

**United States Bankruptcy Court  
District of Arizona**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>BK PLUMBING AND BATH, LLC</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names):	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) <b>06-1660790</b>	Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): <b>14118 WEST CROCUS DRIVE SURPRISE, AZ</b> <div style="text-align: right; font-size: small;">ZIP Code <b>85379</b></div>	Street Address of Joint Debtor (No. and Street, City, and State): <div style="text-align: right; font-size: small;">ZIP Code</div>
County of Residence or of the Principal Place of Business: <b>MARICOPA</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address): <b>P O BOX 9096 SURPRISE, AZ</b> <div style="text-align: right; font-size: small;">ZIP Code <b>85374</b></div>	Mailing Address of Joint Debtor (if different from street address): <div style="text-align: right; font-size: small;">ZIP Code</div>
Location of Principal Assets of Business Debtor (if different from street address above):	

<p align="center"><b>Type of Debtor</b> (Form of Organization) (Check one box)</p> <p><input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></p> <p><input checked="" type="checkbox"/> Corporation (includes LLC and LLP)</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)</p>	<p align="center"><b>Nature of Business</b> (Check one box)</p> <p><input type="checkbox"/> Health Care Business</p> <p><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)</p> <p><input type="checkbox"/> Railroad</p> <p><input type="checkbox"/> Stockbroker</p> <p><input type="checkbox"/> Commodity Broker</p> <p><input type="checkbox"/> Clearing Bank</p> <p><input checked="" type="checkbox"/> Other</p> <hr/> <p align="center"><b>Tax-Exempt Entity</b> (Check box, if applicable)</p> <p><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).</p>	<p align="center"><b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box)</p> <p><input type="checkbox"/> Chapter 7</p> <p><input type="checkbox"/> Chapter 9</p> <p><input checked="" type="checkbox"/> Chapter 11</p> <p><input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Chapter 13</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</p> <hr/> <p align="center"><b>Nature of Debts</b> (Check one box)</p> <p><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</p> <p><input checked="" type="checkbox"/> Debts are primarily business debts.</p>
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<p align="center"><b>Filing Fee</b> (Check one box)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.</p> <p><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</p>	<p align="center"><b>Chapter 11 Debtors</b></p> <p>Check one box:</p> <p><input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p><input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p>Check if:</p> <p><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000.</p> <hr/> <p>Check all applicable boxes:</p> <p><input type="checkbox"/> A plan is being filed with this petition.</p> <p><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</p>
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<p><b>Statistical/Administrative Information</b>      *** ALLAN D. NEWDELMAN 004066 ***</p> <p><input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.</p> <p><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.</p>	<p>THIS SPACE IS FOR COURT USE ONLY</p>										
<p><b>Estimated Number of Creditors</b></p> <table style="width:100%; font-size: small;"> <tr> <td><input checked="" type="checkbox"/> 1-49</td> <td><input type="checkbox"/> 50-99</td> <td><input type="checkbox"/> 100-199</td> <td><input type="checkbox"/> 200-999</td> <td><input type="checkbox"/> 1,000-5,000</td> <td><input type="checkbox"/> 5,001-10,000</td> <td><input type="checkbox"/> 10,001-25,000</td> <td><input type="checkbox"/> 25,001-50,000</td> <td><input type="checkbox"/> 50,001-100,000</td> <td><input type="checkbox"/> OVER 100,000</td> </tr> </table>	<input checked="" type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000	
<input checked="" type="checkbox"/> 1-49	<input type="checkbox"/> 50-99	<input type="checkbox"/> 100-199	<input type="checkbox"/> 200-999	<input type="checkbox"/> 1,000-5,000	<input type="checkbox"/> 5,001-10,000	<input type="checkbox"/> 10,001-25,000	<input type="checkbox"/> 25,001-50,000	<input type="checkbox"/> 50,001-100,000	<input type="checkbox"/> OVER 100,000		
<p><b>Estimated Assets</b></p> <table style="width:100%; font-size: small;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input checked="" type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table>	<input type="checkbox"/> \$0 to \$50,000	<input checked="" type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	
<input type="checkbox"/> \$0 to \$50,000	<input checked="" type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion		
<p><b>Estimated Liabilities</b></p> <table style="width:100%; font-size: small;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input checked="" type="checkbox"/> \$100,001 to \$500,000</td> <td><input type="checkbox"/> \$500,001 to \$1 million</td> <td><input type="checkbox"/> \$1,000,001 to \$10 million</td> <td><input type="checkbox"/> \$10,000,001 to \$50 million</td> <td><input type="checkbox"/> \$50,000,001 to \$100 million</td> <td><input type="checkbox"/> \$100,000,001 to \$500 million</td> <td><input type="checkbox"/> \$500,000,001 to \$1 billion</td> <td><input type="checkbox"/> More than \$1 billion</td> </tr> </table>	<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input checked="" type="checkbox"/> \$100,001 to \$500,000	<input type="checkbox"/> \$500,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$10 million	<input type="checkbox"/> \$10,000,001 to \$50 million	<input type="checkbox"/> \$50,000,001 to \$100 million	<input type="checkbox"/> \$100,000,001 to \$500 million	<input type="checkbox"/> \$500,000,001 to \$1 billion	<input type="checkbox"/> More than \$1 billion	
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<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): BK PLUMBING AND BATH, LLC
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**All Prior Bankruptcy Cases Filed Within Last 8 Years** (If more than two, attach additional sheet)

