the original return.

Signature.—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

Preparer.—If a corporate officer filled in Form 1120X, the Paid Preparer's space should remain blank. If someone prepares Form 1120X and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120X should not sign. See the Form 1120 instructions and Publication 1045, Information for Tax Practitioners, for more information on preparers and their responsibilities.

Note: *IRS will figure any interest due and will either include it in the refund or bill the corporation for the interest.*

Form **4562**

Department of the Treasury
Internal Revenue Service (X)

Depreciation and Amortization

▶ See separate instructions.
▶ Attach this form to your return.

OMB No. 1545-0172

1988

Attachment Sequence No 67

Name(s) as shown on return: PACIFIC LINES, INC. & SUBSIDIARY

Identifying number: 91-0699154

Business or activity to which this form relates: Bowling Alley

Part I Depreciation *(Use Part III for automobiles, certain other vehicles, computers, and property used for entertainment, recreation, or amusement.)*

Section A.—Election To Expense Depreciable Assets (Section 179)

(a) Description of property	(b) Date placed in service	(c) Cost	(d) Expense deduction
1			

2 Listed property—Enter total from Part III, Section A, column (h)	
3 Total (add lines 1 and 2, but do not enter more than $10,000)	
4 Enter the amount, if any, by which the cost of all section 179 property placed in service during this tax year is more than $200,000	
5 Subtract line 4 from line 3. If less than zero, enter zero. (See instructions for other limitations.)	

Section B.—Depreciation

(a) Class of property	(b) Date placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Method of figuring depreciation	(f) Deduction
6 Modified Accelerated Cost Recovery System (MACRS) (see instructions): For assets placed in service ONLY during tax year beginning in 1988					
a 3-year property					
b 5-year property					
c 7-year property		19510 9	7	MACRS II ct.	6965
d 10-year property					
e 15-year property					
f 20-year property					
g Residential rental property					
h Nonresidential real property					
7 Alternative Depreciation System (ADS)					

8 Listed property—Enter total from Part III, Section A, column (g)	
9 MACRS deduction for assets placed in service prior to 1988 (see instructions)	

Section C.—ACRS and/or Other Depreciation

10 Property subject to section 168(f)(1) election (see instructions)	
11 ACRS and/or other depreciation (see instructions)	3405

Section D.—Summary

12 Total (add deductions on lines 5 through 11). Enter here and on the Depreciation line of your return (Partnerships and S corporations—Do NOT include any amounts entered on line 5.)	10370
13 For assets above placed in service during the current year, enter the portion of the basis attributable to section 263A costs. (see instructions) — 0 —	

Part II Amortization

(a) Description of property	(b) Date acquired	(c) Cost or other basis	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
1 Amortization for property placed in service only during tax year beginning in 1988					
2 Amortization for property placed in service prior to 1988					
3 Total. Enter here and on Other Deductions or Other Expenses line of your return					

Exhibit
5

EXHIBIT NO. 5

This has been faxed 8/21/97 cf.

LEASE AGREEMENT

THIS LEASE made and entered into this 1st day of July, 1988, by and between HOFFMAN-STEVENSON, INC., a Washington corporation, hereinafter referred to as "Lessor", and PACIFIC LANES, INC., a Washington corporation, hereinafter referred to as "Lessee".

WITNESSETH

1. Description of Property. The Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, those certain premises situate in the County of Pierce, State of Washington, described in the attached "Exhibit A" fully incorporated herein by reference.

2. Business Purpose. The premises are to be used for the purpose of a bowling alley, pro shop, bar, restaurant and related purposes.

3. Term. The term of this lease shall initially be for fifteen (15) years and shall commence on the 1st day of July, 1988, ending June 30, 2003, subject to the optional renewals set forth hereinafter.

4. Rent. Lessee covenants and agrees to pay the Lessor, as minimum rental for said premises, a monthly rental of Six Thousand Five Hundred and no/100ths (6,500.00) Dollars said payments to be made on the 1st day of each month, commencing July 1, 1988, all payments to be made in lawful money of the United States, in advance, on the 1st day of each calendar month of the lease term to Lessor or such other party at such other place as Lessor may hereafter designate.

5. Repairs. Lessee will at all times keep the premises neat, clean and in a sanitary condition. All repairs shall be at Lessee's sole cost and expense. Except for reasonable wear and tear and damage by fire (even if caused by the negligence of the Lessee), windstorm or acts of God, Lessee will at all times preserve said premises in as good repair as they now are or may hereafter be put to. Lessee agrees that at the expiration or sooner termination of this lease, Lessee will quit and surrender the said premises without notice and in a neat and clean condition and will deliver up all keys belonging to said premises to the Lessor or Lessor's agent.

6. Utilities. The Lessee hereby covenants and agrees to pay all charges for heat, electricity, water, sewer and for all other public utilities which shall be used in or charged against the leased premises during the full term of this lease. Lessor shall not be liable for the failure of any such services for any reason whatsoever.

7. Accidents. All personal property on said leased premises shall be at the risk of Lessee. Lessor shall not be liable for any damage, either to person or property, sustained by Lessee or others, caused by any defects now in said premises, or the building in which the premises are located, or any service facilities, or hereafter occurring therein, or due to the building in which the leased premises are situate, or any part or appurtenance thereof, coming out of repair, or caused by fire or by the bursting or leaking of water, gas, oil, sewer, or due to the happening of any accident from whatsoever cause in and about said building. Lessee agrees to defend and hold Lessor harmless from any and all claims for damages suffered or alleged to be suffered in or about the leased premises by any person, firm or corporation.

8. Care of Premises. The Lessor shall not be called upon to make any improvement or repair of any kind upon said premises, and said premises shall, at all times, be kept and used in accordance with the laws of the State of Washington and city and county ordinances, and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector or other proper officer of the city or county, at the sole cost and expense of said Lessee; and Lessee will permit no waste, damage or injury to the premises, and at Lessee's own cost and expense, will keep all drainage pipes free and open and will protect water, heating and other pipes so that they will not freeze or become clogged,and will repair all leaks, and will also repair all damages caused by leaks or by reason of Lessee's failure to protect and keep free, open and unfrozen any of the pipes and plumbing on said premises. Lessee shall be liable for the removal of ice and snow from the sidewalks in front of and about said premises.

9. Use. The Lessee shall conduct and carry on in said premises, continuously during each and every business day of the term hereof, the business for which said premises are leased and shall not use the premises for illegal purposes.

10. Liens and Insolvency. Lessee shall keep the leased premises and the property in which the leased premises are situated free from any liens arising out of any work performed, materials furnished or obligations incurred by Lessee. In the event Lessee becomes insolvent, voluntarily or involuntarily bankrupt, or if a receivor, assignee or other liquidating officer is appointed for the business of the Lessee, then the Lessor may cancel this lease at Lessor's option.

11. Access. Lessee will allow Lessor or Lessor's agent free access, at all reasonable times, to said premises for the purpose of inspection or of making repairs, additions or alterations to

the premises or any property owned by or under the control of Lessor, but this right shall not be construed as an agreement on the part of the Lessor to make any repairs, all of such repairs to be made by the Lessee as aforesaid. The Lessor shall have the right to place and maintain "For Rent" signs in a conspicuous place on said premises for thirty (30) days prior to the expiration of this lease.

12. Possession. The Lessee is currently in possession of the subject property and shall continue thereon, subject to the terms of this lease.

13. Damage or Destruction. In the event the premises are damaged to such an extent as to render the same untenantable in whole or in a substantial part thereof, or are destroyed, it shall be optional with the Lessor to repair or rebuild the same; and after the happening of any such event, the Lessee shall give Lessor or Lessor's agent immediate written notice thereof. Lessor shall have not more than ninety (90) days after the date of such notification to notify the Lessee in writing of Lessor's intentions to repair or rebuild said premises, or the part so damaged as aforesaid, and if Lessor elects to repair or rebuild said premises, Lessor shall prosecute the work of such repairing or rebuilding without unnecessary delay, and during such period the rent of said premises shall be abated in the same ratio that the portion of the premises rendered for the time being unfit for occupancy shall bear to the whole of the leased premises. If the Lessor shall fail to give the notice aforesaid, Lessee shall have the right to declare this lease terminated by written notice served upon the Lessor or Lessor's agent.

In the event the building in which the premises hereby leased are located shall be damaged (even though the premises hereby leased shall not be damaged thereby) to such an extent that in the opinion of the Lessor it shall not be practicable to repair or rebuild, or is destroyed, then it shall be optional with Lessor to terminate this lease by written notice served on Lessee within ninety (90) days after such damage or destruction.

14. Notices. Any notice required to be served in accordance with the terms of this lease shall be sent by regular mail, the notice from the Lessee to be sent to the Lessor at the Lessor's family residence, and the notice from the Lessor to be sent to the Lessee at the leased premises.

15. Governmental Fees. All fees, other than taxes, payable to the City, County or State during the life of this lease, shall be paid by Lessee.

16. Signs. All signs or symbols placed in the windows or doors of the premises, or upon any exterior part of the building by the Lessee shall be subject to the approval of the Lessor or Lessor's

agent. Any signs so placed on the premises shall be so placed upon the understanding and agreement that Lessee will remove same at the termination of the tenancy herein created and repair any damage or injury to the premises caused thereby, and if not so removed by Lessee, then Lessor may have same so removed at Lessee's expense. Provided, that the Lessor's approval shall not be unreasonably withheld.

17. Alterations. Lessee shall not make any structural alterations, additions or improvements in said premises without the consent of Lessor, in writing, first had and obtained, and all such structural alterations, additions and improvements which shall be made shall be at the sole cost and expense of Lessee and shall become the property of Lessor and shall remain in and be surrendered with the premises as a part thereof at the termination of this lease, without disturbance, molestation or injury. If the Lessee shall perform work with the consent of the Lessor, as aforesaid, Lessee agrees to comply with all laws, ordinances, rules and regulations of the City of Tacoma and any other authorized public authority. The Lessee further agrees to save the Lessor free and harmless from damage, loss or expense arising out of the said work. Lessee agrees that Lessor has the right to make alterations to the premises and to the building in which the premises are situate, and Lessor shall not be liable for any damage which Lessee might suffer by reason of such undertaking. Lessee shall be permitted to make non-structural alterations, additions or improvements without the consent of the Lessor. In no event shall Lessor's consent be unreasonably withheld.

18. Default and Re-Entry. If any rents above reserved, or any part thereof, shall be and remain unpaid when the same shall become due, or if Lessee shall violate or default in any of the covenants and agreements herein contained, then the Lessor may cancel this lease upon giving the notice required by law and re-enter said premises, but notwithstanding such re-entry by the Lessor, the liability of the Lessee for the rent provided for herein shall not be extinguished for the balance of the term of this lease, and Lessee covenants and agrees to make good to the Lessor any deficiency arising from a re-entry and re-letting of the premises at a lesser rental than herein agreed to. The Lessee shall pay such deficiency each month as the amount thereof is ascertained by the Lessor.

19. Costs and Attorney Fees. If by reason of any default on the part of Lessee it becomes necessary for the Lessor to employ an attorney, or in case Lessor shall bring suit to recover any rent due hereunder, or for breach of any provision of this lease or to recover possession of the leased premises, or if Lessee shall bring any action for any relief against Lessor, declaratory or otherwise, arising out of this lease, and Lessor shall prevail in such action, then and in any of such events Lessee shall pay

Lessor a reasonable attorney fee and all costs and expenses expended or incurred by the Lessor in connection with such default or action. In the event that the Lessee shall prevail in any such action, Lessee shall be entitled to reasonable attorney fees.

20. Non-Waiver of Breach. The failure of the Lessor to insist upon strict performance of any of the covenants and agreements of this lease, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any such failure to strictly perform or to exercise any option, or any other covenants or agreements, but the same shall be and remain in full force and effect.

21. Removal of Property. In the event of any entry in, or taking possession of, the leased premises as aforesaid, the Lessor shall have the right, but not the obligation, to remove from the leased premises all personal property located therein, and may store the same in any place selected by Lessor, including, but not limited to, a public warehouse, at the expense and risk of the owners thereof, with the right to sell such stored property, without notice to Lessee, after it has been stored for a period of thirty (30) days or more, the proceeds of such sale to be applied first to the cost of such sale, second to the payment of the charges for storage, if any, and third to the payment of any other sums of money which may then be due from Lessee to Lessor under any of the terms hereof, the balance, if any, to be paid to Lessee.

22. Eminent Domain.

(a) Total Condemndation. If the whole of the leased premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this lease shall cease and terminate as of the date title or repossession shall be transferred in such proceeding, whichever shall first occur, and all rentals shall be paid up to that date and Lessee shall have no claim against Lessor for the value of any unexpired term of this lease.

(b) Partial Condemnation. If any part of the leased premises or the building in which the leased premises are situate shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and in the event that such partial taking or condemnation shall render the leased premises unsuitable for the business of the Lessee, then the term of this lease shall cease and terminate as of the date title or possession shall be transferred in such proceeding, whichever shall first occur, and Lessee shall have no claim against Lessor for the value of any unexpired term of this lease. In the event of a partial taking or condemnation which is not extensive enough to

render the premises unsuitable for the business of the Lessee, then Lessor shall promptly restore the leased premises to a condition comparable to its condition at the time of such condemnation less the portion lost in the taking, and this lease shall continue in full force and effect.

(c) Lessor's Damages. In the event of any condemnation or taking, as hereinbefore provided, whether whole or partial, the Lessee shall not be entitled to any part of the award, as damages or otherwise, for such condemnation, and Lessor is to receive the full amount of such award, the Lessee hereby expressly waiving any righit of claim to any part thereof.

23. Casualty Insurance. Lessee shall procure and maintain standard fire and extended coverage insurance on the improvements erected on the premises to the extent of its full insurable value in a company or companies acceptable to Lessor with proceeds payable to the Lessor, Lessee and any lendor holding a mortgage or security interest on the premises, as their interest may appear. Such insurance shall be an amount no less than the full contractural cost of the improvements and shall be used to restore the premises, subject to the approval of the then existing mortgagee and subject to Lessor's decision as provided for in Paragraph 14 of this lease.

24. Waiver of Subrogation. Lessor hereby releases Lessee of and from every and all right, claim and demand that Lessor may hereafter have against Lessee, or Lessee's successors or assigns, arising out of or in connection with any loss or losses occasioned by fire and such items as are included in the normal extended coverage clauses of fire insurance policies and does hereby waive all rights of subrogation in favor of insurance carriers against Lessee arising out of any losses occasioned by fire and such items as are included under the normal extended coverage clauses of fire insurance policies, and sustained by Lessor in or around the premises. Lessee hereby releases Lessor from any and every right, claim and demand that Lessee may hereafter have against Lessor or Lessor's successors or assigns arising out of or in connection with any loss or losses occasioned by fire and such items are included in the normal extended coverage clauses of fire insurance policies,and does hereby waive all rights of subrogation in favor of insurance carriers against Lessor arising out of any losses occasioned by fire, and such items are included under the normal extended coverage clauses of fire insurance policies, and sustained by Lessee to its trade fixtures, equipment and inventory. The waivers provided for in this paragraph shall be applicable and effective only in the event that such waivers are obtainable from the insurance carriers concerned.

25. Taxes.

(a) Real Property. Lessee shall pay all taxes and assessments which may be levied against the demised premises during the lease term. Provided, however, that Lessee shall have the right to contest all such taxes, and pending any such contest and during its continuance, in good faith, Lessee may delay or defray the payment thereof, but not so as to lose the right of redemption from any sale under any tax, assessment or governmental charge. Lessee shall be required to pay all assessments which may be levied against the premises during the term of this lease; provided, however, that Lessee may elect to pay said assessments in installments as they fall due during the term of this lease. Lessee shall not be responsible for installments of assessments payable prior to or after the termination of this lease.

(b) Personal Property. Lessee shall pay promptly, when due, all taxes assessed during the term of this lease upon Lessee's fixtures, furnishings, equipment and stock in trade or upon the Lessee's leasehold interest under this lease or upon any other personal property situated in or upon the premises.

(c) Rental Tax. In the event any tax is imposed upon Lessor's income, added taxes shall be borne by Lessor; however, if any taxes are imposed upon tenants based upon occupancy and usage, the same shall be paid by Lessee.

(d) Said taxes payable in the year 1986 to be prorated as of closing.

26. Option to Renew or Extend Terms. Lessee is hereby granted the right to renew this lease for two five (5) year periods, provided that Lessee exercises said right(s) within six (6) months prior to the termination of the then lease term. The terms and conditions of each renewal period shall be identical with the terms hereof, except that the minimum rental shall increase, but not be decreased, and thus be adjusted upwards, if any, based upon the Consumer Price Index, Seattle, Washington, using as its base the Consumer Price Index as of July, 1986.

27. Subordination. This lease is subject and is hereby subordinated to all present and future mortgages, deeds of trust and other encumbrances affecting the demised premises or the property of which the demised premises are a part. The Lessee agrees to execute, at no expense to Lessor, any instrument which may be deemed necessary or desirable by the Lessor to further affect the subordination of this lease to any mortgage, deed of trust or encumbrance.

28. Holdover. If the Lessee shall, with the written consent of

Lessor, hold over after the expiration of the term of this lease, such tenancy shall be for an indefinite period of time on a month-to-month tenancy, which tenancy may be terminated as provided by the laws of the State of Washington. During such tenancy, Lessee agrees to pay to the Lessor the same rate of rental as set forth herein, unless a different rate is agreed upon, and to be bound by all of the terms, covenants and conditions as herein specified, so far as applicable.

29. Variations in Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, singular or plural as the identity of the person or persons may require.

30. Heirs and Successors. Subject to the provisions hereof pertaining to the assignment and subletting of this lease, the covenants and agreements of this lease shall be binding upon the heirs, legal representatives, successors and assigns of any or all of the parties hereto.

LESSOR

HOFFMAN-STEVENSON, INC.

By _____
President

LESSEE

PACIFIC LANES, INC.

By _____
President

STATE OF WASHINGTON)
: ss.
County of Pierce)

On this 1ST day of JULY, 1988, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared CHARLES C. HOFFMAN, to me known to be the President of HOFFMAN-STEVENSON, INC., the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to executed said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.