Location Where Filed: - None -	Case Number:	Date Filed:
Location Where Filed:	Case Number:	Date Filed:

**Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor** (If more than one, attach additional sheet)

Name of Debtor: - None -	Case Number:	Date Filed:
District:	Relationship:	Judge:

<p style="text-align: center;"><b>Exhibit A</b></p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;"><b>Exhibit B</b></p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p><b>X</b> _____ Signature of Attorney for Debtor(s) (Date)</p>
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**Exhibit C**

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.

No.

**Exhibit D**

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

**Information Regarding the Debtor - Venue**

(Check any applicable box)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

**Certification by a Debtor Who Resides as a Tenant of Residential Property**

(Check all applicable boxes)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

\_\_\_\_\_  
(Name of landlord that obtained judgment)

\_\_\_\_\_  
(Address of landlord)

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

**Voluntary Petition**  
*(This page must be completed and filed in every case)*

Name of Debtor(s):  
BK PLUMBING AND BATH, LLC

**Signatures**

**Signature(s) of Debtor(s) (Individual/Joint)**

I declare under penalty of perjury that the information provided in this petition is true and correct.  
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.  
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** \_\_\_\_\_  
Signature of Debtor

**X** \_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Telephone Number (If not represented by attorney)

\_\_\_\_\_  
Date

**Signature of a Foreign Representative**

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

**X** \_\_\_\_\_  
Signature of Foreign Representative

\_\_\_\_\_  
Printed Name of Foreign Representative

\_\_\_\_\_  
Date

**Signature of Attorney\***

**X** /s/ ALLAN D. NEWDELMAN  
Signature of Attorney for Debtor(s)

ALLAN D. NEWDELMAN 004066  
Printed Name of Attorney for Debtor(s)

ALLAN D. NEWDELMAN, P.C.  
Firm Name

80 EAST COLUMBUS AVENUE  
PHOENIX, AZ 85012

\_\_\_\_\_  
Address

Email: ANEWDELMAN@USWEST.NET  
(602) 264-4550 Fax: (602) 277-0144

\_\_\_\_\_  
Telephone Number

September 14, 2009

\_\_\_\_\_  
Date

\*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

**Signature of Non-Attorney Bankruptcy Petition Preparer**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

\_\_\_\_\_  
Printed Name and title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.)