GRANT L. ANDERSON NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 7-24-91

_____
Notary Public in and for the State of Washington, residing at TAC.
My commission expires: 7/24/91

STATE OF WASHINGTON)
: ss.
County of Pierce)

On this 1ST day of JULY, 1988, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and qualified, personally appeared CHARLES C. HOFFMAN, to me known to be the President of PACIFIC LANES, INC., the corporation that executed the within and foregoing instrument, and acknowledged the same instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to executed said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

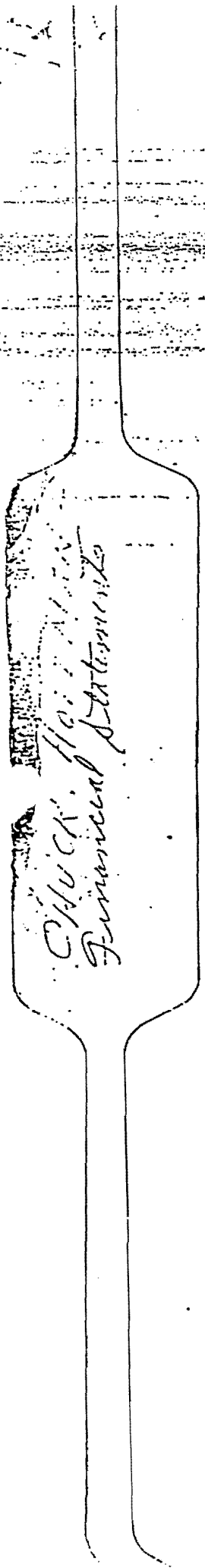
GRANT L. ANDERSON NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 7-24-91

Grant L. Anderson
Notary Public in and for the State of Washington, residing at TAC.
My commission expires: 7/24/91

723

Exhibit
6

EXHIBIT NO. 6



RECEIVED
JUN 1 8 1999

Hoffmier/Stevenson

April 30 1979

Assets				
	C.D.	3500000		
	Cash in Bank			
	Bank of Pacific	220636		
	Wynwood Trust-old	15333		
	Wynwood Trust-new	153043		
	First Pacific	145539		
		44,446		
			1064945	
	Chase Contract - Columbia	125137		
	Contr. Rec - Owners Assn	349035		
	Internal Membership	290000		
	Fixed Assets	16839743		
	Accumulated Depr.	(4909200)		
	Land Investment-Sunfield	7410000		
	Condo Units - Resale	6422731		
	Contr. Rec. Wynwood - old	1379683		
	" " " new	9270053		
			11171197	
				117776816
Liabilities				
	Accrued Property Taxes	199130		
	Contracts Payable - Merit	4599784		
	Notes Payable First Interstate	4258416		
	Contr Pay - Hall - Fisher	320000		
	" " Weber	350000		
	Advances - Sunfield Assn	(19424)		
	" Pacific Lanes	7233990		
	" Condo Owners	113550		
	" Rental Pool	(835208)		
			12003413	
	Capital Stock - Common	1370000		
	Retained Deficit	(8044.64)		
	Deficit - 1989	(217953)		
			(8851597)	
				117776816

Hoffman/Stevenson

April 30, 1989

Sales	3500000	
Returned Units	<203263>	
Rent - Tacoma Bldg	2600000	
Rent - Condos	377500	
Ground Rent	216000	
Utility Service - Income	694585	
Interest Income	428980	
Total Income		7613802
Cost of Condos Sold	2323200	
Insurance	387237	
Interest Expense	1615784	
Collection Fees	30600	
Legal & Acctg	323500	
Misc	10793	
Office Expense	54436	
Pers Prop Tax	1934006	
Misc Fees & Licenses	12500	
Repairs & Mtnce	320499	
Telephone	107502	
Treatment Plant	94294	
Condo Rental Expenses	2561400	
Tax Penalty	15004	
		9790755
Net Loss - 1989		<2176953>

Hoffman / Stevenson
May 31, 1989

	1	2	3	4
Assets				
C.D.		3500000		
Cash in Bank		1387630		
Bank of Pacific		15533		
Wynwood Trust - old		49795		
Wynwood Trust - new		152190		
Trust a/c - First Pacific		44144		
			5149792	
Chase Contract		118090		
Contr Rec - Owners Assoc.		3486603		
Interval Membership		290000		
Fixed Assets		102595687		
Accumulated Depreciation		<34075200>		
Land Investment - Sunfield		7416000		
Condo Units - Resale		6422731		
Contr Rec Wynwood - old		1337812		
" " " - new		8165954		
			111751677	
	Total Assets			116901469
Liabilities				
Accrued Property Taxes		1991305		
Contract Payable - Merit		4892874		
Note Payable - First Interstate		42160730		
Contract Pay - Shull - Fisher		3200000		
" " Weller		3500000		
Advances - Sunfield Inn		<1926424>		
" Pacific Taxes		72557732		
" Owners Assn.		583550		
" Rental Pool		<1027454>		
			121232313	
Capital Stock - Common		1370000		
Retained Deficit		<8044644>		
Deficit - 1989		<2656200>		
			<9330844>	
	Total Liabilities			116901469

Hoffman / Stevenson

May 31, 1939

Sales		3500000		
Returned Units		<203263>		
Rent - Pacoma Bldg		3250000		
Rent - Condos		377500		
Ground Rent		216000		
Utility Service Income		907936		
Interest Income		559234		
	Total Income		8607457	
Cost of Condos Sold		2400162		
Insurance		337237		
Interest Expense		2661930		
Collection Fees		36500		
Legal & Acctg		323500		
M/A		4210		
Misc Expense		37217		
Office Expense		52036		
Pers Property Tax		1934006		
Misc Taxes & Licenses		29419		
Repairs & Mtnce		507046		
Telephone		136601		
Treatment Plant		115399		
Condo Rental Expenses		2617400		
Tax Penalty		15604		
			11263657	
		Net Loss - 1939		<2656200>

Hoffman/Stevenson

June 30, 1979

	1	2	3	4
Assets				
Savings Account		30000.00		
Cash in R.P. Bank		9927.00		
Cash in Bank of Pacific		155.33		
Wynwood Trust - old		449.67		
Wynwood Trust - new		1738.39		
Trust Account - Condo Sales		422.58		
			42673.01	
Chase Contract		1109.55		
Contract Rec - Owner Assoc		34866.03		
Interval Membership		2900.00		
Fixed Assets		1,675,957.77		
Accumulated Depreciation		<54075.00>		
Land Investment - Surfside		74100.00		
Condo Units - Resale		6422.31		
Contr Rec - Wynwood - old		13008.30		
" " " - new		80322.36		
			1115738.42	
Total Assets				1158411.43
Liabilities				
Accrued Property Taxes		995.05		
Contract Payable - Merrill		4885.06		
Note Payable - First Interstate		42160.36		
Contract Payable - Shull Fisher		32000.00		
" " Miller		35000.00		
Advances - Surfside Inc		<19264.34>		
" Pacific Lanes		730952.12		
" Condo Assn		38644.50		
" Rental Pool		<21770.40>		
			1275971.39	
Capital Stock - Common		1370.00		
Retained Deficit		<80446.44>		
Deficit - 1979		<50813.52>		
			<117539.96>	
Total Liabilities				1158411.43

Hoffman/Stevenson

June 30, 1979

		1	2	3	4
	Income				
1	Sales Condo		3500000		
2	Returned Units		<203263>		
3	Rent Tacoma Bldg		3900000		
4	Rent Condos		1440700		
5	Ground Rent		432000		
6	Utility Service		1136522		
7	Misc.		3000		
8	Interest Income		735567		
9	Total Income			10994826	
10					
11					
12	Cost of Condos Sold		2406162		
13	Insurance		1157575		
14	Interest Expense		2769704		
15	Collection Fees		46400		
16	Legal & Accounting		<341095>		
17	M/A		2400		
18	Misc. Expense		63514		
19	Office Expense		52036		
20	Pers. Property Tax		937406		
21	Misc. Taxes & License		29419		
22	Repairs & Mtnce		752136		
23	Condo Marketing Expense		100000		
24	Telephone		169124		
25	Treatment Plant		3234333		
26	Condo Rental Expense		2617400		
27	" " "		1334450		
28	Condo Special Assessment		2936500		
29	Tax Penalty		15000		
30				10076178	
31					
32	Net Loss - 1979				<5081352
33					
34					
35					
37					
38					
39					
40					

Hoffman/Stevenson
July 31, 1989

		1	2	3	4
	Assets				
1	Cash in Savings		2006164		
2	Cash in Bank		<44476>		
3	Cash in Bank of Pacific		15533		
4	Wynwood Trust - old		53042		
5	Wynwood Trust - new		115044		
6	Trust Acct - Condo Sales		41057		
7				2186364	
8					
9	Chase Contract		96417		
10	Contract Rec - Owners Assn		3483753		
11	Interval Membership		290000		
12	Fixed Assets		168209725		
13	Accumulated Depreciation		<84075200>		
14	Land Investment Surfside		7410000		
15	Condo Units - Resale		6422731		
16	Contr Rec - Wynwood - old		1254764		
17	[illegible] - new		7943206		
18				111635496	
19		Total Assets			113821860
20	Liabilities				
21	Accrued Property Tax		995705		
22	Contracts - Merit		4877880		
23	Note Payable - First Interstate		41933268		
24	Contract Payable - Shell - Fisher		3200000		
25	✓ ✓ Weller		3500000		
26	Advances - Surfside Inv		<2387674>		
27	✓ Pacific Lanes		73718554		
28	✓ Condo Assn		3418967		
29	✓ Rental Pool		<1113240>		
30				128143860	
31					
32	Capital Stock - Common		1370000		
33	Retained Deficit		<8044644>		
34	Deficit - 1989		<7647356>		
35				<14322000>	
36		Total Liabilities			113821860
37					
38					
39					
40					

Hoffman/Stevenson
July 31, 1989

	1	2	3	4
Income				
Sales Condo		3500000		
Returned Units		<203263>		
Rent - Tacoma Bldg		4550000		
Rent - Condos		1440700		
Ground Rent		432000		
Utility Service - Income		1181822		
Other Income		5000		
Interest Income		814360		
	Total Income		117256.19	
Expenses				
Cost of Condos Sold		2406162		
Insurance		1158575		
Interest Expense		3809958		
Collection Fees		56300		
Legal & Acctg		<201095>		
M/A		2480		
Misc Expense		66064		
Office Expense		52536		
Pers Property Tax		985489		
Misc Taxes & Licenses		103522		
Repairs & Mtnce		780266		
Condo Sales Expense Mktg		2493066		
Telephone		204993		
Treatment Plant		549945		
Condo Rental Expense		3953850		
Special Assessment		2936500		
Tax Penalty		15004		
			19372975	
	Nok Loss - 1987			<7647356>

Hoffman/Stevenson
August 31, 1989

	1	2	3	4
Assets				
Savings Acct		1000164		
Cash in Bank		2132891		
Cash in Bank of Pacific		15533		
Wynwood Trust - old		63530		
Wynwood Trust - new		197996		
Trust Acct - Condo Sales		41057		
			3457171	
Chase Contract		89011		
Contract Rec - Owners		3478284		
Interval Membership		290000		
Fixed Assets		109023708		
Accrued Deprec.		<84075200>		
Land Investment		7410000		
Condo Units - Resale		6422731		
Contracts Rec. - Wynwood old		1201476		
" " " new		7789508		
[illegible]			1116295 18	
	Total Assets			115086689
Liabilities				
Accrued Property Tax		995705		
Contract - Merit		4271795		
Note Payable - First Interstate		41807972		
Contract Payable - Shull - Fisher		3200000		
" " Weller		3500000		
Advances - Surfside Inn		<2387674>		
" Pacific Lanes		75904522		
" Condo Assn		3827467		
" Rental Pool		<437532>		
			131282255	
Capital Stock - Common		1370000		
Retained Deficit		<5044644>		
Deficit - 1989		<9520922>		
			<162055 66>	
				115086689

Hoffmen/Stevenson
August 31, 1959

		1	2	3	4
	Income				
1	Sales - Condos		3500000		
2	Returned Units		(203263)		
3	Rent - Tacoma Bldg		5200000		
4	Rent - Condos		2057200		
5	Ground Rent		432000		
6	Mgmt. Fee		1186827		
7	Other Income		12200		
8	Interest Income		930846		
9				13114805	
10					
11	Expenses				
12	Cost of Condos Sold		2417762		
13	Insurance		1649801		
14	Interest Expense		4372319		
15	Collection Fees		60200		
16	Legal & Accounting		91862		
	M/A		2400		
18	Misc Exp.		77188		
19	Office Expense		52430		
20	Pers. Prop Tax		985489		
21	Misc Tax & Licences		112402		
22	Repair & Maint.		919579		
23	Marketing Exp		4119924		
24	Telephone		241401		
25	Treatment Plant		627957		
26	Condo Rental Exp.		5953850		
27	Special Assessment		2936500		
28	Tax Penalty		15004		
29				12435722	
30					9520922
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

Hoffman / Stevenson
Sept. 30, 1989

	1	2	3	4
Assets				
Cash in Bank		1949949		
Cash in Bank of Pacific		15533		
Wynwood Trust - old		49970		
" " new		126962		
Trust acct - Condo Sales		41057		
			2183471	
Chase Contract		89011		
Contract Rec - Owners		3475465		
Interval Membership		290000		
Fixed Assets		109069904		
Accrued Degree		<24075200>		
Land Investment		7410000		
Condo Units - Resale		6422731		
Contracts Rec - Wynwood old		1156149		
" " " new		7683442		
			111521502	
	Total Assets			113704973
Liabilities				
Accrued Property Tax		495705		
Contract - Merit		4264651		
Note - First Interstate		41720528		
Contract Payable - Shell Fisher		3200000		
" " Weller		3500000		
Advances - Surfside Inc		<2387674>		
" Pacific Lanes		2776721		
" Condo Assn		2273424		
" Rental Pool		<437532>		
			131445883	
Capital Stock - Common		1370000		
Retained Deficit		<8044044>		
Deficit - 1989		<11066266>		
			<17740910>	
	Total Liabilities			113704973

Hoffman/Stevenson
Sept 30, 1979

		1	2	3	4	
	Sales					
1	Condo		35000000			1
2	Sales Deposits		15348203			2
3	Returned Units		(2032637)			3
4	Rent - Parsons Bldg		5358000			4
5	Rent - Condos		2054200			5
6	Ground Rent		148000			6
7	Mgmt Fee - Utilities		1379322			7
8	Other Income		12209			8
9	Interest Income		997471			9
10		Total Sales			151774133	10
11						11
12	Expenses					12
13	Cost of Condo Sold		24157612			13
14	Insurance		1895414			14
15	Interest Expense		5492517			15
16	Collection Fees		74100			16
17	Legal & Accounting		241862			17
18	W/C		24000			18
19	Misc Expense		77188			19
20	Office Expense		66056			20
21	Pers Prop Tax		1041183			21
22	Misc Taxes + Licenses		1016402			22
23	Repairs + Maint		1051281			23
24	Marketing Expense		1047322			24
25	Telephone		273441			25
26	Treatment Plant		1137132			26
27	Condo Rental Expense		2953850			27
28	Special Assessments		2936500			28
29	Tax Penalty		15004			29
30		Total Liabilities		26840999		30
31			Net Sales 1979		(111966266)	31
32						32
33						33
34						34
35						35
36						36
37						37
38						38
39						39
40						40

Hoffman/Stevenson
Oct 31, 1979

	1	2	3	4
Assets				
Cash in Bank		225750		
Cash in Bank of Pacific		15533		
Wynwood Trust - old		86707		
" " - new		151663		
Trust Acct - Condo Sales		41057		
			1187711	
Chase Contract		81513		
Contract Receivable Owners		2475415		
Interval Membership		270000		
Fixed Assets		1645772734		
Accrued Depreciation		<846752000>		
Land Investment		7410000		
Condo Units - Resale		6422731		
Contr Rec Wynwood - old		1023477		
" " " - new		7550069		
			1108367789	
	Total Assets			1120245000
Liabilities				
Accrued Property Tax		995705		
Contract - Merit		4857446		
Note - First Interstate		41031725		
Contract Payable - Shell - Fisher		3200000		
" " Weller		3500000		
Advances - Surfside Inc		<2387074>		
" Pacific Lanes		78203307		
" Condo Assn.		~~1819000~~	3141500	
" Rental Bal		<927791>		
			130891720	132214220
Capital Stock - Common		1370000		
Retained Deficit		<8044644>		
Deficit - 1989	1351507	<12192576>		
			<18867220>	
				1120245000

Haffman/Stevenson
Oct 31, 1989

	1	2	3	4
Sales				
Condos		5332500		
Returned Units		<203263>		
Rent-Income Bldg		6500000		
Rent-Condos		2933500		
Ground Rent		648000		
Mgmt Fees		1907772		
Other Income		30200		
Interest Income		1044810		
	Total Income		18193519	
Expenses				
Cost of Condos Sold		2812166		
Insurance		1895414		
Interest Expense		6037097		
Collection Fees		36000		
Legal & Acctg		401862		
M/A		2400		
Misc		77188		
Office Expense		66036		
Pers Prop Tax		1995921		
Misc Dues & Licenses		106402		
Repairs & Mtnce		1154035		
Marketing Expense		7794764		
Telephone		313724		
Treatment Plant		737732		
Condo Rental Expense		~~5953250~~	5276350	
Special Assessment		2936500		
Tax Penalty		15004		
			30380095	
	Net Loss - 1989			<12192576>
				<13515076>

Hoffman / Stevenson
Nov. 30, 1979

Assets				
Cash on Bank		9696.36		
Cash Bank of Pacific		15553		
Wynwood Trust - old		39714		
" " - new		173533		
Trust acct. Condo Sales		41057		
			1179017	
Chase Contract		73921		
Contract - Owners		3469756		
Interval Membership		290000		
Fixed Assets		1485927.34		
Accrued Deprec.		<840752.00>		
Land Investment Surfside		741000.00		
Condo Units - Resale		6422731		
Contr. Rec. Wynwood - old		1048377		
" " Wynwood - new		7415356		
			1100433.75	
	Total Assets			1118223.92
Liabilities				
Accrued Property Tax		995105		
Contract - Merit		4850125		
Note - First Interstate		41528026		
Contract Payable Shell-Fisher		3300000		
Contract Payable - Weller		3500000		
Advances - Surfside Inn		<3376.74>		
" Pacific Lines		7279.93		
Condo Assn.		2236500		
Rental Pool		<40910>		
			1325717.25	
Capital Stock		1370000		
Retained Deficit		<8044644>		
Deficit - 1979		<14074689>		
			<20149333>	
	Total Liabilities			1118223.92

Hoffman/Stevenson
Nov. 30, 1959

Sales				
Condos		5332500		
Condo Resales		<203263>		
Rent - Tacoma Bldg		7150000		
Rent Income - Condos		2933500		
Grounded Rent		640000		
Mgmt Fees		1947662		
Other Income		33220		
Interest Income		1143574		
	Total Income		18984153	
Expenses				
Cost of Condos Sold		2975374		
Insurance		1895414		
Interest Expense		6562721		
Collection Fees		95600		
Legal & Acctg		501862		
Mgt		2400		
Misc.		177178		
Office Expense		66036		
Rent Property Tax		1995921		
Misc. Taxes & Licenses		100402		
Repairs & Mtnce		1446424		
Marketing Expense		7839455		
Telephone		367705		
Treatment Plant		400506		
Condo Rental Expense		5276350		
Special Assessment		2936500		
Tax Penalty		15004		
			33063872	
	Net Loss			<14079187>

Hoffman/Stevenson
Dec 31, 1989

	1	2	3	4
Assets				
Cash in Bank		264851		
Cash in Sales Clearing Acct		14933		
Wynwood Trust - old		59211		
Wynwood Trust - new		172823		
Cash - Trust a/c Condo sales		27307		
			539125	
Chase Contract		66234		
Contract Rec - Owners		3469756		
Interval Memberships		290000		
Fixed Assets		167917640		
" " Deprec		<84075200>		
Land Investment - Surfside		7410000		
Condo Units - Resale		6422731		
Contract Rec - Wynwood - old		994387		
" " " - new		7252386		
			110747934	
	Total Assets			111287059
Liabilities				
Accrued Property Taxes		995705		
Contracts - Merit		4842862		
Note - First Interstate		41420333		
Contract - Shell/Fisher		3200000		
Contract - Weller		3500000		
Advances - Surfside Inn		<2276424>		
Advances - Pacific Lanes		78676479		
Advances - Owners		1825000		
Advances - Rental Pool		<146420>		
			132046535	
Capital Stock		1370000		
Retained Deficit		<8044644>		
Deficit - 1989		<14084832>		
			<20759476>	
	Total Liabilities			111287059

Hoffman / Stevenson
Dec 31, 1989

Sales				
	Condos	5332500		
	Condo Resales	<203263>		
	Rent - Tacoma Bldg	7800000		
	Rent Income - Condos	3076849		
	Ground Rent	864000		
	Utility Service Income	1679932		
	Other Income	34200		
	Interest Income	1178462		
			19762680	
Expenses				
	Cost of Condos Sold	2978084		
X	Insurance	1895414	3 mo?	
	Interest Expense	7096291		
	Collection Fees	105200		
	Legal & Acctg.	667101		
	MPA	2400		
	Misc	203568		
	Office Expense	78026		
	Pers. Prop. Tax	2111100		
	Misc Taxes & Licenses	113902		
	Repairs & Mtnce	1287342		
	Marketing Expense	7839455		
	Telephone	411746		
	Treatment Plant	843029		
	Condo Rental Expenses	5276356		
	Special Assessment	2936500		
	Tax Penalty	15004		
			33848512	
				14085832

Exhibit
7

EXHIBIT NO. 7

TUELL, ANDERSON, FISHER & KOPPE
ATTORNEYS AT LAW
1457 SOUTH UNION AVENUE
TACOMA, WASHINGTON 98405

FAX: (206) 759-0310

(206) 759-0070

DAVID R. TUELL, JR.
GRANT L. ANDERSON
STEPHEN W. FISHER
ROBYN L. KOPPE

RICHARD L. HOEFEL
TODD J. TUELL
SHERI J. FONTANA

November 9, 1992

Attn: Dave Richmond
First Interstate Bank of Washington
SWCBC 231
P O Box 1997
Tacoma WA 98401

Re: Estate of Charles C. Hoffman
Creditor Claim
Pierce County Cause No. 89-4-00326-3

Dear Mr. Richmond:

As indicated in our telephone conversation of November 5, 1992, we are desirous of obtaining a release of the Creditor's Claim against the Estate of Charles C. Hoffman regarding the debt by Pacific Lanes, Inc. and Hoffman-Stevenson, Inc., which Mr. Hoffman personally guaranteed.