\_\_\_\_\_  
Address

**X** \_\_\_\_\_

\_\_\_\_\_  
Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

*A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.*

**Signature of Debtor (Corporation/Partnership)**

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

**X** /s/ GERY J. KING  
Signature of Authorized Individual

GERY J. KING  
Printed Name of Authorized Individual

MANAGING MEMBER  
Title of Authorized Individual

September 14, 2009

\_\_\_\_\_  
Date

**BK Plumbing Service, LLC**  
**Profit & Loss**  
**January 1 through September 3, 2009**

	Jan 1 - Sep 3, ...	% of Income
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
<b>4000 · SALES GROUP</b>		
4005 · Sales	241,897.95	92.1%
4007 · Retail Sales	18,361.72	7.0%
4010 · Service Charge Income	3,951.96	1.5%
<b>Total 4000 · SALES GROUP</b>	<b>264,211.63</b>	<b>100.6%</b>
<b>4600 · Returns &amp; Allowances</b>		
4610 · Senior Discount	-2,212.96	-0.8%
4600 · Returns & Allowances - Other	328.70	0.1%
<b>Total 4600 · Returns &amp; Allowances</b>	<b>-1,884.26</b>	<b>-0.7%</b>
4999 · Uncategorized Income	262.62	0.1%
<b>Total Income</b>	<b>262,589.99</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
<b>5000 · Materials Group</b>		
5005 · Materials	64,996.49	24.8%
<b>Total 5000 · Materials Group</b>	<b>64,996.49</b>	<b>24.8%</b>
5001 · Cost of Goods Sold	4,316.52	1.6%
5002 · Inventory adjustment	162.54	0.1%
5006 · Payroll Wages - Employees	61,804.34	23.5%
5050 · Client Repair Costs	79.88	0.0%
5100 · Contract Labor	600.00	0.2%
5150 · Permits	120.00	0.0%
5200 · Subcontractors	335.00	0.1%
5400 · Sales Tax Expense	-38.61	-0.0%
5775 · Warranty Work	0.00	0.0%
<b>Total COGS</b>	<b>132,376.16</b>	<b>50.4%</b>
<b>Gross Profit</b>	<b>130,213.83</b>	<b>49.6%</b>
<b>Expense</b>		
4001 · Reconciliation Discrepancies	5,240.72	2.0%
6000 · Accounting	2,131.41	0.8%
6005 · Advertising	4,674.04	1.8%
<b>6010 · Auto Expense Group</b>		
6015 · Gas & Oil	3,271.14	1.2%
6018 · Licenses - Auto	1,014.29	0.4%
6020 · R&M - Auto	1,936.58	0.7%
6025 · Wash	40.00	0.0%
6010 · Auto Expense Group - Other	268.50	0.1%
<b>Total 6010 · Auto Expense Group</b>	<b>6,530.51</b>	<b>2.5%</b>
6052 · Bad Debt	-2.11	-0.0%
6075 · Bank Service Charges	121.41	0.0%
6130 · Credit Card Fees	3,490.97	1.3%
6195 · Depreciation Expense	24,512.00	9.3%
6200 · Dues and Subscriptions	1,053.15	0.4%
6250 · Education & Training	35.37	0.0%
6300 · Equipment Rental	60.54	0.0%
6325 · Gifts	45.00	0.0%
<b>6340 · Insurance</b>		
6350 · Insurance - Auto	7,300.96	2.8%
6352 · Health Insurance	3,587.24	1.4%
6354 · Disability Insurance	3,830.59	1.5%
6355 · Liability Insurance	-2,142.94	-0.8%
6340 · Insurance - Other	1,620.03	0.6%
<b>Total 6340 · Insurance</b>	<b>14,195.88</b>	<b>5.4%</b>
6380 · Legal Fees	5,050.00	1.9%
6390 · Licenses and Permits	959.03	0.4%
6420 · Meals & Entertainment	442.61	0.2%
6450 · Miscellaneous	-487.24	-0.2%

3:44 PM

09/03/09

Accrual Basis

**BK Plumbing Service, LLC**  
**Profit & Loss**  
**January 1 through September 3, 2009**

	Jan 1 - Sep 3, ...	% of Income
6550 · Office Supplies	2,077.48	0.8%
6580 · Outside Services	5,117.65	1.9%
6625 · Pest Control	55.00	0.0%
6650 · Postage and Delivery	488.17	0.2%
6670 · Promotions	10.00	0.0%
6690 · Rent	6,153.04	2.3%
6700 · Repairs & Maintenance		
6705 · Building Repairs	39.34	0.0%
6710 · Computer Repairs	140.48	0.1%
6715 · Equipment Repairs	375.36	0.1%
6700 · Repairs & Maintenance - Other	89.30	0.0%
<b>Total 6700 · Repairs &amp; Maintenance</b>	<b>644.48</b>	<b>0.2%</b>
6750 · Security Expense	107.44	0.0%
6790 · Small Tools & Equipment	365.17	0.1%
6800 · Telephone	2,863.11	1.1%
6875 · Travel	48.00	0.0%
6880 · Uniforms	883.62	0.3%
6890 · Utilities		
6891 · Electric	-34.68	-0.0%
6890 · Utilities - Other	290.00	0.1%
<b>Total 6890 · Utilities</b>	<b>255.32</b>	<b>0.1%</b>
6930 · Waste Removal	262.81	0.1%
7000 · Payroll/Wages		
7001 · Wages	54,203.82	20.6%
<b>Total 7000 · Payroll/Wages</b>	<b>54,203.82</b>	<b>20.6%</b>
7160 · FICA Expense	8,874.65	3.4%
7180 · SUTA Expense	385.59	0.1%
7182 · FUTA Expense	282.62	0.1%
<b>Total Expense</b>	<b>151,131.26</b>	<b>57.6%</b>
<b>Net Ordinary Income</b>	<b>-20,917.43</b>	<b>-8.0%</b>
<b>Other Income/Expense</b>		
<b>Other Income</b>		
8150 · Other Income	380.94	0.1%
8175 · Gain/Loss on Sale Of Assets	2,023.11	0.8%
<b>Total Other Income</b>	<b>2,404.05</b>	<b>0.9%</b>
<b>Other Expense</b>		
8200 · Interest Expense	16,280.88	6.2%
8300 · Penalties & Fines	190.75	0.1%
<b>Total Other Expense</b>	<b>16,471.63</b>	<b>6.3%</b>
<b>Net Other Income</b>	<b>-14,067.58</b>	<b>-5.4%</b>
<b>Net Income</b>	<b>-34,985.01</b>	<b>-13.3%</b>

**U.S. Income Tax Return for an S Corporation**

Department of the Treasury  
Internal Revenue Service

▶ **Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.**  
▶ **See separate instructions.**

**2008**

For calendar year 2008 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

<b>A</b> S election effective date 3/18/2005	Use IRS label. Otherwise, print or type.	Name BK Plumbing and Bath LLC	<b>D</b> Employer identification number 06-1660790
<b>B</b> Business activity code number (see instructions) 238220		Number, street, and room or suite no. If a P.O. box, see instructions. 9635 W. Peoria Ave, Ste 102	<b>E</b> Date incorporated 10/1/2002
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town State ZIP code Peoria AZ 85345	<b>F</b> Total assets (see instructions) \$ 146,757

**G** Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No. If "Yes," attach Form 2553 if not already filed

**H** Check if: (1)  Final return (2)  Name change (3)  Address change  
(4)  Amended return (5)  S election termination or revocation