As I indicated to you, I have recently been elected as a Pierce County Superior Court Judge and will take the bench in January, 1993. In cleaning up my practice, I would like to close this probate and distribute the assets to the trust. As a practical matter, nothing will really change except that I will have handled pending matters I am responsible for and my partner, Stephen W. Fisher, who is familiar with the operation, will take over as trustee. The only thing holding matters up at this point is the Creditor's Claim, which was filed against the estate by First Interstate Bank.

I have enclosed copies of the most recent Financial Statements of the two corporations. As a practical matter, First Interstate Bank has a Deed of Trust against the real estate and I believe UCC filings against the property. All payments have been timely made, and as a practical matter, absolutely nothing will change.

From the sale of some other assets at the ocean, I have managed to accumulate some funds. I have enclosed herein $100,000.00 for application on the outstanding loan and reduction thereof. When the estate is closed, and all costs covered, more money may be forthcoming to pay down that obligation. It is anticipated that payments will stay the same as they have been in the past, to pay it off ahead of schedule. Any actions which I desire to take will have no affect on First Interstate Bank of Washington, or in any way diminish their security.

FILE COPY

To accomplish my goals of closing this estate prior to going on the bench, I have enclosed an original copy of a Partial Receipt and Release. It would be most appreciated if you could expedite processing that instrument, getting the same signed and returned to me so I can make the proper notifications to close the estate.

Thank you in advance for your cooperation.

Sincerely,

Grant L. Anderson

GLA:dd
cc: Operations Officer
First Interstate Bank of Washington
P O Box 160 MS 706
Seattle WA 98111

Exhibit

8

HS HOFFMAN – STEVENSON INC. 91-0757268

EXHIBIT NO. 8

INCOME

Gross receipts less returns/allowance	7,250
Cost of goods sold (Schedule A)	11,251
Gross Profit	-4,001
Interest	13,865
Gross rents	40,422
Other income	18,198
Total income	68,484

DEDUCTIONS

Repairs	50,834
Taxes	10,428
Interest	30,177
Depreciation	25,484
Other deductions	103,420
Total deductions	220,343

TAXABLE INCOME

Taxable income (line 28)	-151,859
Taxable income	-151,859

TAX COMPUTATION

Income tax	0
Net tax	0

PAYMENTS AND CREDITS

Total payments and credits	0

COPY

RECEIVED
MAY 06 1999

REFUND OR AMOUNT DUE

Overpayment	0
Tax due	0

SCHEDULE L

Beginning Total Assets	1,130,220
Beginning Total Liabilities & Equity	1,130,220
Ending Total Assets	599,502
Ending Total Liabilities & Equity	599,502

HS HOFFMAN - STEVENSON INC. 91-0757268

E N D I N G A S S E T S

Cash		18,938
Accounts receivable	8,871	
Less: Allowance for bad debts	( )	8,871
Inventories		53,250
Mortgage and real estate loans		120,132
Buildings and other assets	773,880	
Less: Accumulated depreciation	(645,837)	128,043
Land		270,268
Total Assets		599,502

E N D I N G L I A B. & E Q U I T Y

Accounts payable		100
Other current liabilities		50,000
Long term notes payable		469,282
Common stock	13,400	13,400
Unappropriated retained earnings		66,720
Total Liabilities and Equity		599,502

Forms Needed For This Return

Federal: 1120,3800,Statements

	Federal
Tax Bracket	0%

Carryovers To 1993

General Business Credit	2,374
Net Operating Loss	151,859
AMT Net Operating Loss	132,746
ACE Carryover	19,113

Computation of 1992 Net Operating Loss

1. Total Income	68,484
2. Total Deductions	220,343
3. Taxable Income (Line 1 Less Line 2)	-151,859
4. Special Deductions Unlimited	0
1992 Net Operating Loss (line 3 Less Line 4)	(151,859)

Computation of 1992 AMT Net Operating Loss

1. 1992 Net Operating Gain (Loss)	-151,859
2. Tax Preference Items / Adjustments	19,113
1992 AMT Net Operating Loss (Line 1 Plus Line 2)	(132,746)

Form 1120

Department of the Treasury
Internal Revenue Service

U. S. Corporation Income Tax Return

For calendar year 1992 or tax year beginning _____, 1992, ending _____, 19____

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

OMB No. 1545-0123

1992

A Check if a -
(1) Consolidated return (attach Form 851) ☒
Personal holding co. (attach Sch. PH) ☐
(3) Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions) ☐

Use IRS label. Otherwise, please print or type.

HOFFMAN - STEVENSON INC.
6314 19TH STREET STE 1
TACOMA, WA 98466

B Employer identification number
91-0757268

C Date incorporated
5/11/59

D Total assets (See Specific Instructions)
$ 599,502

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☒ Change in address

INCOME	1a	Gross receipts or sales: 7,250	b Less returns and allowances:	c Balance ▶	1c: 7,250
	2	Cost of goods sold (Schedule A, line 8)			2: 11,251
	3	Gross profit. Subtract line 2 from line 1c			3: -4,001
	4	Dividends (Schedule C, line 19)			4:
	5	Interest			5: 13,865
	6	Gross rents			6: 40,422
	7	Gross royalties			7:
	8	Capital gain net income (attach Schedule D (Form 1120))			8:
	9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)			9:
	10	Other income (see instructions - attach schedule) See.Statement.1.			10: 18,198
	11	Total income. Add lines 3 through 10		▶	11: 68,484
DEDUCTIONS	12	Compensation of officers (Schedule E, line 4)			12:
	13a	Salaries and wages	b Less jobs credit	c Balance ▶	13c:
	14	Repairs			14: 50,834
	15	Bad debts			15:
	16	Rents			16:
	17	Taxes			17: 10,428
	18	Interest			18: 30,177
	19	Charitable contributions (see instructions for 10% limitation)			19:
	20	Depreciation (attach Form 4562)	20: 25,484		
	21	Less depreciation claimed in Schedule A and elsewhere on return	21a:		21b: 25,484
	22	Depletion			22:
	23	Advertising			23:
	24	Pension, profit-sharing, etc., plans			24:
	25	Employee benefit programs			25:
	26	Other deductions (attach schedule) See.Statement.2.			26: 103,420
	27	Total deductions. Add lines 12 through 26		▶	27: 220,343
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28: -151,859
	29	Less: a Net operating loss deduction (see instructions)	29a:		
		b Special deductions (Schedule C, line 20)	29b:		29c:
TAX AND PAYMENTS	30	Taxable income. Subtract line 29c from line 28			30: -151,859
	31	Total tax (Schedule J, line 10)			31: 0
	32	Payments:			
	a	1991 overpayment credited to 1992	32a:		
	b	1992 estimated tax payments	32b:		
	c	Less 1992 refund applied for, Form 4466	32c: ( )	d Bal ▶ 32d: 0	
	e	Tax deposited with Form 7004		32e:	
	f	Credit from regulated investment companies (attach Form 2439)		32f:	
	g	Credit for Federal tax on fuels (attach Form 4136). See instructions		32g:	32h: 0
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐			33:
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34: 0
	35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35:
	36	Enter amount of line 35 you want: Credited to 1993 estimated tax ▶		Refunded ▶	36:

Please Sign Here

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

Signature of officer ▶ _____ Date ▶ _____ Title

Paid Preparer's Use Only

Preparer's signature ▶ GARY L. FRIND, CPA — Date 3/4/93 — Check if self-employed ☐ — Preparer's social security number [redacted]

Firm's name (or yours, if self-employed) and address ▶ Gary L. Frind & Associates, 2301 S. Tacoma Way, Tacoma, WA — E.I. No. ▶ 91-1522501 — ZIP code ▶ 98409

CL 20587

Schedule A Cost of Goods Sold (See instructions.)

1	Inventory at beginning of year	1	
2	Purchases	2	11,251
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	11,251
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	11,251

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost (ii) ☐ Lower of cost of market as described in Regulations section 1.471-4

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

(iv) ☐ Other (Specify method used and attach explanation.) ▶

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

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

d Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☒ No

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

Schedule C Dividends and Special Deductions (See instructions.)

		(a) Dividends received	(b) %	(c) Special deductions: (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9	Total. Add lines 1 through 8. See instructions for limitation			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14	Income from controlled foreign corporations under subpart F (attach Forms 5471)			
15	Foreign dividend gross-up (section 78)			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 ▶			
20	Total deductions - Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶			

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

Complete Schedule E only if total receipts (line 1a, plus line 4 through 10, of page 1, Form 1120) are $500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	(e) Preferred	(f) Amount of compensation
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

2	Total compensation of officers	
3	Compensation of officers claimed on Schedule A and elsewhere on return	
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1	

Schedule J Tax Computation (See instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) ▶ ☒				
2	If the box on line 1 is checked:				
a	Enter the corporation's share of the $50,000 and $25,000 taxable income bracket amounts (in that order): (I) $ 40,000 (II) $ 25,000				
b	Enter the corporation's share of the additional 5% tax (not over $11,750) ▶		$ 0		
3	Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 14) ▶ ☐			3	0
4a	Foreign tax credit (attach Form 1118)	4a			
b	Possessions tax credit (attach Form 5735)	4b			
c	Orphan drug credit (attach Form 6765)	4c			
d	Credit for fuel produced from a nonconventional source	4d			
e	General business credit. Enter here and check which forms are attached: ☒ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586 ☐ Form 8830 ☐ Form 8826	4e	0		
f	Credit for prior year minimum tax (attach Form 8827)	4f			
5	Total credits. Add lines 4a through 4f			5	
6	Subtract line 5 from line 3			6	
7	Personal holding company tax (attach Schedule PH (Form 1120))			7	
8	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611			8	
9a	Alternative minimum tax (attach Form 4626)			9a	
b	Environmental tax (attach Form 4626)			9b	
10	Total tax. Add lines 8 through 9b. Enter here and on line 31, page 1			10	

Schedule K Other Information (See instructions.)

		Yes	No
1	Check method of accounting: a ☐ Cash b ☒ Accrual c ☐ Other (specify) ▶		
	Refer to the list in the instructions and state the principal:		
a	Business activity code no. ▶ 6511		
b	Business activity ▶ SALES/RENTALS		
c	Product or service ▶ CONDOMINIUMS		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c))		X
	If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4	Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete a, b and c below		X
a	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X
b	Enter the name and identifying number of the parent corporation or other entity with 50% or more ownership ▶ Estate of Charles Hoffman 91-6314431		
c	Enter percentage owned ▶ 100%		
5	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316)		X
	If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
6	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)		X
	If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶		
7	At any time during the 1992 calendar year, did the corporation 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)?		X
	If "Yes," the corporation may have to file Form TD F 90-22.1 If "Yes," enter name of foreign country ▶		
8	Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it?		X
	If "Yes," the corporation may have to file Forms 926, 3520, or 3520-A.		
9	Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation?		X
	If "Yes," see page 17 of instructions and		
a	Enter percentage owned ▶		
b	Enter owner's country ▶		
c	The corporation may have to file Form 5472. (See page 18 for penalties that may apply.) Enter number of Forms 5472 attached ▶		
10	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If so, the corporation may have to file Form 8281.		
11	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		
12	If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ 1		
13	If the corporation has an NOL for the tax year and is electing under sec. 172(b)(3) to forego the carryback period, check here ▶ ☒		

Schedule L Balance Sheets

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		456,563		18,938
2a Trade notes and accounts receivable	67,784		8,871	
b Less allowance for bad debts	( )	67,784	( )	8,871
3 Inventories		53,750		53,250
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach sch.)				
7 Loans to stockholders				
8 Mortgage and real estate loans		127,828		120,132
9 Other investments (attach sch.)				
10a Buildings and other depreciable assets	773,880		773,880	
b Less accumulated depreciation	(620,353)	153,527	(645,837)	128,043
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)		270,268		270,268
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule)...See.St.3.		500		
15 Total assets		1,130,220		599,502
Liabilities and Stockholders' Equity				
16 Accounts payable		100		100
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach sch.)See.St.4.		2,430		50,000
19 Loans from stockholders				
20 Mortgages, notes, bonds payable in 1 year or more		879,674		469,282
21 Other liabilities (attach sch.)				
22 Capital stock: a Preferred stock				
b Common stock	13,700	13,700	13,400	13,400
23 Paid-in or capital surplus				
24 Retained earnings - Appropriated				
25 Retained earnings - Unappropriated		234,316		66,720
26 Less cost of treasury stock		( )		( )
27 Total liabilities and stockholders' equity		1,130,220		599,502

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of schedule L are less than $25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See instructions.)

1 Net income per books	-151,859	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax		a Tax-exempt interest $	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			
		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation $	
a Depreciation $		b Contrib. carryover $	
b Contributions carryover $			
c Travel and entertainment $			
		9 Add lines 7 and 8	
6 Add lines 1 through 5	-151,859	10 Income (line 28, pg 1)-line 6 less line 9	-151,859

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	234,316	5 Distributions: a Cash	
2 Net income per books	-151,859	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		See Stmt 5	15,737
		7 Add lines 5 and 6	15,737
4 Add lines 1, 2, and 3	82,457	8 Balance at end of year (line 4 less line 7)	66,720

Form 3800

Department of the Treasury
Internal Revenue Service

General Business Credit

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

OMB No. 1545-0895

1992

Attachment Sequence No. 22

Name(s) as shown on return: HOFFMAN - STEVENSON INC.

Identifying number: 91-0757268

Part I Tentative Credit

1a	Current year investment credit (Form 3468, Part I)	1a	
b	Current year jobs credit (Form 5884, Part I)	1b	
c	Current year credit for alcohol used as fuel (Form 6478)	1c	
d	Current year credit for increasing research activities (Form 6765, Part III)	1d	
e	Current year low-income housing credit (Form 8586, Part I)	1e	
f	Current year enhanced oil recovery credit (Form 8830, Part I)	1f	
g	Current year disabled access credit (Form 8826, Part I)	1g	
h	Current year renewable electricity production credit (Form 8835, Part I)	1h	
i	Current year general business credit. Add lines 1a through 1h	1i	
2	Passive activity credits included on lines 1a through 1h (see instructions)	2	
3	Subtract line 2 from line 1i	3	
4	Passive activity credits allowed for 1992 (see instructions)	4	
5	Carryforward of general business, WIN, or ESOP credit to 1992 (see instructions for the schedule to attach)	5	2,374
6	Carryback of general business credit to 1992 (see instructions)	6	
7	Tentative general business credit. Add lines 3 through 6	7	2,374

Part II General Business Credit Limitation Based on Amount of Tax

8a	Individuals. Enter amount from Form 1040, line 40		8	
b	Corporations. Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A, Part I, line 1)			
c	Other filers. Enter regular tax before credits from your return			
9	Credits that reduce regular tax before the general business credit -			
a	Credit for child and dependent care expense (Form 2441)	9a		
b	Credit for the elderly or the disabled (Schedule R (Form 1040))	9b		
c	Foreign tax credit (Form 1116 or Form 1118)	9c		
d	Possessions tax credit (Form 5735)	9d		
e	Mortgage interest credit (Form 8396)	9e		
f	Credit for fuel from a nonconventional source	9f		
g	Orphan drug credit (Form 6765)	9g		
h	Add lines 9a through 9g		9h	
10	Net regular tax. Subtract line 9h from line 8		10	
11	Tentative minimum tax (see instructions):			
a	Individuals. Enter amount from Form 6251, line 20			
b	Corporations. Enter amount from Form 4626, line 15		11	
c	Estates and trusts. Enter amount from Form 1041, Schedule H, line 37			
12	Net income tax:			
a	Individuals. Add line 10 above and line 22 of Form 6251			
b	Corporations. Add line 10 above and line 17 of Form 4626		12	
c	Estates and trusts. Add line 10 above and line 39 of Form 1041, Schedule H			
13	If line 10 is more than $25,000, enter 25% (.25) of the excess		13	
14	Subtract line 11 or line 13, whichever is greater, from line 12. If less than zero, enter -0-		14	0
15	**General business credit allowed for current year.** Enter the smaller of line 7 or line 14. Also enter this amount on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or on the appropriate line of your return. (Individuals, estates, and trusts, see instructions if the credit for increasing research activities is claimed. C corporations, see instructions for Schedule A if any regular investment credit carryforward is claimed. See the instructions if the corporation has undergone a post-1986 "ownership change.")		15	0

Form 4562
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach this form to your return.