**I** Enter the number of shareholders who were shareholders during any part of the tax year ▶ 2

**Caution.** Include *only* trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	559,361	<b>b</b> Less returns and allowances	12,857	<b>c</b> Bal ▶	<b>1c</b>	546,504
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	307,780
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	238,724
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>4</b>	4,020
	<b>5</b> Other income (loss) (see instructions—attach statement)					<b>5</b>	2,374
	<b>6</b> Total income (loss). Add lines 3 through 5					<b>6</b>	245,118
<b>Deductions (see instructions for limitations)</b>	<b>7</b> Compensation of officers					<b>7</b>	42,777
	<b>8</b> Salaries and wages (less employment credits)					<b>8</b>	49,033
	<b>9</b> Repairs and maintenance					<b>9</b>	753
	<b>10</b> Bad debts					<b>10</b>	2,896
	<b>11</b> Rents					<b>11</b>	14,831
	<b>12</b> Taxes and licenses					<b>12</b>	10,401
	<b>13</b> Interest					<b>13</b>	24,048
	<b>14</b> Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)					<b>14</b>	1,037
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)					<b>15</b>	
	<b>16</b> Advertising					<b>16</b>	15,428
	<b>17</b> Pension, profit-sharing, etc., plans					<b>17</b>	
	<b>18</b> Employee benefit programs					<b>18</b>	18,823
	<b>19</b> Other deductions (attach statement)					<b>19</b>	88,945
	<b>20</b> Total deductions. Add lines 7 through 19					<b>20</b>	268,972
	<b>21</b> Ordinary business income (loss). Subtract line 20 from line 6					<b>21</b>	-23,854
<b>Tax and Payments</b>	<b>22a</b> Excess net passive income or LIFO recapture tax (see instructions)	<b>22a</b>				<b>22c</b>	0
	<b>b</b> Tax from Schedule D (Form 1120S)	<b>22b</b>					
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes)						
	<b>23a</b> 2008 estimated tax payments and 2007 overpayment credited to 2008	<b>23a</b>				<b>23d</b>	0
	<b>b</b> Tax deposited with Form 7004	<b>23b</b>					
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>23c</b>					
	<b>d</b> Add lines 23a through 23c						
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached					<b>24</b>	
	<b>25</b> Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed					<b>25</b>	0
	<b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid					<b>26</b>	0
<b>27</b> Enter amount from line 26 Credited to 2009 estimated tax					<b>27</b>	0	
						Refunded ▶	

**Sign Here**

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

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

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

<b>Paid Preparer's Use Only</b>	Preparer's signature Sandra A Turner, CPA PC	Date 2/27/2009	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN P00446900
	Firm's name (or yours if self-employed), address, and ZIP code 7650 S. McClintock Drive Tempe AZ 85284	EIN 20-1153692	Phone no. (480) 695-7699	ZIP code 85284

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

**Schedule A Cost of Goods Sold (see instructions)**

1	Inventory at beginning of year	1	22,050
2	Purchases	2	91,686
3	Cost of labor	3	123,304
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	89,387
6	Total. Add lines 1 through 5	6	326,427
7	Inventory at end of year	7	18,647
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	307,780

9a Check all methods used for valuing closing inventory: (i)  Cost as described in Regulations section 1.471-3  
(ii)  Lower of cost or market as described in Regulations section 1.471-4  
(iii)  Other (Specify method used and attach explanation.)

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c)

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

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

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

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

**Schedule B Other Information (see instructions)**

		Yes	No
1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____		
2	See the instructions and enter the: a Business activity <input checked="" type="checkbox"/> Plumbing contractor b Product or service <input checked="" type="checkbox"/> Plumbing repair and construction		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?		X
4	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file Form 8284 Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years. \$ _____		
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$ _____		
8	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1. <input type="checkbox"/>		X

**Schedule K Shareholders' Pro Rata Share Items**

		Total amount
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1 -23,854
	2 Net rental real estate income (loss) (attach Form 8825)	2
	3a Other gross rental income (loss)	3a
	b Expenses from other rental activities (attach statement)	3b
	c Other net rental income (loss). Subtract line 3b from line 3a	3c 0
	4 Interest income	4
	5 Dividends: a Ordinary dividends	5a
	b Qualified dividends	5b
	6 Royalties	6
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a	
b Collectibles (28%) gain (loss)	8b	
c Unrecaptured section 1250 gain (attach statement)	8c	
9 Net section 1231 gain (loss) (attach Form 4797)	9 -4,029	
10 Other income (loss) (see instructions) Type _____	10	