OMB No. 1545-0172
1992
67

Name(s) shown on return: Hoffman - Stevenson

Identifying number: 91-0757268

Business or activity to which this form relates: Sales/rentals condominiums

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1	Maximum dollar limitation (see instructions)	1	$10,000
2	Total cost of section 179 property placed in service during the tax year (see 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, but do not enter less than -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1, but do not enter less than -0-	5	10,000

	(a) Description of property	(b) Cost	(c) Elected cost
6			

7	Listed property. Enter amount from line 26	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 1991 (see instructions)	10		
11	Taxable income limitation. Enter the smaller of taxable income or line 5 (see instructions)	11		10,000
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 1993. Add lines 9 and 10, less line 12 ▶	13		

Note: Do not use Part II or Part III below for automobiles, certain other vehicles, cellular telephones, computers, or property used for entertainment, recreation, or amusement (listed property). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed In Service ONLY During Your 1992 Tax Year (Do Not Include Listed Property)

	(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduc
14	General Depreciation System (GDS) (see instructions):						
	a 3 - year property			3 yrs.	HY		
	b 5 - year property			5 yrs.	HY		
	c 7 - year property			7 yrs.	HY		
	d 10 - year property			10 yrs.	HY		
	e 15 - year property			15 yrs.	HY		
	f 20 - year property			20 yrs.	HY		
	g Residential rental property			27.5 yrs.	MM	S/L	
				27.5 yrs.	MM	S/L	
	h Nonresidential real property			31.5 yrs.	MM	S/L	
				31.5 yrs.	MM	S/L	
15	Alternative Depreciation System (ADS) (see instructions):						
	a Class life					S/L	
	b 12-year			12 yrs.		S/L	
	c 40-year			40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

16	GDS and ADS deductions for assets placed in service in tax years beginning before 1992 (see instructions)	16	255
17	Property subject to section 168(f)(1) election (see instructions)	17	0
18	ACRS and other depreciation (see instructions)	18	25,229

Part IV Summary

19	Listed property. Enter amount from line 25	19	
20	Total. Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations - see instructions)	20	25,484
21	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	21	0

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Statement 1
Form 1120, Line 10
Other Income

Management fee	$ 2,698
Utility service	15,500
Total	$ 18,198

Statement 2
Form 1120, Line 26
Other Deductions

Assessments	$ 30,090
Bank Charges	452
Insurance	15,430
Legal and Professional	22,465
Marketing	791
Office Expense	253
Pool expense	30,889
Treatment plant	3,050
Total	$ 103,420

Statement 3
Form 1120, Schedule L, Line 14
Other Assets

	Beginning	Ending
Stock	$ 500	$ 0
Total	$ 500	$ 0

Statement 4
Form 1120, Schedule L, Line 18
Other Current Liabilities

	Beginning	Ending
Federal Tax Payable	$ 2,430	$ 0

Statement 4 (Continued)
Form 1120, Schedule L, Line 18
Other Current Liabilities

	Beginning	Ending
Earnest money	$ 0	$ 50,000
Total	$ 2,430	$ 50,000

Statement 5
Form 1120, Schedule M-2, Line 6
Other Decreases

Stock redemption	$ 15,737
Total	$ 15,737

EXHIBIT A

CONSENT TO APPORTIONMENT OF LOW-BRACKET CORPORATE TAXABLE INCOME UNDER CODE SECTION 1561(a)

IN ACCORDANCE WITH CODE SECTION 1561(a) THE FOLLOWING MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, DESIGNATED IN THE ATTACHED "GROUP IDENTIFICATION", CONSENT TO THE APPORTIONMENT PLAN SHOWN IN THE "GROUP IDENTIFICATION", WITH RESPECT TO THEIR TAXABLE YEARS THAT INCLUDE DECEMBER 31, 1992.

THE NAMES, ADDRESSES, TAXPAYER ACCOUNT NUMBERS, AND TAXABLE YEARS OF THE CONSENTING MEMBERS, AND THE AMOUNT APPORTIONED TO EACH UNDER THE PLAN ARE:

	PERCENTAGE BRACKET	
	15%	25%
PACIFIC LANES, INC. & SUBSIDIARY 6314 19TH STREET, SUITE 1 TACOMA, WASHINGTON 98466 #91-0699154 TAX YEAR ENDS DECEMBER 31, 1992	$ 10,000	$ -0-
HOFFMAN-STEVENSON, INC. 6314 19TH STREET, SUITE 1 TACOMA, WASHINGTON 98466 #91-0757268 TAX YEAR ENDS DECEMBER 31, 1992	40,000	25,000
	$ 50,000	$ 25,000

THE ORIGINAL OF THIS STATEMENT WILL BE FILED WITH THE INTERNAL REVENUE SERVICE CENTER IN OGEN, UTAH.

THE UNDERSIGNED HAVE BEEN DULY AUTHORIZED TO ACT IN BEHALF OF THEIR CORPORATIONS.

PACIFIC LANES, INC. & SUBSIDIARY _____ DATE _____ SIGNATURE _____ TITLE

HOFFMAN-STEVENSON, INC. _____ DATE _____ SIGNATURE _____ TITLE

Exhibit
9

CLIENT # PACIFIC

GARY L. FRIND & ASSOCIATES
2301 S. TACOMA WAY
TACOMA, WA 98409
206-473-1202

EXHIBIT NO. 9

March 15, 1993

Pacific Lanes Inc. & Subsidiary
6314 19th Street Ste 1
Tacoma, WA 98466

Dear Client:

Enclosed is your 1992 Federal Corporation Income Tax Return. The original should be signed on the bottom of page one. There is a balance of $1,165 payable by March 15, 1993.

Mail Federal return on or before March 15, 1993 to:

INTERNAL REVENUE SERVICE
OGDEN, UT 84201

Deposit all payments when due, along with a Federal Tax Deposit Coupon (Form 8109), to either a bank qualified as a depository for Federal taxes or the Federal Reserve bank in your area.

Your estimated tax schedule for 1993 is listed below:

Due Date	Federal
4/15/93	300
6/15/93	300
9/15/93	300
12/15/93	300
	1,200

Please be sure to call us if you have any questions.

Sincerely,

GARY L. FRIND, CPA

RECEIVED
MAY 06 1999

PACIFIC PACIFIC LANES INC. & SUBSIDIARY 91-0699154

I N C O M E

Gross receipts less returns/allowance	549,297
Cost of goods sold (Schedule A)	196,274
Gross Profit	353,023
Interest	2,553
Gross rents	38,034
Net gain (or loss) from 4797	-76,454
Other income	600,073
Total income	917,229

D E D U C T I O N S

Salaries and wages less jobs credit	411,475
Repairs	37,381
Bad debts	492
Taxes	104,491
Interest	41,998
Depreciation	77,501
Advertising	8,603
Employee benefit programs	27,406
Other deductions	200,179
Total deductions	909,526

T A X A B L E I N C O M E

Taxable income (line 28)	7,703
Taxable income	7,703

T A X C O M P U T A T I O N

Income tax	1,155
Net tax	1,155

COPY

PACIFIC PACIFIC LANES INC. & SUBSIDIARY 91-0699154

PAYMENTS AND CREDITS

Total payments and credits	0

REFUND OR AMOUNT DUE

Overpayment	0
Underpayment penalty	10
Tax due	1,165

SCHEDULE L

Beginning Total Assets	760,686
Beginning Total Liabilities & Equity	760,686
Ending Total Assets	540,018
Ending Total Liabilities & Equity	540,018

PACIFIC PACIFIC LANES INC. & SUBSIDIARY 91-0699154

E N D I N G A S S E T S

Cash		67,316
Inventories		8,451
Other current assets		7,297
Mortgage and real estate loans		125,513
Other assets		331,441
Total Assets		540,018

E N D I N G L I A B. & E Q U I T Y

Short term notes payable		1,100
Other current liabilities		7,160
Common stock	1,000	1,000
Unappropriated retained earnings		530,758
Total Liabilities and Equity		540,018

Forms Needed For This Return

Federal: 1120,2220,4797,Statements

	Federal	
Tax Bracket	15%	
Underpayment Penalty	10	
Carryovers To 1993		
ACE Carryover	5,626	
Net Section 1231 Losses	**Federal**	
1992 Losses	76,454	0

Federal Estimates

	Estimate	Overpayment	Balance
4/15/93	290	0	290
6/15/93	290	0	290
9/15/93	290	0	290
12/15/93	290	0	290
Total	1,160	0	1,160

Federal Tax Computation

	Taxable Income	Bracket	Tax
	7,703	15%	1,155
Total	7,703		1,155

Form 1120

Department of the Treasury
Internal Revenue Service

U. S. Corporation Income Tax Return

For calendar year 1992 or tax year beginning _____, 1992, ending _____, 19____

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

OMB No. 1545-0123

1992

A Check if a -
(1) Consolidated return (attach Form 851) ☒
( ) Personal holding co. (attach Sch. PH) ☐
(3) Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions) ☐

Use IRS label. Other-wise, please print or type.

PACIFIC LANES INC. & SUBSIDIARY
6314 19TH STREET STE 1
TACOMA, WA 98466

B Employer identification number: 91-0699154

C Date incorporated: 10/09/59

D Total assets (See Specific Instructions): $ 540,018

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

INCOME	1a	Gross receipts or sales: 549,297	b Less returns and allowances:	c Balance ▶	1c: 549,297
	2	Cost of goods sold (Schedule A, line 8)			2: 196,274
	3	Gross profit. Subtract line 2 from line 1c			3: 353,023
	4	Dividends (Schedule C, line 19)			4:
	5	Interest			5: 2,553
	6	Gross rents			6: 38,034
	7	Gross royalties			7:
	8	Capital gain net income (attach Schedule D (Form 1120))			8:
	9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)			9: -76,454
	10	Other income (see instructions - attach schedule) See Statement 1.			10: 600,073
	11	Total income. Add lines 3 through 10		▶	11: 917,229
DEDUCTIONS	12	Compensation of officers (Schedule E, line 4)			12:
	13a	Salaries and wages: 411,475	b Less jobs credit:	c Balance ▶	13c: 411,475
	14	Repairs			14: 37,381
	15	Bad debts			15: 492
	16	Rents			16:
	17	Taxes			17: 104,491
	18	Interest			18: 41,998
	19	Charitable contributions (see instructions for 10% limitation)			19:
	20	Depreciation (attach Form 4562)	20: 77,501		
	21	Less depreciation claimed in Schedule A and elsewhere on return	21a:		21b: 77,501
	22	Depletion			22:
	23	Advertising			23: 8,603
	24	Pension, profit-sharing, etc., plans			24:
	25	Employee benefit programs			25: 27,406
	26	Other deductions (attach schedule) See Statement 2.			26: 200,179
	27	Total deductions. Add lines 12 through 26		▶	27: 909,526
	28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11			28: 7,703
	29	Less: a Net operating loss deduction (see instructions)	29a:		
		b Special deductions (Schedule C, line 20)	29b:		29c:
TAX AND PAYMENTS	30	Taxable income. Subtract line 29c from line 28			30: 7,703
	31	Total tax (Schedule J, line 10)			31: 1,155
	32	Payments:			
	a	1991 overpayment credited to 1992	32a:		
	b	1992 estimated tax payments	32b:		
	c	Less 1992 refund applied for, Form 4466	32c: ( )	d Bal ▶ 32d: 0	
	e	Tax deposited with Form 7004	32e:		
	f	Credit from regulated investment companies (attach Form 2439)	32f:		
	g	Credit for Federal tax on fuels (attach Form 4136). See instructions	32g:		32h: 0
	33	Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☒			33: 10
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed			34: 1,165
	35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid			35:
	36	Enter amount of line 35 you want: Credited to 1993 estimated tax ▶		Refunded ▶	36:

Please Sign Here

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

Signature of officer ▶ [signature] Date ▶ 3/15/93 Title ▶ Trustee

Paid Preparer's Use Only

Preparer's signature ▶ KEVIN IVERSON, CPA Date 3/15/93 Check if self-employed ☐ [redacted]

Firm's name (or yours, if self-employed) and address ▶ Gary L. Frind & Associates
2301 S. Tacoma Way
Tacoma, WA

E.I. No. ▶ 91-1522501

ZIP code ▶ 98409

Schedule A Cost of Goods Sold (See instructions.)

1	Inventory at beginning of year	1	14,234	
2	Purchases	2	190,491	
3	Cost of labor	3		
4	Additional section 263A costs (attach schedule)	4		
5	Other costs (attach schedule)	5		
6	Total. Add lines 1 through 5	6	204,725	
7	Inventory at end of year	7	8,451	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	196,274	

9a Check all methods used for valuing closing inventory:

(i) ☒ Cost (ii) ☐ Lower of cost of market as described in Regulations section 1.471-4

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

(iv) ☐ Other (Specify method used and attach explanation.) ▶

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

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

d Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☒ No

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

Schedule C Dividends and Special Deductions (See instructions.)

		(a) Dividends received	(b) %	(c) Special deductions: (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9	Total. Add lines 1 through 8. See instructions for limitation			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14	Income from controlled foreign corporations under subpart F (attach Forms 5471)			
15	Foreign dividend gross-up (section 78)			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 ▶			
20	Total deductions - Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶			

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

Complete Schedule E only if total receipts (line 1a, plus line 4 through 10, of page 1, Form 1120) are $500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	Percent of corporation stock owned (e) Preferred	(f) Amount of compensation
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

2	Total compensation of officers	
3	Compensation of officers claimed on Schedule A and elsewhere on return	
4	Subtract line 3 from line 2. Enter the result here and on line 12, page 1	

Schedule J Tax Computation (See instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) ▶ ☒			
2	If the box on line 1 is checked:			
a	Enter the corporation's share of the $50,000 and $25,000 taxable income bracket amounts (in that order): (I) $ 10,000 (II) $ 0			
b	Enter the corporation's share of the additional 5% tax (not over $11,750) ▶ $ 0			
3	Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 14) ▶ ☐		3	1,155
4a	Foreign tax credit (attach Form 1118)	4a		
b	Possessions tax credit (attach Form 5735)	4b		
c	Orphan drug credit (attach Form 6765)	4c		
d	Credit for fuel produced from a nonconventional source	4d		
e	General business credit. Enter here and check which forms are attached: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586 ☐ Form 8830 ☐ Form 8826	4e		
f	Credit for prior year minimum tax (attach Form 8827)	4f		
5	Total credits. Add lines 4a through 4f		5	
6	Subtract line 5 from line 3		6	1,155
7	Personal holding company tax (attach Schedule PH (Form 1120))		7	
8	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		8	
9a	Alternative minimum tax (attach Form 4626)		9a	
b	Environmental tax (attach Form 4626)		9b	
10	Total tax. Add lines 6 through 9b. Enter here and on line 31, page 1		10	1,155

Schedule K Other Information (See instructions.)

		Yes	No
1	Check method of accounting: a ☐ Cash b ☒ Accrual c ☐ Other (specify) ▶		
	Refer to the list in the Instructions and state the principal:		
a	Business activity code no. ▶ 7900		
b	Business activity ▶ BOWLING/REST		
c	Product or service ▶ BOWLING/REST		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c))	X	
	If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year. See Statement 3		
4	Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete a, b and c below		X
a	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		X
b	Enter the name and identifying number of the parent corporation or other entity with 50% or more ownership ▶		
c	Enter percentage owned ▶		
5	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316)		X
	If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		

		Yes	No
6	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶		X
7	At any time during the 1992 calendar year, did the corporation 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)? If "Yes," the corporation may have to file Form TD F 90-22.1 If "Yes," enter name of foreign country ▶		X
8	Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 926, 3520, or 3520-A.		X
9	Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes," see page 17 of instructions and a Enter percentage owned ▶ b Enter owner's country ▶		X
c	The corporation may have to file Form 5472. (See page 18 for penalties that may apply.) Enter number of Forms 5472 attached ▶		
10	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If so, the corporation may have to file Form 8281.		
11	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		
12	If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ 1		
13	If the corporation has an NOL for the tax year and is electing under sec. 172(b)(3) to forego the carryback period, check here ▶ ☐		

Schedule L Balance Sheets

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash		114,692		67,316
2 Trade notes and accounts receivable				
Less allowance for bad debts	( )		( )	
3 Inventories		14,234		8,451
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach sch.) See St. 4		15,618		7,297
7 Loans to stockholders				
8 Mortgage and real estate loans				125,513
9 Other investments (attach sch.)				
10a Buildings and other depreciable assets	374,553			
b Less accumulated depreciation	(175,057)	199,496	( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule) See St. 5		416,646		331,441
15 Total assets		760,686		540,018
Liabilities and Stockholders' Equity				
16 Accounts payable		24,982		
17 Mortgages, notes, bonds payable in less than 1 year				1,100
18 Other current liabilities (attach sch.) See St. 6		37,987		7,160
19 Loans from stockholders				
20 Mortgages, notes, bonds payable in 1 year or more		126,533		
21 Other liabilities (attach sch.)				
Capital stock: a Preferred stock				
b Common stock	15,480	15,480	1,000	1,000
23 Paid-in or capital surplus				
24 Retained earnings - Appropriated				
25 Retained earnings - Unappropriated		555,704		530,758
26 Less cost of treasury stock		( )		( )
27 Total liabilities and stockholders' equity		760,686		540,018

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of schedule L are less than $25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See instructions.)

1 Net income per books	6,548	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax	1,155	a Tax-exempt interest $	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation $	
a Depreciation $		b Contrib. carryover $	
b Contributions carryover $			
c Travel and entertainment $			
		9 Add lines 7 and 8	
6 Add lines 1 through 5	7,703	10 Income (line 28, pg 1)-line 6 less line 9	7,703

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1 Balance at beginning of year	555,704	5 Distributions: a Cash	
Net income per books	6,548	b Stock	
Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		See Stmt 7	31,494
		7 Add lines 5 and 6	31,494
4 Add lines 1, 2, and 3	562,252	8 Balance at end of year (line 4 less ln 7)	530,758

Form 2220

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

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

OMB No. 1545-0142

1992

Name: PACIFIC LANES INC. & SUBSIDIARY

Employer identification number: 91-0699154

Note: In most cases, the IRS will figure the penalty and the corporation will not have to complete this form. See the instructions for more information.

Part I Figuring the Underpayment

1	Total tax (see instructions)		1	1,155
2a	Personal holding company tax included on line 1 (Schedule PH (Form 1120), line 26)	2a		
b	Interest due under the look-back method of section 460(b)(2) for completed long-term contracts included on line 1	2b		
c	Credit for Federal tax paid on fuels (see instructions)	2c		
d	Total. Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1. If the result is less than $500, do not complete or file this form. The corporation does not owe the penalty		3	1,155
4a	If the corporation's tax year began before July 1, 1992, multiply line 3 by 93%. Otherwise, multiply line 3 by 97%	4a	1,074	
b	Enter the tax shown on the corporation's 1991 income tax return. (CAUTION: See instructions before completing this line.)	4b	237	
c	Enter the smaller of line 4a or line 4b. If the corporation is required to skip line 4b, enter the amount from line 4a on line 4c		4c	237

		(a)	(b)	(c)	(d)
5	**Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year ▶	5 4/15/92	6/15/92	9/15/92	12/15
6	**Required installments.** Enter 25% of line 4c in columns (a) through (d) unless a or b below applies to the corporation:				
a	If the corporation uses the annualized income installment method and/or the adjusted seasonal installment method, complete the worksheet in the instructions and enter on line 6 the amounts from line 45 of the worksheet. Also check this box ▶ ☐ and attach a copy of the worksheet.				
b	If the corporation is a "large corporation," check this box ▶ ☐ and see the instructions for the amount to enter in each column of line 6	6 59	59	59	60
7	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 7 on line 11	7			
	Complete lines 8 through 14 of one column before going to the next column.				
8	Enter amount, if any, from line 14 of the preceding column	8			
9	Add lines 7 and 8	9			
10	Add amounts on lines 12 and 13 of the preceding column	10	59	118	177
11	Subtract line 10 from line 9. If zero or less, enter -0-. For column (a) only, enter the amount from line 7	11			
12	If the amount on line 11 is zero, subtract line 9 from line 10. Otherwise, enter -0-	12	59	118	
13	Underpayment. If line 11 is less than or equal to line 6, subtract line 11 from line 6. Then go to line 8 of the next column. Otherwise, go to line 14 (see instructions)	13 59	59	59	
14	Overpayment. If line 6 is less than 11, subtract line 6 from line 11. Then go to line 8 of the next column	14			

Go to Part II on the back of this form to figure the penalty. If there are no entries on line 13, no penalty is owed.

Part II Figuring the Penalty

		(a)	(b)	(c)	(d)
15 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	15	3/15/93	3/15/93	3/15/93	3/15/93
16 Number of days from due date of installment on line 5 to the date shown on line 15	16	334	273	181	90
17 Number of days on line 16 after 4/15/92 and before 10/1/92	17	168	107	15	
18 Number of days on line 16 after 9/30/92 and before 1/1/93	18	92	92	92	16
19 Number of days on line 16 after 12/31/92 and before 4/1/93	19	74	74	74	74
20 Number of days on line 16 after 3/31/93 and before 7/1/93	20				
21 Number of days on line 16 after 6/30/93 and before 10/1/93	21				
22 Number of days on line 16 after 9/30/93 and before 1/1/94	22				
23 Number of days on line 16 after 12/31/93 and before 2/16/94	23				
24 Underpayment on line 13 x Number of days on line 17 / 366 x 8%	24	$ 2.17	$ 1.38	$ 0.19	$
25 Underpayment on line 13 x Number of days on line 18 / 366 x 7%	25	$ 1.04	$ 1.04	$ 1.04	$ 0.18
26 Underpayment on line 13 x Number of days on line 19 / 365 x 7%	26	$ 0.84	$ 0.84	$ 0.84	$ 0.85
27 Underpayment on line 13 x Number of days on line 20 / 365 x *%	27	$	$	$	$
28 Underpayment on line 13 x Number of days on line 21 / 365 x *%	28	$	$	$	$
29 Underpayment on line 13 x Number of days on line 22 / 365 x *%	29	$	$	$	$
30 Underpayment on line 13 x Number of days on line 23 / 365 x *%	30	$	$	$	$
31 Add lines 24 through 30	31	$ 4.05	$ 3.26	$ 2.07	$ 1.03

32 PENALTY. Add columns (a) through (d), line 31. Enter here and on line 33, Form 1120; line 29, Form 1120-A; or comparable line for other income tax returns . . . . . 32 $ 10

*If the corporation's tax year ends after December 31, 1992, see the instructions for lines 27 through 30.

CL 30577

Form 4797

Department of the Treasury
Internal Revenue Service (T)

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F)

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

OMB No. 1545-0184

1992

Attachment Sequence No. 27

Name(s) shown on return

CIFIC LANES INC. & SUBSIDIARY

Identifying number

91-0699154

Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1992 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 11, or 22 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(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) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
Equipment/leasehold improvements							
	Various	12/31/92	193,267	252,558	522,279	76,454	

3	Gain, if any, from Form 4684, line 39	3		
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4		
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5		
6	Gain, if any, from line 34, from other than casualty or theft	6		
7	Add lines 2 through 6 in columns (g) and (h)	7	(76,454)	
8	Combine columns (g) and (h) of line 7. Enter gain or (loss) here, and on the appropriate line as follows:	8		-76,454

Partnerships - Enter the gain or (loss) on Form 1065, Schedule K, line 6. Skip lines 9, 10, 12, and 13 below.

S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 9, 10, 12, and 13 below, unless line 8 is a gain and the S corporation is subject to the capital gains tax.

All others - If line 8 is zero or a loss, enter the amount on line 12 below and skip lines 9 and 10. If line 8 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 as a long-term capital gain on Schedule D and skip lines 9, 10, and 13 below.

9	Nonrecaptured net section 1231 losses from prior years (see instructions)	9	
10	Subtract line 9 from line 8. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions):	10	0

S corporations - Enter this amount (if more than zero) on Schedule D (Form 1120S), line 13, and skip lines 12 and 13 below.

All others - If line 10 is zero, enter the amount from line 8 on line 13 below. If line 10 is more than zero, enter the amount from line 9 on line 13 below, and enter the amount from line 10 as a long-term capital gain on Schedule D.

Part II Ordinary Gains and Losses

11 Ordinary gains and losses not included on lines 12 through 18 (include property held 1 year or less):

(a) Description	(b) Date acquired	(c) Date sold	(d) Gross sales price	(e) Depreciation allowed or allowable	(f) Cost or other basis	(g) Loss	(h) Gain

12	Loss, if any, from line 8	12	76,454	
13	Gain, if any, from line 8, or amount from line 9 if applicable	13		
14	Gain, if any, from line 33	14		
15	Net gain or (loss) from Form 4684, lines 31 and 38a	15		
16	Ordinary gain from installment sales from Form 6252, line 25 or 36	16		
17	Ordinary gain or (loss) from like-kind exchanges from Form 8824	17		
18	Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	18		
19	Add lines 11 through 18 in columns (g) and (h)	19	(76,454)	
20	Combine columns (g) and (h) of line 19. Enter gain or (loss) here, and on the appropriate line as follows:	20		-76,454

For all except individual returns: Enter the gain or (loss) from line 20 on the return being filed.

For individual returns:

(1)	If the loss on line 12 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here and on line 20 of Schedule A (Form 1040). Identify as from "Form 4797, line 20b(1)." See instructions	20b(1)	
(2)	Redetermine the gain or (loss) on line 20, excluding the loss, if any, on line 20b(1). Enter here and on Form 1040, line 15	20b(2)	

Form 4562
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

► See separate instructions. ► Attach this form to your return.

OMB No. 1545-0172
1992
67

Name(s) shown on return: Pacific Lanes, Inc. & Subsidiary
Identifying number: 91-0699154

Business or activity to which this form relates: Bowling Alley

Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "Listed Property," complete Part V before you complete Part I.)

1	Maximum dollar limitation (see instructions)	1	$10,000
2	Total cost of section 179 property placed in service during the tax year (see instructions)	2	144,210
3	Threshold cost of section 179 property before reduction in limitation	3	$200,000
4	Reduction in limitation. Subtract line 3 from line 2, but do not enter less than -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1, but do not enter less than -0-	5	10,000

	(a) Description of property	(b) Cost	(c) Elected cost
6			

7	Listed property. Enter amount from line 26	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 1991 (see instructions)	10	
11	Taxable income limitation. Enter the smaller of taxable income or line 5 (see instructions)	11	10,000
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 1993. Add lines 9 and 10, less line 12 ►	13	

Note: Do not use Part II or Part III below for automobiles, certain other vehicles, cellular telephones, computers, or property used for entertainment, recreation, or amusement (listed property). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed In Service ONLY During Your 1992 Tax Year (Do Not Include Listed Property)

(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
14 General Depreciation System (GDS) (see instructions):						
a 3 - year property			3 yrs.	HY		
b 5 - year property			5 yrs.	HY		
c 7 - year property		144,209	7 yrs.	HY	200DB	20,602
d 10 - year property			10 yrs.	HY		
e 15 - year property			15 yrs.	HY		
f 20 - year property			20 yrs.	HY		
g Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
h Nonresidential real property			31.5 yrs.	MM	S/L	
			31.5 yrs.	MM	S/L	
15 Alternative Depreciation System (ADS) (see instructions):						
a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part III Other Depreciation (Do Not Include Listed Property)

16	GDS and ADS deductions for assets placed in service in tax years beginning before 1992 (see instructions)	16	56,745
17	Property subject to section 168(f)(1) election (see instructions)	17	0
18	ACRS and other depreciation (see instructions)	18	154

Part IV Summary

19	Listed property. Enter amount from line 25	19	0
20	Total. Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations - see instructions)	20	77,501
21	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	21	0

CL 30579

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Statement 1
Form 1120, Line 10
Other Income

Bowling	$ 438,832
Gameroom	12,322
Machines	3,674
Maintenance contract	50,000
Pulltabs	95,245
Total	$ 600,073

Statement 2
Form 1120, Line 26
Other Deductions

Auto and Truck	$ 4,753
Bank Charges	3,345
Insurance	21,956
Legal and Professional	37,650
Office Expense	7,484
Supplies	66,098
Utilities	58,893
Total	$ 200,179

Statement 3
Form 1120, Schedule K, Line 3
Ownership of 50% or More of Domestic Corporation

Name	:SURFSIDE INN COMPANY
ID Number	:91-1020776
Percentage Owned	:100
Taxable Income	: -1,254

Statement 4
Form 1120, Schedule L, Line 6
Other Current Assets

	Beginning	Ending
Prepaid expenses	$ 15,618	$ 7,297
Total	$ 15,618	$ 7,297

Statement 5
Form 1120, Schedule L, Line 14
Other Assets

	Beginning	Ending
Intercompany	$ 416,646	$ 331,441
Total	$ 416,646	$ 331,441

Statement 6
Form 1120, Schedule L, Line 18
Other Current Liabilities

	Beginning	Ending
Federal Tax Payable	$ 0	$ 1,165
Accrued wages	20,892	2,759
Taxes payable	17,095	3,236
Total	$ 37,987	$ 7,160

Statement 7
Form 1120, Schedule M-2, Line 6
Other Decreases

Federal income tax penalty	$ 10
Stock redemption	31,484
Total	$ 31,494

EXHIBIT A

CONSENT TO APPORTIONMENT OF LOW-BRACKET CORPORATE TAXABLE INCOME UNDER CODE SECTION 1561(a)

IN ACCORDANCE WITH CODE SECTION 1561(a) THE FOLLOWING MEMBERS OF A CONTROLLED GROUP OF CORPORATIONS, DESIGNATED IN THE ATTACHED "GROUP IDENTIFICATION", CONSENT TO THE APPORTIONMENT PLAN SHOWN IN THE "GROUP IDENTIFICATION", WITH RESPECT TO THEIR TAXABLE YEARS THAT INCLUDE DECEMBER 31, 1992.

THE NAMES, ADDRESSES, TAXPAYER ACCOUNT NUMBERS, AND TAXABLE YEARS OF THE CONSENTING MEMBERS, AND THE AMOUNT APPORTIONED TO EACH UNDER THE PLAN ARE:

	PERCENTAGE BRACKET	
	15%	25%
PACIFIC LANES, INC. & SUBSIDIARY 6314 19TH STREET, SUITE 1 TACOMA, WASHINGTON 98466 #91-0699154 TAX YEAR ENDS DECEMBER 31, 1992	$ 10,000	$ -0-
HOFFMAN-STEVENSON, INC. 6314 19TH STREET, SUITE 1 TACOMA, WASHINGTON 98466 #91-0757268 TAX YEAR ENDS DECEMBER 31, 1992	40,000	25,000
	$ 50,000	$ 25,000

THE ORIGINAL OF THIS STATEMENT WILL BE FILED WITH THE INTERNAL REVENUE SERVICE CENTER IN OGEN, UTAH.

THE UNDERSIGNED HAVE BEEN DULY AUTHORIZED TO ACT IN BEHALF OF THEIR CORPORATIONS.

	DATE	SIGNATURE	TITLE
PACIFIC LANES, INC. & SUBSIDIARY	3/15/93	[signature]	3/15/9
HOFFMAN-STEVENSON, INC.			

Exhibit
10

EXHIBIT NO. 10

GENERAL REPORT

AGENCY: [VIII] TPD [ ] PCSO

[ ] Public Disclosure Act OTHER:

PAGE 1 OF 5

INCIDENT NO. 89-25025

2 Arrest	3 Vehicle	4 Juvenile	8 Report Name/Offense
5 Property	6 Medical	7 Domestic Viol.	BURGLARY / PARTIAL RECOVERY OF STOLEN PROPERTY

9 Type of Premise (For Vehicles State Where Parked)	10 Entry Point	11 Method
RESIDENCE	WINDOW	PRIED WINDOW

12 Weapon/Tool/Force Used	13 Date Report'd	14 Time Rept'd.	15 Date Occur.	16 Time Occur.	17 Day of Week
	10-2-89	1340	9-25-89	UNK	MON.

18 Location of Incident Address	19 Census	20 Dist.
3831 ASOTIN	422	42

PERSONS/BUSINESS INVOLVED

CODE: C (Person Reporting Complaint) V (Victim) W (Witness) P (Parent) VB (Victim Business) O (Other)

21 Code	22 NAME: Last	First	Middle (Maiden)	23 Race/Sex	24 Date of Birth	25 Home Phone
V	ALLOTA	ANNA	(ESTATE)	W/F	DECEASED	
26 FDA	27 ADDRESS: Street	City	State	Zip	28 Place of Employment/School	29 Business Phone
	3831 ASOTIN					
21 Code	22 NAME: Last	First	Middle (Maiden)	23 Race/Sex	24 Date of Birth	25 Home Phone
W/C	ANDERSON	GRANT		W/M	5-20-38	759 0070
26 FDA	27 ADDRESS: Street	City	State	Zip	28 Place of Employment/School	29 Business Phone
	1457 So Union Ave.			98405	ATTORNEY/JUDGE	759 0070
21 Code	22 NAME: Last	First	Middle (Maiden)	23 Race/Sex	24 Date of Birth	25 Home Phone
W	IACOBAZZI	NICK				922-1027
26 FDA	27 ADDRESS: Street	City	State	Zip	28 Place of Employment/School	29 Business Phone
	4219 47th AVE E					

[ ] Additional Persons On Report Continuation Sheet (People) Form No. Z-556

PERSON NUMBER 1

CODE: A (Arrest) S (Suspect) SV (Suspect Verified) R (Runaway) M (Missing Person) I (Institutional Impact)

30 Code	31 NAME: Last	First	Middle (Maiden)	32 Home Phone	33 Business Phone
SV	SANTOS	DAVID			

34 ADDRESS: Street	City	State	Zip	35 Occupation	36 Place of Employment/School	37 Relation to Victim
621 No OAKES	TACOMA	WA		none	None.	

38 Date of Birth	39 Race	40 Sex	41 Height	42 Weight/Bld.	43 Hair	44 Eyes	45 Clothing, Scars, Marks, Tattoos, Peculiarities, A.K.A.
28 (3-26-61)	W	M	6-0	160	BLK	BLU	

46 [ ] Booked [ ] Cited Number | 47 Charge Details (Include Ordinance or R.C.W. Number)

PERSON NUMBER 2

30 Code	31 NAME: Last	First	Middle (Maiden)	32 Home Phone	33 Business Phone

34 ADDRESS: Street	City	State	35 Occupation	36 Place of Employment/School	37 Relation to Victim

38 Date of Birth	39 Race	40 Sex	41 Height	42 Weight/Bld.	43 Hair	44 Eyes	45 Clothing, Scars, Marks, Tattoos, Peculiarities, A.K.A.

46 [ ] Booked [ ] Cited Number | 47 Charge Details (Include Ordinance or R.C.W. Number)

I CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF A REPORT MAINTAINED IN THE FILES OF THE LAW ENFORCEMENT SUPPORT AGENCY AND PROVIDED PURSUANT TO RCW 42.17 PUBLIC DISCLOSURE ACT.

DOC RECORDS SPECIALIST

[ ] Additional Persons On Report Continuation Sheet (People) Form No. Z-556 Juvenile Arrests — Block No. 100 MUST Be Completed

VEHICLE

48 Stolen*	49 Victim	50 Impound	54 License No.	55 Lic. State	56 Lic. Year	58 Vin.
51 Recovery	52 Suspect	53 Hold				

59 Year	60 Make	61 Model	62 Body Style	63 Color	64 Peculiarities	65 Hold Requested By/For

66 Ori. & Case No.	67 Registered Owner: Name	Address	City	State	Zip	68 Home Phone

RELEASED TO:

RECOVERY

69 Condition [ ] Drivable [ ] Not Drivable [ ] Stripped [ ] Wrecked

70 Inventory

70 Inventory (Cont.)

71 Tow Co. & Signature

NOTICE

72 Enter	73 Date	74 Time	75 WACIC	76 LESA	77 Initial	78 Release Info	79 Date	80 Time	81 Release No.	82 Releasing Authority

83 Clear	84	85	86	87	88	89 Owner Notified	90	91	92 Operator's Name

93 Signature & I.D. No. of Reporting Officer(s)

D. KIRBY PB-7 ARU.

94 Approval MM 110

95 Distribution Exc. PROSECUTOR / COURT

REPORT PROCESSING (Records Personnel Only)

DISTRIBUTION: DATE 10/2 BY

INDEXED: DATE BY

Microfilmed Initials

Filed Initials

2-555a

96 STOLEN PAGE 2 OF 5

INCIDENT N 89 3/2

Divorce/Separation In Progress? [ ] Yes [ ] No Payments Delinquent? [ ] Yes [ ] No Car Locked? [ ] Yes [ ] No
Key In Switch? [ ] Yes [ ] No Key Needed? [ ] Yes [ ] No Permission To Drive Given? [ ] Yes [ ] No

STATEMENT OF PERSON REPORTING

I, the undersigned, declare this to be a true and correct report. I will testify, in court, under oath, to the facts herein. I understand that I may be charged with violation of R.C.W. 9A.76.020 "Obstructing a Public Servant" if filing a false report. If reporting a stolen vehicle, I understand I am liable for all towing and storage costs incurred in the recovery of this vehicle.

Date _____ Time _____ Signature _____

325

MEDICAL

97 Type of Injury or Illness	98 Hospital Taken	99 By?	100 [ ] Employee [ ] On Duty
101 Extent of Injuries	102 Attending Physician	103 Suicide Note Found? [ ]	104 Hold Placed By

105 PROPERTY

Stolen	✓ Evidence	Recovered	✓ Theft Inventory Att.	106 Total Theft $	107 Total Damaged $
Lost	Damaged	Narrative	Theft Inventory Left		

108 Damage and Minor Property Loss

see narrative - Stolen Shotgun, mans rink - coin collection.

Insurance Company

PARENT/GUARDIAN NOTIFICATION

109 Name and Relationship of Person Notified	110 Date & Time Notified	111 Notified By:

INDEX NARRATIVE

Complainant Anderson came into the police station to make this complaint.

Anderson is an attorney and Judge in Fircrest WA.

Pursuant to his duties as an attorney he was appointed the executor for the estate of the late Anna Allota & subsequently for Sam Allota.

On the day that Sam Allota died, Sept 25, 1989 Sam Allota's uncle NICK IACOBAZZI went to Sam Allota's house after the deceased Allota had been removed by the Coroner. When NICK IACOBAZZI entered he found one DAVID SANTOS inside and discovered that SANTOS had pried open a window to gain entry. SANTOS then fled

112 HAZARD SECTION

Complete the Hazard Section of this report only if the officer encounters combative resistance or physical aggression. More passive resistance or attempts to break free do not require completion of this section. If suspect threatens officer, check box "Threats Only".

1 [ ] Combative Resistance
2 [ ] Physical Aggression
3 [ ] Threats Only
4 [ ] Officer Injured
5 [ ] Firearm
6 [ ] Knife
7 [ ] Other Dangerous Weapon
8 [ ] Hands, Fists, Feet, Etc.

OFFICER ASSIGNMENT
9 [ ] Uniform
10 [ ] Non-Uniform
11 [ ] Detective
12 [ ] Foot
13 [ ] Off-Duty
14 [ ] One Officer Car
15 [ ] Two Officer Car
16 [ ] Officer Alone
17 [ ] Officer Assisted

RESPONDING TO:
18 [ ] Ambush – No Warning
19 [ ] Attempting Other Arrests
20 [ ] Burglary In Progress
21 [ ] Civil Disorder (Riot)
22 [ ] Disturbance Call
23 [ ] Mentally Deranged
24 [ ] Handling Prisoner
25 [ ] Robbery In Progress
26 [ ] Suspicious Circumstar
27 [ ] Traffic Stops
28 [ ] All Others

Suspect Involved In Hazard 29 [ ] Number 1 30 [ ] Number 2

Z-555n

REPORT CONTINUATION SHEET | AGENCY: (///) TPD [ ] PCSO [ ] OTHER | PAGE 3 OF 5

INDEX | NARRATIVE

the residence but not before IACOBAZZI recognized him.

IACOBAZZI knew SANTOS as the boyfriend of Allota's daughter Jenny Roper.

At the time it was not clear whether anything was missing and once IACOBAZZI knew SANTOS' identity no report was made and apparently the police were not notified.

IACOBAZZI told Complainant Anderson about the incident with SANTOS

Anderson then Contacted Jenny Roper who told him that Santos admitted to her that he had burglarized the Allota residence and had taken various items.

When SANTOS came to the realization that he had been recognized by family members he told Jenny Roper that he wished to clear himself. Roper told SANTOS to Contact Anderson. Contact was made and on Saturday 30 September, Anderson met SANTOS. SANTOS told Anderson that he had taken items that he now wished to give back.

SANTOS then gave Anderson ① a 12 gauge pump shotgun. ② a pint of Coors mostly pennies w/some nickels/dimes & ③ - 3 watches

Z-2180-4/5

REPORT CONTINUATION SHEET | AGENCY: [X] TPD [ ] PCSO [ ] OTHER | PAGE 4 OF 5

89-11-325

INDEX | NARRATIVE

SANTOS claimed that this was all he had taken. Later then SANTOS had advised Anderson that his brother was with him during the burglary.

Per Anderson a substantial part of Allota's coin collection to include numerous silver dollars is missing from the Allota residence as is a distinctive mens ring belonging to Sam Allota. The ring is a custom made gold ring with a Ferrari Car emblem on its face.

SANTOS has extensive criminal history and was arrested by TPD on 10-10-89 see Case 89283023Z. (MVTL).

SANTOS is supposedly inactive parole/probation status from DOC.

SANTOS FBI RECORD SHOWS That he is a Convicted felon on 10 years suspended sentence for burglary at this time.

Z-2180-4/5

REPORT CONTINUATION SHEET (PEOPLE)

AGENCY: [P] TPD [ ] PCSO [ ] OTHER:

89-285-0325

INVOLVED PERSONS/BUSINESSES

	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
VICTIM	ALLOTA, Anna & Sam.					
CODE	C (Person Reporting Complaint) V (Victim) W (Witness) P (Parent) AVO (Victim Business)					
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
V	ALLOTA, Sam			W/M	DECEASED	
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
	3831 Asotin					
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone
Code	NAME: Last	First	Middle (Maiden)	Race/Sex	Date of Birth	Home Phone
FDA	ADDRESS: Street	City	State Zip	Place of Employment/School		Business Phone

SUPPLEMENTARY REPORT

AGENCY: [X] TPD [ ] PCSO [ ] OTHER

PAGE 1 OF 1

89

5-0325

VICTIM OF ORIGINAL REPORT

NAME: LAST ALLOTA FIRST ANNA MIDDLE (ESTATE OF) REPORT TITLE Burglary / Sx Cleared

ADDRESS: STREET 3831 Asotin CITY STATE ZIP 98409 PHONE None

CASE STATUS: [ ] Property Recovered [ ] Partial Recovery [ ] No Further Inv. Pending New Leads [ ] Investigation To Be Continued [ ] Cleared Unfounded [X] Cleared Exceptional [ ] Cleared With Arrest

RELATED CASE NUMBERS

CODE: A (Arrest) S (Suspect) SV (Suspect Verified) R (Runaway) W (Witness) O (Other) I (Institutional Impact)

PERSON NO.

Code	NAME: Last	First	Middle (Maiden)	Home Phone	Business Phone
SV	SANTOS	DAVID		—	

ADDRESS: Street	City	State	Zip	Occupation	Place of Employment/School	Relation to Victim
621 N. Oakes			98403	—	—	

Date of Birth	Race	Sex	Height	Weight/Build	Hair	Eyes	Clothing, Scars, Marks, Tattoos, Peculiarities, A.K.A.
3-26-61	W	M					

[ ] Booked [ ] Cited Number Charge Details (Include Ordinance or R.C.W. Number)

PERSON NO.

Code	NAME: Last	First	Middle (Maiden)	Home Phone	Business Phone

ADDRESS: Street	City	State	Zip	Occupation	Place of Employment/School	Relation to Victim

Date of Birth	Race	Sex	Height	Weight/Build	Hair	Eyes	Clothing, Scars, Marks, Tattoos, Peculiarities, A.K.A.

[ ] Booked [ ] Cited Number Charge Details (Include Ordinance or R.C.W. Number)

PERSON NO.

Code	NAME: Last	First	Middle (Maiden)	Home Phone	Business Phone

ADDRESS: Street	City	State	Zip	Occupation	Place of Employment/School	Relation to

Date of Birth	Race	Sex	Height	Weight/Build	Hair	Eyes	Clothing, Scars, Marks, Tattoos, Peculiarities, A.K.A.

[ ] Booked [ ] Cited Number Charge Details (Include Ordinance or R.C.W. Number)

[ ] Additional Persons On Report Continuation Sheet (People) Form No. Z-556

PROPERTY RECOVERED — List and indicate disposition. PROPERTY ON PROPERTY REPORT FORM (Form Z-1039)

NARRATIVE

Case was presented to P.C.P.A who is taking case under advisement only. Case is therefore cleared by exception.

REPORTING TIME & DATE 11-1-89 1330

OFFICER'S SIGNATURE & NO. [signature] #062

APPROVAL 021

REPORT PROCESSING (Records Personnel Only) DISTRIBUTION: Date By INDEXED: Date By MICROFILMED: Date By COPY TO: REVIEWED BY

Z-203a (Revised)

Exhibit 11

EXHIBIT NO. 11

DECLARATION OF

KENNETH J. WILSON, INVESTIGATOR

On May 20, 1998, I interviewed Mr. Nick Iacobazzi who stated he did not make the statements attributed to him in a police report filed by Grant Anderson regarding an alleged burglary by David Santos.

On May 28, 1998, I interviewed Ms. Jenny Roper (Allotta) who stated she did not make the statements attributed to her in a police report filed by Grant Anderson regarding an alleged burglary by David Santos.

Kenneth J Wilson

Kenneth J. Wilson,

Signed: June 28, 1999

Exhibit
12

RECEIVED
SEP 2 3 1998

EXHIBIT NO. 12

IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON

IN AND FOR THE COUNTY OF PIERCE

In the Matter of the Estate of) NO. 89 4 00326 3

CHARLES C. HOFFMAN) INVENTORY OF ASSETS

Deceased.)

FILED
IN COUNTY CLERK'S OFFICE
DEC 04 1992
PIERCE COUNTY, WASHINGTON
TED RUTT, COUNTY CLERK
BY DEPUTY

STATE OF WASHINGTON)
) ss
County of Pierce)

The undersigned personal representative, or the authorized officer thereof, being first duly sworn, upon oath, deposes and says: The schedules attached hereto are a true inventory of all of the property of this estate which has come into my possession or knowledge, including: (1) real property by legal description and assessed valuation of land and improvements thereon; (2) stocks and bonds; (3) mortgages, notes, and other written evidences of debts; (4) bank accounts and money; (5) furniture and household goods; (6) all other personal property, including Decedent's proportionate share in any partnership and a statement of all encumbrances, liens, or other secured charges against the items listed thereon. The Decedent's date of death was March 7, 1989.

Grant L. Anderson

SUBSCRIBED and SWORN TO before me this 8th day of November, 1989.

DIANE DELEO NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 10-25-92

Notary Public in and for the State of Washington, residing at Tacoma.
My commission expires: 4/21/93

TUELL, ANDERSON, FISHER & KOPPE
ATTORNEYS AT LAW
1457 SOUTH UNION AVENUE
TACOMA, WASHINGTON 98405

SCHEDULE OF ASSETS

1.	REAL PROPERTY	
	Unimproved real property located in Pacific County, Washington, legally described as:	
	SURFSIDE ESTATES DIVISION NO. 55 Lots 1, 2, 3 and 4, Block 3, located in Government Lot 4 and Uplands accreted thereto Sec. 17, TWP. 12 N, R. 11 W., W.M., Pacific County, Washington.	$ 10,000.00
2.	STOCKS AND BONDS	
	a. Hoffman-Stevenson, Inc. - 137 shares	757,290.00
	b. Pacific Lanes, Inc. - 121 shares	133,640.00
3.	MORTGAGES, NOTES, AND DEBTS DUE TO DECEDENT	0.00
4.	BANK ACCOUNTS AND MONEY	
	a. Tapco Credit Union Account #5061875430	5,471.00
	b. Bank of Pacific Account #4022432	8,855.00
	c. Traveler's checks	700.00
	d. Cash on person	767.00
	e. Internal Revenue Service	489.00
	f. Security deposit (apartment rental)	100.00
	g. Puget Sound Hospital refund	159.00
	h. US West refund	12.00
	i. Columbia Memorial Hospital	11.00
5.	HOUSEHOLD GOODS AND FURNISHINGS	
	Miscellaneous household goods & furnishings	300.00
6.	PERSONAL PROPERTY	
	Miscellaneous used clothing	0.00

TUELL, ANDERSON, FISHER & KOPPE
ATTORNEYS AT LAW
1457 SOUTH UNION AVENUE
TACOMA, WASHINGTON 98405

Exhibit
13

EXHIBIT NO. 13

CLIENT	DATE	TMK2	CAT	SEC	H P	I X	S C	R C	TCODE	RATE	HOURS	AMOUNT	
173.00	12/10/92	007	3		P				50	90.00	0.75	67.50	Discussions with paralegal re revising documents; revisions to Petition and Decree of Distribution. HOFFMAN ESTATE/CHARLES C
SUBTOTAL FOR TIMEKEEPER # 007									BILLABLE		50.60	3946.00	Sheri J Fontana
									TOTAL		50.60	3946.00	
173.00	09/19/89	008	3		P				13	60.00	2.50	150.00	Preparation of mailing to unit owners. HOFFMAN ESTATE/CHARLES C
173.00	05/10/91	008	3		P				50	60.00	0.17	10.20	File Release for Inheritance Tax. HOFFMAN ESTATE/CHARLES C
173.00	11/06/92	008	3		P				13	60.00	4.00	240.00	Preparation of Inventory and Schedule of Assets, Order Fixing Time, Notice of Hearing; revision of Petition for Decree and Decree; revision of Petition re Resignation of Trustee and Appointment of Successor. HOFFMAN ESTATE/CHARLES C
SUBTOTAL FOR TIMEKEEPER # 008									BILLABLE		6.67	400.20	Marilyn Bradley
									TOTAL		6.67	400.20	
173.00	07/31/89	009	3		P				13	50.00	4.50	225.00	Work on modifications to Public Offering Statement for finalization and submission to state. HOFFMAN ESTATE/CHARLES C
173.00	11/01/89	009	3		P				13	50.00	1.50	75.00	Surfside: Preparation of letters to new purchasers of additional time-share units, Stierwalt, Pahl, Crosby and Spencer enclosing original recorded Indenture and Assignments, checks for overages; letter to Homeowner's Association with assessment check for new purchasers; payment of bills to title company; review of closing statements; letter to Laraine Kindt enclosing copies of closing statements; phone conference with Cathie regarding books; phone conference with Laraine regarding books. HOFFMAN ESTATE/CHARLES C
173.00	11/21/89	009	3		P				13	50.00	5.00	250.00	Surfside: Preparation of spread sheet showing billings submitted by Glen Young for marketing of condominiums; preparation of sheets indicating invoices, payments and receipts for Laser Direct and Contacts Influential; finalization of all documents for submission to Glen Young. HOFFMAN ESTATE/CHARLES C
173.00	04/06/89	009	3		P				5	50.00	11.00	550.00	Travel to Ocean Park (Surfside) to go over all managerial matters with condominiums; trip to title company in South Bend; review of all pending transactions. HOFFMAN ESTATE/CHARLES C

Exhibit
14

90 010 00324

RECEIVED

SEP 17 1990

EXHIBIT NO. 14

BUSINESS LICENSE SERVICES
DEPARTMENT OF LICENSING
OLYMPIA, WA 98504-8001

MASTER BUSINESS APPLICATION

Please type or print in dark ink.

Instructions for this application are on page 2 of the application.

If you have any questions call 1-800-562-8203 in Washington, or 1-206-753-4401, out of state.

OFFICE USE ONLY

6831 000 400 811000 15.00

Dear Business Person:

Washington State is pleased to provide you with a "one-stop" registration and licensing service for your business. You can now receive your basic state tax registration, employer registration, and many of your specialty licenses by completing one application packet and writing one check.

Please take the completed application and necessary fee payments to any one of 50 convenient state field offices (see listing for office nearest you) or mail it directly to the Department of Licensing at the address above.

Sincerely,

Booth Gardner
Governor

1. PAYMENT SUMMARY

SEE YOUR *"REGISTRATION AND LICENSE DESCRIPTION SHEET"* FOR THE REGISTRATION(S) AND LICENSE(S) AVAILABLE.
MAKE CHECK PAYABLE TO THE STATE TREASURER.

REGISTRATION OR LICENSE NAME	FEE
TUELL, ANDERSON, FISHER & KOPPE	$ 15.00 tax regis.
	$
	$
	$
	$
	$
	$
	$
	$
	$
ENCLOSE PAYMENT FOR ALL APPLICABLE FEES. YOU WILL BE BILLED SEPARATELY FOR INDUSTRIAL INSURANCE DEPOSIT. TOTAL AMOUNT DUE	$ 15.00

2. OPTIONS

Indicate your choice of option for issuance of a Master License.

OPTION 1 ☒ The Master License will be issued for those licenses and registrations which can be issued immediately and revised later to include the licenses requiring agency approval.

OPTION 2 ☐ The Master License will be delayed until all licenses have been approved. Business activities covered by these licenses cannot be conducted until the Master License is received.

UBI #

A PURPOSE OF APPLICATION

☐ License/Register New Business ☐ Change Ownership ☐ Merger
☐ Add License/Registration ☐ Open New Location ☐ Other

B COMPLETE THE INFORMATION WHICH APPLIES TO YOUR BUSINESS

SOLE PROPRIETOR	OWNER'S NAME (Last, First, Middle)	BIRTHDATE	SOCIAL SECURITY NUMBER
	RESIDENCE ADDRESS (Street or Route, City, State, Zip)		RES. TELEPHONE NO.
	SPOUSE (Last, First, Middle) IS THE NAME OF SPOUSE TO APPEAR ON THIS LICENSE? ☐ YES ☐ NO	SOCIAL SECURITY NUMBER	COMPLETE ONLY FOR LIQUOR OR LOTTERY LICENSE / BIRTHDATE
PARTNERSHIP	PARTNERSHIP NAME (If any) ☐ General ☐ Limited: TUELL, ANDERSON, FISHER & KOPPE		NO. OF PARTNERS: 4
	PARTNERSHIP MAILING ADDRESS (Street or Route, City, State, Zip): 1457 South Union Avenue, Tacoma, WA 98405		
CORPORATION	CORPORATE NAME (Exactly as registered with the Secretary of State)		DATE OF INCORPORATION
	NO. OF CORPORATE OFFICERS	ARE ANY CORPORATE OFFICERS IN WASHINGTON ALSO DIRECTORS AND SHAREHOLDERS? ☐ YES ☐ NO	STATE OF INCORPORATION
OTHER	INDICATE NAME OF THE ORGANIZATION	INDICATE THE TYPE OF ORGANIZATION	

C COMPLETE THIS SECTION FOR ALL PARTNERS OR CORPORATE OFFICERS (Attach additional sheets if necessary.)

NAME (Last, First, Middle)	BIRTHDATE	SOCIAL SECURITY NUMBER	% OWNED
TUELL, David R. Jr.	2-9-36	[redacted]	27.83.
RESIDENCE ADDRESS (Street or Route, City, State, Zip): 1013 Laurel Court, Tacoma, WA 98466		RES. TELEPHONE NO. [redacted]	TITLE: owner
SPOUSE (Last, First, Middle): TUELL, Dolores E	SOCIAL SECURITY NUMBER: [redacted]2	COMPLETE ONLY FOR LIQUOR OR LOTTERY LICENSE	BIRTHDATE
NAME (Last, First, Middle): ANDERSON, Grant L	BIRTHDATE: 5-20-38	SOCIAL SECURITY NUMBER: [redacted]	% OWNED: 27.83
RESIDENCE ADDRESS (Street or Route, City, State, Zip): 1080 Daniels Drive, Tacoma, WA 98466		RES. TELEPHONE NO. [redacted]0	TITLE: Owner
SPOUSE (Last, First, Middle): ANDERSON, Diane C	SOCIAL SECURITY NUMBER: [redacted]6	COMPLETE ONLY FOR LIQUOR OR LOTTERY LICENSE	BIRTHDATE
NAME (Last, First, Middle): FISHER, Stephen William	BIRTHDATE: 8-8-52	SOCIAL SECURITY NUMBER: [redacted]	% OWNED: 27.83
RESIDENCE ADDRESS (Street or Route, City, State, Zip): 5440 South State, Tacoma, WA 98408		RES. TELEPHONE NO. [redacted]	TITLE: Owner
SPOUSE (Last, First, Middle): FISHER, Mary K	SOCIAL SECURITY NUMBER: [redacted]	COMPLETE ONLY FOR LIQUOR OR LOTTERY LICENSE	BIRTHDATE

D BUSINESS INFORMATION (Attach additional sheets if more than one location.)

FIRM NAME OR TRADE NAME: TUELL, ANDERSON, FISHER & KOPPE	BUSINESS TELEPHONE NO.: 206 759-0070
BUSINESS MAILING ADDRESS (Street or Route, City, State, Zip): 1457 South Union Avenue south, Tacoma, WA 98405	
BUSINESS LOCATION (Street or Route, City, State, Zip) DO NOT USE PO BOX: Same as above	
IS THIS LOCATION WITHIN CITY LIMITS? X YES ☐ NO	IF YES, WHICH CITY? Tacoma
COUNTY: Pierce	TOTAL NO. OF BUSINESS LOCATIONS YOU HAVE IN WASHINGTON: One
DATE (Actual or Anticipated) OF FIRST BUSINESS ACTIVITY AT THIS LOCATION UNDER THIS OWNERSHIP IN WASHINGTON: 1-2-90	IS THIS BUSINESS TRADE NAME X YES ☐ NO
EST. GROSS ANNUAL INCOME: $450,000.00	NO. OF EMPLOYEES EXCLUDING OWNERS AT THIS LOCATION: 10
DESCRIBE IN DETAIL THE PRINCIPAL PRODUCTS OR SERVICES RENDERED IN WASHINGTON: Legal services by attorneys	
NAME AND ADDRESS OF REFERENCE (Street or Route, City, State, Zip): 1457 S Union Avenue, Tacoma, WA 98405	
BANK NAME (Business account): Puget Sound National Bank	BRANCH NAME: K St. & 19th & Union
FEDERAL EMPLOYER I.D.: 91-1463819	
IS THIS BUSINESS OWNED BY, CONTROLLED BY, OR ACTIVATED WITH ANY OTHER BUSINESS ENTITY? X YES ☐ NO	IF YES, LIST OTHER BUSINESS ENTITY
IS THIS A NONPROFIT ORGANIZATION ESTABLISHED FOR EDUCATIONAL, RELIGIOUS, OR CHARITABLE PURPOSES? YES X NO	

E COMPLETE IF APPLICANT OPERATED OR IS OPERATING A BUSINESS IN WASHINGTON STATE

NAME, FIRM NAME	LAST YEAR IN BUSINESS
TUELL, ANDERSON & FISHER	1990
FIRM ADDRESS (Street or Route, City, State and Zip)	UBI/STATE TAX REGISTRATION NUMBER
1457 South Union Avenue, Tacoma, WA 98405	600 368 699 *8

F COMPLETE IF THIS BUSINESS HAD A PRIOR OWNER

NAME, FIRM NAME OF PRIOR OWNER	
TUELL, ANDERSON & FISHER	
ADDRESS OF PRIOR OWNER (Street or Route, City, State and Zip)	TELEPHONE NUMBER
1457 S Union Avenue, Tacoma, WA 98405	(206) 759-0070

G COMPLETE IF YOU PURCHASED OR LEASED FURNITURE, FIXTURES, OR EQUIPMENT FOR YOUR BUSINESS

DID YOU PURCHASE ANY FIXTURES OR EQUIPMENT ON WHICH YOU HAVE NOT PAID SALES OR USE TAX? ☐ YES ☒ NO	PURCHASE PRICE $	ARE YOU LEASING FURNITURE, FIXTURES OR EQUIPMENT FOR USE IN WASHINGTON? ☐ YES ☒ NO	NAME OF LESSOR

H COMPLETE FOR OUT OF STATE BUSINESS

ARE SALES SOLICITED ON YOUR BEHALF IN WASHINGTON? ☐ YES ☐ NO	IF YES BY ☐ RESIDENT EMPLOYEES ☐ NON RESIDENT EMPLOYEES ☐ TRAVELING REPRESENTATIVES ☐ LOCAL INDEPENDENT AGENTS ☐ OTHER	
DO YOU MAINTAIN STOCKS OF MERCHANDISE, INCLUDING CONSIGNED STOCK, IN WASHINGTON? ☐ YES ☐ NO	DO YOU LEASE ARTICLES OF PERSONAL PROPERTY TO OTHERS FOR USE IN WASHINGTON? ☐ YES ☐ NO	DO YOU RENDER SERVICES IN WASHINGTON TO CUSTOMERS, CLIENTS, OR FRANCHISEES? ☐ YES ☐ NO

I COMPLETE IF YOU EMPLOY OR PLAN TO EMPLOY ONE OR MORE PERSONS IN WASHINGTON

DATE OF FIRST EMPLOYMENT OR PLANNED EMPLOYMENT	NUMBER OF PERSONS YOU EMPLOY OR PLAN TO EMPLOY AT THIS LOCATION	OF THESE, HOW MANY ARE OR WILL BE MINORS (under age 18)?
1-2-90	10	None

LIST THE SPECIFIC DUTIES PERFORMED BY MINORS AT THIS LOCATION

IF YOU OPERATE AT MORE THAN ONE LOCATION, HOW DO YOU WISH TO REPORT FOR UNEMPLOYMENT INSURANCE AND INDUSTRIAL INSURANCE?
☐ COMBINED ☐ SEPARATE

DO YOU WISH TO COVER CORPORATE OFFICERS WITH UNEMPLOYMENT INSURANCE? ☐ YES ☐ NO

DO YOU WISH INDUSTRIAL INSURANCE COVERAGE FOR THE SOLE PROPRIETOR OR PARTNERS? ☐ YES ☐ NO

DO YOU WISH INDUSTRIAL INSURANCE COVERAGE FOR EMPLOYEES IN ANY EXEMPT CATEGORY OF EMPLOYMENT (SEE INSTRUCTIONS)? ☐ YES ☐ NO

DO YOU WISH INDUSTRIAL INSURANCE COVERAGE FOR OFFICERS IN WASHINGTON WHO ARE ALSO DIRECTORS AND SHAREHOLDERS? ☐ YES ☐ NO

IF YES, LIST THOSE INDIVIDUALS TO BE COVERED.

COMPLETE THIS TABLE FOR INDUSTRIAL INSURANCE. SEE INSTRUCTIONS.	3 MONTH ESTIMATE	
DESCRIBE IN DETAIL THE ACTIVITIES OF YOUR EMPLOYEES	Number of Employees	Workers Hours (Include overtime)
Light office cleaning	1	51.6
Paralegals- typing, transcription, accounting, billing	5	2516
Associate attorneys - legal work	3	1074

J SIGNATURE OF SOLE PROPRIETOR OR SPOUSE, PARTNER(S), OR CORPORATE OFFICER(S)

I am the undersigned, declare under the penalties of perjury and of the laws of the state of Washington that I am the applicant(s) or authorized representative(s) of the firm or corporation making this application and that the answers contained, including any accompanying information have been examined by me and that the matters and things set forth are true, correct and complete.

SIGNATURE	TITLE	DATE
X [signature]	Owner	1-5-90
X [signature]	Owner	1-5-90
X [signature]	Owner	1-5-90

APPLICANT SIGNATURE (PLEASE PRINT NAME)	TITLE	TELEPHONE NUMBER	DATE
Robyn J. Tuppe Robyn J. Tuppe	Owner	206 759-0070	1-5-90

SIGNATURE OF AGENCY REPRESENTATIVE ASSISTING WITH APPLICATION	AGENCY OFFICE	TELEPHONE NUMBER	DATE

SECTION C (continuation)

KOPPE, Robyn Lindsay 8-13-58 [redacted] 16% Owner
3712 71st Avenue West, Tacoma, WA 98466

KOPPE, Paul Graham [redacted]

Exhibit
15

EXHIBIT NO. 15

FOR IMMEDIATE RELEASE

August 4, 1997

Contact: David Akana
Commission on Judicial Conduct
P.O. Box 1817
Olympia, WA 98507
Telephone: (360) 753-4585

160

JUDICIAL CONDUCT COMMISSION FILES STATEMENT OF CHARGES AGAINST JUDGE GRANT L. ANDERSON

The Commission on Judicial Conduct has served a Statement of Charges upon Pierce County Superior Court Judge Grant L. Anderson. The Statement alleges that Judge Anderson violated the Code of Judicial Conduct by engaging in certain financial transactions that create an appearance of impropriety, providing false deposition testimony, failing to make complete public disclosure filings, and serving as a corporate officer after becoming a superior court judge.

The Statement of Charges alleges that Judge Anderson violated Canons 1, 2(A), 5(C)(3), and 6(C) of the Code of Judicial Conduct.

A judge has 21 days to file an answer after being served with a Statement of Charges. The Commission conducts a public hearing unless there is a stipulation. If the Commission finds a violation of the Code of Judicial Conduct, it is authorized to admonish, reprimand or censure a judge. The Commission is also authorized to censure and recommend suspension or removal to the Supreme Court.

* * *

FILED
AUG -4 1997
COMMISSION ON JUDICIAL CONDUCT

In Re the Matter of

The Honorable Grant L. Anderson
Pierce County Superior Court
930 Tacoma Avenue South
Tacoma, Washington 98402

NO. 96-2179-F

STATEMENT OF CHARGES

I. JUDICIAL SERVICE

1. From 1977 to 1992, Judge Grant L. Anderson was a part-time municipal court judge for the City of Fircrest, Washington.

2. From January, 1993, to the present, Judge Anderson has been a Pierce County Superior Court Judge.

II. FACTS SUPPORTING CHARGES

3. Charles Hoffman was a longtime client of Judge Anderson while Judge Anderson was in private practice. Mr. Hoffman died in 1989. Mr. Hoffman's will named Judge Anderson as the personal representative of his estate. Judge Anderson's work on the estate began in 1989, and his involvement continued after he became a Superior Court judge in January, 1993.

4. Mr. Hoffman's estate consisted of various assets including, among other things, ownership of three corporations: (i) Hoffman-Stevenson, Inc., which owned the real property and building housing a bowling alley operation in Tacoma, Washington; (ii) Pacific Lanes, Inc., which operated the bowling alley and leased the real property from Hoffman-Stevenson; and (iii) Surfside

(1)

Inn, Inc. Shortly after Mr. Hoffman's death, Judge Anderson became President of each of these three corporations. He remained as President of these companies throughout 1993.

5. In mid-1992, Judge Anderson, as Personal Representative of the estate and President of Pacific Lanes, began discussions with his longtime friend and business acquaintance, William Hamilton, about selling the bowling alley business to Hamilton. These discussions culminated in an agreement dated September 19, 1992, titled "Business Acquisition and Lease Agreement." Under that agreement, Hamilton, through a corporation known as Pacific Recreation Enterprises, Inc. ("PRE"), agreed to buy the operating assets of the bowling alley (inventory, equipment and goodwill) from Pacific Lanes for $300,000. The terms consisted of a $50,000 down payment with $250,000 to be paid over time.

6. The sale of the bowling alley business to PRE closed on December 4, 1992. The terms of the closing papers matched those set forth in the Business Acquisition and Lease Agreement. Accordingly, in connection with the closing, PRE paid Pacific Lanes $50,000 and signed a note for $250,000 payable to Pacific Lanes.

7. Pursuant to the terms of an existing loan from First Interstate Bank to Pacific Lanes, Pacific Lanes was obligated to, and through Judge Anderson did, pledge the note from PRE to First Interstate as additional security for the loan.

8. In the last week of December, 1992, Judge Anderson purchased a new Cadillac automobile for approximately $37,000, financing the purchase with a loan from Sound Bank in Tacoma, Washington. Judge Anderson paid $9,000 down on the loan almost immediately. Judge Anderson was required to pay off the balance, with payments of approximately $800/month, over a three-year period.

9. In early January, 1993, Judge Anderson was sworn in as a Pierce County Superior Court Judge.

10. Shortly after Judge Anderson assumed the Superior Court bench, the following events occurred:

a. Hamilton, whose company, PRE, had just closed on the purchase of the bowling alley business, offered to make the monthly payments ($800/month) on Judge Anderson's Cadillac loan. Judge Anderson accepted that offer. Hamilton, however, did not make the payments from his personal funds. Instead, Hamilton's company, PRE, began making the payments on behalf of Judge Anderson. Altogether, PRE made payments on Judge Anderson's behalf of approximately $31,100;

b. At approximately the same time as Judge Anderson accepted the offer to have his loan payments made, he agreed to reduce the price PRE was paying for the bowling alley operation by approximately $100,000. This reduction was accomplished by, after the fact, agreeing to treat the sale as having closed in September 1992, instead of the actual closing that occurred in December 1992. Based on this agreement, PRE was then given credit against the purchase price for cash generated by the bowling alley operation during the period from September through December, 1992.

c. Judge Anderson continued to serve as President of Pacific Lanes. As President, he had a fiduciary obligation to the corporation which barred him from obtaining personal benefit at the expense of the corporation;

11. The after-the-fact agreement to treat the transaction as having closed on September 1, 1992, resulted in PRE paying approximately $100,000 less than it was obligated to pay. The agreement was contrary to: (i) the terms of the Business Acquisition and Lease Agreement; (ii) the transactional documents which showed unequivocally that closing occurred on December 4, 1992, and the price was to be $300,000; (iii) the Closing Statement signed by Hamilton in which he acknowledges that the purchase price was $300,000; (iv) the pledging of the Note to First Interstate Bank at the face value of $250,000; (v) the fact that Judge Anderson's law firm was paid a monthly

fee for managing Pacific Lanes during the period September through December, 1992;[1] and (vi) the fact that neither Hamilton nor his company, PRE, had paid any money to Pacific Lanes or assumed any of the risks of ownership during the period when, pursuant to the after-the-fact agreement, he was treated as the owner and given the benefit of the money earned by the bowling alley.

12. Both Judge Anderson and Mr. Hamilton contend that the payments on the Cadillac were a gift which bore no connection to Judge Anderson's approximately simultaneous agreement to reduce the purchase price by approximately $100,000. However, the payments made on Judge Anderson's behalf by Hamilton's company, PRE, were not treated as a gift on PRE's books. Instead, they were booked, for tax purposes, as an "automobile expense."

13. Judge Anderson has specifically denied that the loan payments were tied to the bowling alley transaction or the price reduction. He also gave the following testimony:

> Q: Did you ever tell your wife that the Cadillac payments were a commission as to the sale of Pacific Lanes to Mr. Hamilton?
>
> A: No. Because they weren't.
>
> Q: Did you ever make any statement to that effect to your wife?
>
> A: Not that I am aware of. I don't know why I would because they were not.

Judge Anderson's former wife, however, has executed a declaration that states as follows:

> I was formerly married to Grant Anderson. While we were married, in approximately late 1992 or early 1993, Mr. Anderson obtained a Cadillac automobile. I was surprised by this and had questions as to how we were paying for it. **In response, Mr. Anderson told me that it was a commission from Mr. William Hamilton in connection with the sale of a bowling alley by an estate Mr. Anderson was handling. He explained that as the attorney handling the transaction, he was entitled to a commission . . . .**

---

[1]These "management" fees, which totaled $7,200 from September through December, 1992, were in addition to fees for legal services relating to Pacific Lanes which were charged by Judge Anderson's firm during this period.

14. Judge Anderson testified that he concluded his involvement in the price reduction process before the end of 1992, which would have been before Hamilton offered to make Judge Anderson's car loan payments:

> Q: Up at the top, [the document] says "Pacific Lanes Purchase Price Adjustments Per Discussions With Grant Anderson and Bill Hamilton"?
>
> A: Yes, I see that.
>
> Q: Did you have any such discussions after January 1 of 1993?
>
> A: **I don't believe so, not to my knowledge.**
>
> Q: Is it your recollection that the discussions reflected herein took place prior to December 31st of 1992?
>
> A: **Yes.**

15. Other persons involved in the price reduction process testified that Judge Anderson was involved in the process after December 31, 1992. Judge Anderson's former law partner, who became involved in the estate's businesses after Judge Anderson was elected, testified as follows:

> Q: In the early spring of 1993, there were adjustments to the purchase price paid by Bill Hamilton for the operation of the bowling alley to Pacific Lanes. Did you have any involvement in those purchase price adjustments?
>
> A: Yes, I did.
>
> Q: Can you describe that, please.
>
> A: I know that this was discussed with Bill Hamilton and Kevin Iverson, and I had to talk to Grant Anderson to have sufficient knowledge to determine what adjustments needed to be made to that purchase price. So, I know that I talked with all three of those individuals.
>
> Q: Approximately when?
>
> A: It would have been in the spring of 1993, January, February, March. I don't have a specific date.

Similarly, an accountant involved in the price adjustment process, Kevin Iverson, testified as follows:

Q: When did you first learn of the sale of Pacific Lanes to Mr. Hamilton?

A: In mid-January.

Q: Mid-January of 19--?

A: '93.

Q: How did you learn of it?

A: I can't tell you for sure. I believe Grant Anderson just called me up and said, "I have sold the business and we have to make these adjustment."

. . . .

Q: When did those discussions take place?

A: They would have taken place between the time he told me and in mid-January until the time this was done which was about mid-March.

. . . .

Q: Diverting again for a moment, these discussions with Mr. Anderson in 1993, these were after he became a judge?

A: Either right after or right before, yeah. I don't remember exactly when he became a judge, but it was pretty close to that.

Q: He became a judge on or about January 8.

A: Okay. So it would have been.

Q: So these discussions would have been after that time?

A: Yes.

16. In the fall of 1993, Hamilton's corporation, PRE, purchased the ground and buildings on which the bowling alley operation was located. Judge Anderson, while sitting on the Superior Court bench, was still serving as President of Hoffman-Stevenson, the entity selling the realty to Hamilton's company. As President of Hoffman-Stevenson, Judge Anderson executed the closing documents on behalf of the corporation.

17. By this time, the Hoffman estate had been closed and the assets, including the stock of Hoffman-Stevenson, had flowed into a trust. The trustee of that trust, and thus the legal owner of Hoffman-Stevenson, was Judge Anderson's former law partner, Stephen Fisher. Also at this time, PRE was continuing to make the monthly payments ($800/month) on Judge Anderson's car loan. Judge Anderson did not disclose to trustee Fisher, prior to executing the sale documents as President of Hoffman-Stevenson, that he was receiving payments from PRE, the party on the other side of the transaction.

18. PRE continued to make Judge Anderson's Cadillac loan payments until May, 1995. By that time, PRE had made payments totaling approximately $23,000.

19. In May, 1995, Hamilton learned that Anderson and Anderson's then wife were in the process of obtaining a divorce. Hamilton told Anderson that because he knew both Anderson and Anderson's then wife, he did not want to be involved in the divorce. Hamilton claims he told Judge Anderson that he was going to stop making the loan payments. Nevertheless, Hamilton's company, PRE, thereafter made a final lump-sum payment on the loan of approximately $8,000. This payment was made even though the loan was not due.

20. Judge Anderson testified that he repaid Hamilton for the $8,000 lump-sum payment approximately two weeks after PRE made the final payment, and that he did so by personally delivering approximately $8,000 in cash to Hamilton. No receipt exists showing that this money was paid by Judge Anderson. There is also no document showing Hamilton or PRE receiving the funds. Judge Anderson has no records showing that he ever obtained the cash he allegedly paid to Hamilton. He states that he obtained the majority of the cash from his then girlfriend and now wife, Ms. Kelbaugh. There are no documents showing that Ms. Kelbaugh obtained the cash from a bank or any other source.

21. Hamilton acknowledges that he did not pay the $8,000 he allegedly received to his corporation, PRE, which had made the final $8,000 payment on Judge Anderson's behalf. Hamilton

testified that a loan he had previously made to PRE was reduced by $8,000 to reflect his alleged receipt of the cash from Judge Anderson, and that PRE's books reflected this reduction. When the accounting records of PRE were subsequently obtained, they did not show any such reduction in any loan by Hamilton to PRE.

22. Judge Anderson did not disclose the loan payments made on his behalf in his filings with the Public Disclosure Commission.

III. BASIS FOR COMMISSION ACTION

1. On March 11, 1997, the Commission sent Judge Anderson a Statement of Allegations pursuant to CJCRP 17(e). Judge Anderson responded to the Statement of Allegations on April 2, 1997.

2. On August 1, 1997, the Commission determined that there was probable cause that Judge Anderson violated Canons 1, 2(A), 5(C)(3) and 6(C) of the Code of Judicial Conduct, which provide in pertinent part:

> Canon 1
>
> **Judge Shall Uphold the Integrity and Independence of the Judiciary.**
>
> An independent and honorable judiciary is indispensable to justice in our society. Judge should participate in establishing, maintaining, and enforcing high standards of judicial conduct, and shall personally observe those standards so that the integrity and independence of the judiciary will be preserved. The provisions of this Code are to be construed and applied to further that objective.
>
> Canon 2
>
> **Judges Should Avoid Impropriety and the Appearance of Impropriety in All Their Activities.**
>
> (A) Judges should respect and comply with the law and act at all times in a manner that promotes public confidence in the integrity and impartiality of the judiciary.
>
> . . . .

Canon 5

Judges Shall Regulate Their Extrajudicial Activities to Minimize the Risk of Conflict With Their Judicial Duties.

. . . .

(C) **Financial Activities**

. . . .

(3) Subject to the requirements of Canon 5(C)(1) and (2), judges may hold and manage investments, including real estate, and engage in other remunerative activity, but should not serve as officers, directors, managers, advisors or employees of any business.

Canon 6

Judges Shall Regularly File Reports of Compensation Received for Quasi-Judicial and Extra-Judicial Activities.

Judges may receive compensation and reimbursement of expenses for the quasi-judicial and extrajudicial activities permitted by this Code, if the source of such payments does not give the appearance of influencing the judges in their judicial duties or otherwise give the appearance of impropriety, subject to the following restrictions:

. . . .

(C) **Public Reports.** A judge shall make such financial disclosures as required by law.

3. On August 1, 1997, the Commission determined that there was probable cause that Judge Anderson committed the following violations of the Code of Judicial Conduct:

a. Judge Anderson violated Canons 1 and 2(A) of the Code of Judicial Conduct by accepting an offer to have his car loan payments made by Mr. Hamilton at the same time Judge Anderson and Mr. Hamilton were in the process of effectuating an after-the-fact reduction of nearly $100,000 in the amount owed by Hamilton's company, PRE, to Pacific Lanes.

b. Judge Anderson violated Canons 1 and 2(A) by pledging the Note for $250,000 to First Interstate Bank as security for a loan without disclosing the existence of the alleged agreement to reduce the amount of the Note.

c. Judge Anderson violated Canons 1 and 2(A) of the Code of Judicial Conduct by charging Pacific Lanes a monthly management fee during the period when Mr. Hamilton was allegedly managing Pacific Lanes.

d. Judge Anderson violated Canons 1 and 2(A) of the Code of Judicial Conduct by knowingly giving the following false deposition testimony in a Commission proceeding:[2]

> Q: Did you ever tell your wife that the Cadillac payments were a commission as to the sale of Pacific Lanes to Mr. Hamilton.
>
> A: **No. Because they weren't.**
>
> Q: Did you ever make any statement to that effect to your wife?
>
> A: **Not that I am aware of. I don't know why I would because they were not.**

e. Judge Anderson violated Canons 1 and 2(A) of the Code of Judicial Conduct by knowingly giving the following false deposition testimony in a Commission proceeding:[3]

> Q: Up at the top, [the document] says "Pacific Lanes Purchase Price Adjustments Per Discussions With Grant Anderson and Bill Hamilton"?
>
> A: Yes, I see that.
>
> Q: Did you have any such discussions after January 1 of 1993?
>
> A: **I don't believe so, not to my knowledge.**
>
> Q: Is it your recollection that the discussions reflected herein took place prior to December 31st of 1992?
>
> A: **Yes.**

f. Judge Anderson violated Canons 1, 2(A) and 6(C) of the Code of Judicial Conduct by failing to disclose the Cadillac loan payments made on his behalf by PRE on his public disclosure filings in 1993, 1994 and 1995.

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[2]The testimony alleged to be false is in bold print.

[3]The testimony alleged to be false is in bold print.

g. Judge Anderson violated Canons 1, 2(A) and 5(C)(3) of the Code of Judicial Conduct by continuing to serve as President of Hoffman-Stevenson, Inc., Pacific Lanes, Inc., and Surfside Inn, Inc., through 1993, after becoming a Superior Court judge.

IV. PROCEDURE FOR RESPONDENT TO ANSWER STATEMENT OF CHARGES

In accordance with CJCRP 20(a), respondent Judge Anderson shall file a written answer to this Statement of Charges with the Commission and serve a copy on disciplinary counsel in this matter, Peter D. Byrnes and Paul R. Taylor, Byrnes & Keller LLP, 1000 Second Avenue, 38th Floor, Seattle, Washington, 98104, within 21 days after service of the Statement of Charges. As provided by CJCRP 21(a), failure to timely answer shall constitute an admission of the factual allegations.

Dated this 4th day of August, 1997.

David Akana, Executive Director
Commission on Judicial Conduct
PO Box 1817
Olympia, Washington 98507

Exhibit 16

EXHIBIT NO. 16

BEFORE THE COMMISSION ON JUDICIAL CONDUCT
OF THE STATE OF WASHINGTON

In Re the Matter of:	)	
	)	No. 96-2179-F-64
Honorable Grant L. Anderson	)	
Pierce County Superior Court	)	NOTICE OF DECISION
930 Tacoma Avenue South	)	
Tacoma, WA 98402	)	
	)	

RECEIVED
SUPREME COURT
STATE OF WASHINGTON
98 MAY 15 PM 2:22
BY C. J. HERRITT
CLERK

TO: HON. GRANT L. ANDERSON
Pierce County Superior Court

The Commission on Judicial Conduct has on the 15th day of May, 1998, filed its Decision in this matter with the Supreme Court in accordance with DRJ 2(a) and CJCRP 25(b). The Decision became final on the 4th day of May, 1998.

Pursuant to DRJ 2(b), you are hereby given twenty-one (21) days to file a Notice of Contest with the Supreme Court and the Commission on Judicial Conduct in accordance with DRJ 3.

COMMISSION ON JUDICIAL CONDUCT

David Akana
Executive Director

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BEFORE THE COMMISSION ON JUDICIAL CONDUCT
OF THE STATE OF WASHINGTON

FILED
APR - 3 1998
COMMISSION ON JUDICIAL CONDUCT

In Re the Matter of The Honorable Grant L. Anderson Pierce County Superior Court 930 Tacoma Avenue South Tacoma, WA 98402	No. 96-2179-F-64 **COMMISSION DECISION**

Following the filing of a Statement of Charges alleging that Judge Grant L. Anderson violated the Code of Judicial Conduct, the Commission held a fact-finding hearing January 12 through January 16, 1998 in Tacoma. Members of the Commission present as fact-finders were Dale Brighton, Honorable Stephen E. Brown (presiding), Vivian Caver, Harold D. Clarke III, Honorable Michael E. Donohue, Nora Reynolds, Honorable John A. Schultheis and Todd Whitrock.

Judge Grant L. Anderson (Respondent) was present and represented by his attorney, Kurt Bulmer. Disciplinary counsel was Paul R. Taylor of Byrnes & Keller LLP.

The Commission has carefully considered the testimony of witnesses, the exhibits admitted, and arguments and briefs of counsel. The Commission finds by clear, cogent and convincing evidence that:

FINDINGS OF FACT

1. From 1977 through 1992, Judge Grant L. Anderson was a part-time municipal court judge for the City of Fircrest, Washington.

2. From January 8, 1993, to the present, Judge Anderson has been a judge of the Superior Court of Washington for Pierce County.

3. Charles Hoffman was a longtime client of Judge Anderson while Judge Anderson was in private law practice. Judge Anderson drafted Mr. Hoffman's will which designated Judge Anderson to be personal representative upon Mr. Hoffman's death. Mr. Hoffman died in March, 1989. Judge Anderson's work as personal representative

of the estate of Charles Hoffman began in 1989 and continued until the closing of the estate in December, 1992.

4. The estate of Charles Hoffman consisted of various assets including three business corporations: (I) Hoffman-Stevenson, Inc., which owned the real estate and building housing a bowling alley operation in Tacoma, Washington; (ii) Pacific Lanes, Inc., which operated the bowling alley and leased the real property from Hoffman-Stevenson, Inc.; and (iii) Surfside Inn, Inc. Shortly after becoming personal representative, Judge Anderson installed himself as president of each of these three corporations.

5. In mid-1992, Judge Anderson began his campaign for election to the Superior Court.

6. In mid-1992, Judge Anderson, in his capacity as personal representative and as president of Hoffman-Stevenson and Pacific Lanes, began discussions with his good friend William Hamilton, a Tacoma area banker and businessman, about the sale of the bowling alley business. These discussions culminated in a written agreement, entitled "Business Acquisition and Lease Agreement" dated August 26, 1992. This agreement was modified in writing on September 19, 1992, to name the acquiring newly formed corporation, Pacific Recreation Enterprises, Inc., and extend the sale closing date until the necessary liquor and gambling licenses were obtained. William Hamilton was the sole shareholder and president of Pacific Recreation Enterprises, Inc. The agreement provided that Hamilton's corporation would purchase the operating assets of the bowling alley from Pacific Lanes, Inc., for $300,000.

7. The sale of the bowling alley closed on December 4, 1992. Pacific Recreation Enterprises, Inc., paid $50,000 to Pacific Lanes, Inc., and signed and delivered a note payable to Pacific Lanes, Inc., in the sum of $250,000.

8. Pursuant to the terms of an existing loan from First Interstate Bank to Pacific Lanes, Inc., Judge Anderson, in his capacity as president of Pacific Lanes, Inc. pledged the note received in the sale to First Interstate Bank as additional security for its loan. First Interstate Bank received the note on December 24, 1992.

9. At the closure of the Hoffman estate in December, 1992, its assets, including the stock of Hoffman-Stevenson, Inc., and Pacific Lanes, Inc., were transferred to a trust. Stephen Fisher, Judge Anderson's former law partner, became the trustee, while Judge Anderson continued as president of each company.

10. Judge Anderson remained as president of Hoffman-Stevenson, Inc., and Pacific Lanes, Inc., through October, 1993.

11. On December 24, 1992, Judge Anderson purchased a new Cadillac automobile for $36,177. Judge Anderson obtained a loan for the entire purchase price from Sound Bank in Tacoma, Washington. Judge Anderson paid $9,000 on the loan immediately and agreed to make payments of $800 per month over a three year period.

12. On January 8, 1993, Judge Anderson was sworn in as a Pierce County Superior Court Judge.

13. On January 9, 1993, Judge Anderson accepted William Hamilton's offer to pay his automobile loan payments as compensation for selling the estate's bowling alley business to Hamilton, his long-time good friend. Judge Anderson told his then wife, Diane Anderson, that the car was a commission from William Hamilton for selling the bowling alley to him.

14. William Hamilton then arranged to pay Judge Anderson's automobile loan payments out of the business checking account of Pacific Recreation Enterprises, Inc., and listed each payment as an automobile expense on the books of the corporation. For income tax purposes, William Hamilton's company treated these payments as ordinary and necessary business expenses. Payments of $800 per month were made on Judge Anderson's loan from January, 1993, through May, 1995. Judge Anderson received a total of $31,185 from the company and good friend who had purchased the bowling alley business from him in his capacity as personal representative of the Hoffman estate.

15. During the time Judge Anderson was accepting payments from William Hamilton and Pacific Recreation Enterprises, Inc. (after January 8, 1993), Judge Anderson was involved in discussions with William Hamilton, trustee Stephen Fisher,

and Mr. Hamilton's accountant, Kevin Iverson, regarding a price adjustment for the bowling alley in favor of William Hamilton and Pacific Recreation Enterprises, Inc. Judge Anderson, along with William Hamilton, Kevin Iverson and Stephen Fisher attended a meeting on March 9, 1993, at trustee Stephen Fisher's office. This meeting culminated in a price adjustment on the sale of the bowling alley in favor of William Hamilton and Pacific Recreation Enterprises, Inc., of $92,829.

16. At no time during or prior to the meeting of March 9, 1993, did Judge Anderson disclose his acceptance of payments from William Hamilton and Pacific Recreation Enterprises, Inc., to trustee Stephen Fisher.

17. In October, 1993, William Hamilton's company, Pacific Recreation Enterprises, Inc., purchased the land and buildings on which the bowling alley was located. Judge Anderson, in his capacity as president of Hoffman-Stevenson, Inc., executed the closing documents on behalf of the corporation.

18. In October, 1993, prior to executing the closing documents as president of Hoffman-Stevenson, Inc., Judge Anderson still had not disclosed to trustee Stephen Fisher his receipt of money from William Hamilton and Pacific Recreation Enterprises, Inc.

19. Judge Anderson did not disclose his receipt of payments totaling $9,600 in 1993, $9,600 in 1994, and $11,985.08 in 1995 from William Hamilton on his legally required filings with the Public Disclosure Commission for the years 1993, 1994, and 1995.

CONCLUSIONS

1. The Canons of the Code of Judicial Conduct pertinent to this proceeding are as follows:

> Canon 1
>
> **Judges Shall Uphold the Integrity and Independence of the Judiciary**
>
> An independent and honorable judiciary is indispensable to justice in our society. Judges should participate in establishing, maintaining, and enforcing high standards of judicial conduct, and shall personally observe those standards so that the integrity and

independence of the judiciary will be preserved. The provisions of this Code are to be construed and applied to further that objective.

Canon 2

Judges Should Avoid Impropriety and the Appearance of Impropriety in All Their Activities

(A) Judges should respect and comply with the law and act at all times in a manner that promotes public confidence in the integrity and impartiality of the judiciary.

. . . .

Canon 5

Judges Shall Regulate Their Extrajudicial Activities to Minimize the Risk of Conflict with Their Judicial Duties

. . . .

(C) Financial Activities

. . . .

(3) Subject to the requirements of Canon 5(C)(1) and (2), judges may hold and manage investments, including real estate, and engage in other remunerative activity, but should not serve as officers, directors, managers, advisors or employees of any business.

Canon 6

Judges Shall Regularly File Reports of Compensation Received for Quasi-Judicial and Extra-Judicial Activities.

Judges may receive compensation and reimbursement of expenses for the quasi-judicial and extrajudicial activities permitted by this Code, if the source of such payments does not give the appearance of influencing the judges in their judicial duties or otherwise give the appearance of impropriety, subject to the following restrictions:

. . . .

(C) Public Reports. A judge shall make such financial disclosures as required by law.

2. The Statement of Charges lists seven alleged violations of the Code of Judicial Conduct by paragraph number: III 3(a), III 3(b), III 3(c), III 3(d), III 3(e), III 3(f) and III 3(g).

3. The Commission has determined that the allegations contained in paragraphs III 3(b), III 3(c), III 3(d) and III 3(e) have not been established by clear, cogent and convincing evidence, and, therefore, are dismissed.

4. Judge Anderson violated Canons 1, 2(A) and 5(C)(3) of the Code of Judicial Conduct by continuing to serve as President of Hoffman-Stevenson, Inc., and Pacific Lanes, Inc., through October, 1993, after becoming a Superior Court Judge. Judge Anderson failed to take any action to have himself removed as president of the two business corporations, even though remaining as an officer and conducting business on behalf of two business corporations was a clear violation of the Canons 1, 2(A) and 5 (C) (3) of the Code of Judicial Conduct. There is no reasonable explanation why Judge Anderson could not have resigned his corporate offices prior to becoming judge. Judge Anderson testified that he may have stayed on as president of the two corporations at the request of trustee Fisher. However, the duties of a judge to comply with the code are paramount. (Paragraph III 3(g) of the Statement of Charges.)

5. Judge Anderson violated Canons 1 and 2(A) of the Code of Judicial Conduct by accepting an offer from William Hamilton to have his car loan payments made by William Hamilton during the same time Judge Anderson and William Hamilton negotiated a reduction of $92,829 in the amount owed by Hamilton's company, Pacific Recreation Enterprises, Inc., to Pacific Lanes, Inc. Personal integrity of the highest order is required of a judge. Judges should and must act at all times in a manner that promotes public confidence in the integrity of judges. The result of Judge Anderson's actions, in accepting the payments from William Hamilton, had the president of a corporation, and a Superior Court Judge, receiving undisclosed compensation from the purchaser of that corporation's assets. This compensation ultimately totaled over 15% of the adjusted purchase price ($31,185 / $200,000). The result of Judge Anderson's actions had trustee Steven Fisher, his former law partner, agreeing to a substantial price reduction without knowing that the former personal representative and current corporation president and Superior Court Judge was being paid by William Hamilton. The public confidence in the integrity of the judiciary is substantially eroded by such actions. Judicial integrity, if not the fiduciary duty of a personal representative or a corporation president, required Judge Anderson to disclose his agreement to receive over $31,000 from Hamilton. (Paragraph III 3(a) of the Statement of Charges.)

6. Judge Anderson violated Canons 1, 2(A) and 6(C) of the Code of Judicial Conduct by failing to report his receipt of payments from William Hamilton and Pacific Recreation Enterprises, Inc., on the public disclosure filings for 1993, 1994 and 1995. Judge Anderson was required to report the payments totaling $9,600 in 1993, $9,600 in 1994, and $11,985.08 in 1995 as compensation received from William Hamilton and Pacific Recreation Enterprises, Inc. A judge who hides compensation from public scrutiny severely damages the public's confidence in the integrity of the judiciary. (Paragraph III 3(f) of the Statement of Charges.)

7. Pursuant to Rule 6 CJCRP(c), the following aggravating factors were considered by the Commission before determining the appropriate sanction:

a. Judge Anderson's actions strike at the heart of judicial integrity and the public's respect for the judiciary. A judge receiving money to which he is not otherwise entitled casts the judiciary in the worst light. This is a serious violation.

b. At any number of occasions Judge Anderson could have made a disclosure of the payments: To trustee Fisher on March 8, 1993; to trustee Fisher in October, 1993; on his public disclosure forms each year, 1993, 1994 and 1995. Instead, Judge Anderson kept the payments hidden from public scrutiny.

c. Judge Anderson has failed to acknowledge any misconduct whatsoever and is unwilling to recognize the effect of his conduct on judicial integrity. His testimony indicated that he placed his friendship with William Hamilton above his ethical responsibilities as a judge.

8. Pursuant to Rule 6 CJCRP(c), the following mitigating factors were considered by the Commission before determining the appropriate sanction:

a. Judge Anderson's misconduct occurred outside of the courtroom.

b. The misconduct was not in his official capacity except as to his duty as an elected official to comply with the financial disclosure laws.

c. Judge Anderson served for 14 years as a part-time municipal judge and 5 years as a superior court judge without any other public disciplinary action.

d. Judge Anderson did not exploit his judicial position to engage in the misconduct.

9. A judge is a highly visible symbol of government. Judge Anderson's demonstrated conduct detrimentally affects the integrity of the judiciary and undermines public confidence in the administration of justice. The Commission concludes that in light of Judge Anderson's covetous conduct, a mere public condemnation would not adequately express its disapproval. Therefore, to restore the integrity in and public confidence of the judiciary, Judge Anderson should also be suspended.

/////

DISCIPLINE

Based on the Findings of Fact and Conclusions, the Commission orders that Judge Grant Anderson be CENSURED. Further, Judge Anderson is hereby ordered to complete the following course of corrective action:

1. Judge Grant Anderson shall attend, and certify his attendance, at his own expense, within six months after this order becomes final, a course in Judicial Ethics to be approved in advance by the Commission.

2. Judge Grant Anderson shall amend his filings with the Public Disclosure Commission for the years 1993, 1994 and 1995 to reflect all compensation received from William Hamilton and Pacific Recreation Enterprises, Inc., during those years.

Further, the Commission recommends the Supreme Court SUSPEND Judge Grant Anderson without pay for four (4) months.

DATED this 3rd day of April, 1998.

Dale Brighton

Hon. Stephen E. Brown

Vivian Caver

See attached opinion
Harold D. Clarke

Hon. Michael E. Donohue

Nora Reynolds

See attached opinion
Hon. John A. Schultheis

Todd Whitrock

CONCURRING AND DISSENTING OPINION

I concur in the result and in the sanction reached by the majority. However, I respectfully dissent from the majority's holding that Judge Anderson violated the Code of Conduct by not disclosing the Cadillac payments on his public disclosure filings.

The majority has found the Cadillac payments to be compensation. This finding necessitates a further finding that the payments were not disclosed as compensation in public disclosure filings.

I cannot find, by the requisite proof, that the payments were compensation. While questions exist regarding these payments, the appropriate characterization is that of a gift. Having found these payments to be a gift, I do not find a reporting violation by Judge Anderson in his PDC filings.

I realize there is some concern over how gifts are to be disclosed on PDC filings. However, the question of the requirements of the Canons as to the reporting of gifts is not before this Commission in this matter. Therefore, I will leave that topic to another day.

Regardless of how the Cadillac payments are characterized, these payments have the appearance of impropriety under the circumstances of this case. Therefore, while I respectfully dissent on the issue of the characterization of the payments, I concur in the order of censure with the recommendation for suspension.

RESPECTFULLY SUBMITTED this 3rd day of April, 1998.

Harold D. Clarke, III

CONCURRED IN by Judge John A. Schultheis:

Hon. John A. Schultheis