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562) . . . . .	11	
	12a Contributions . . . . .	12a	160
	b Investment interest expense . . . . .	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶ . . . . .	12c(2)	
	d Other deductions (see instructions) . . . . . Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5)) . . . . .	13a	
	b Low-income housing credit (other) . . . . .	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) . . . . .	13c	
	d Other rental real estate credits (see instructions) . . . . . Type ▶	13d	
	e Other rental credits (see instructions) . . . . . Type ▶	13e	
	f Alcohol and cellulosic biofuel fuels credit (attach Form 6478) . . . . .	13f	
	g Other credits (see instructions) . . . . . Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession ▶ . . . . .		
	b Gross income from all sources . . . . .	14b	
	c Gross income sourced at shareholder level . . . . . <i>Foreign gross income sourced at corporate level</i>	14c	
	d Passive category . . . . .	14d	
	e General category . . . . .	14e	
	f Other (attach statement) . . . . . <i>Deductions allocated and apportioned at shareholder level</i>	14f	
	g Interest expense . . . . .	14g	
	h Other . . . . . <i>Deductions allocated and apportioned at corporate level to foreign source income</i>	14h	
	i Passive category . . . . .	14i	
	j General category . . . . .	14j	
	k Other (attach statement) . . . . . <i>Other information</i>	14k	
	l Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . . . . .	14l	
	m Reduction in taxes available for credit (attach statement) . . . . .	14m	
n Other foreign tax information (attach statement) . . . . .			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment . . . . .	15a	-2,910
	b Adjusted gain or loss . . . . .	15b	
	c Depletion (other than oil and gas) . . . . .	15c	
	d Oil, gas, and geothermal properties—gross income . . . . .	15d	
	e Oil, gas, and geothermal properties—deductions . . . . .	15e	
	f Other AMT items (attach statement) . . . . .	15f	
Other Information	16a Tax-exempt interest income . . . . .	16a	
	b Other tax-exempt income . . . . .	16b	
	c Nondeductible expenses . . . . .	16c	56,622
	d Property distributions . . . . .	16d	
	e Repayment of loans from shareholders . . . . .	16e	
Other Information	17a Investment income . . . . .	17a	
	b Investment expenses . . . . .	17b	
	c Dividend distributions paid from accumulated earnings and profits . . . . .	17c	
	d Other items and amounts (attach statement) . . . . .		
18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l . . . . .	18		-28,043



Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		13,451		11,680
2a Trade notes and accounts receivable				
b Less allowance for bad debts		0		0
3 Inventories		22,050		18,647
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach statement)		1,749		1,322
7 Loans to shareholders		21,548		21,548
8 Mortgage and real estate loans				
9 Other investments (attach statement)				
10a Buildings and other depreciable assets	293,150		223,515	
b Less accumulated depreciation	151,698	141,452	129,955	93,560
11a Depletable assets				
b Less accumulated depletion		0		0
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization		0		0
14 Other assets (attach statement)				
15 Total assets		200,250		146,757
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable		3,609		12,528
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach statement)		48,127		63,210
19 Loans from shareholders		82,409		89,273
20 Mortgages, notes, bonds payable in 1 year or more		189,038		141,599
21 Other liabilities (attach statement)				
22 Capital stock				
23 Additional paid-in capital				
24 Retained earnings		(122,933)		(159,853)
25 Adjustments to shareholders' equity (attach statement)				
26 Less cost of treasury stock				
27 Total liabilities and shareholders' equity		200,250		146,757

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return			
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions			
1 Net income (loss) per books	-36,920	5 Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): See Statement	-9	a Tax-exempt interest \$	19,193
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14i (itemize):		6 Deductions included on Schedule K, lines 1 through 12 and 14i, not charged against book income this year (itemize):	
a Depreciation \$ 55,847		a Depreciation \$ 28,543	28,543
b Travel and entertainment \$ 775			
	56,622	7 Add lines 5 and 6	47,736
4 Add lines 1 through 3	19,693	8 Income (loss) (Schedule K, line 18). Line 4 less line 7.	-28,043

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)			
	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	(122,933)		
2 Ordinary income from page 1, line 21			
3 Other additions	47,736		
4 Loss from page 1, line 21	(23,854)		
5 Other reductions	60,802		
6 Combine lines 1 through 5	(159,853)	0	0
7 Distributions other than dividend distributions	0	0	0
8 Balance at end of tax year. Subtract line 7 from line 6	(159,853)	0	0

Final K-1

Amended K-1

**Schedule K-1  
(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**2008**

For calendar year 2008, or tax  
year beginning \_\_\_\_\_, 2008  
ending \_\_\_\_\_, 20\_\_

**Shareholder's Share of Income, Deductions,  
Credits, etc.**

▶ See back of form and separate instructions.

<b>Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items</b>			
1	Ordinary business income (loss)	13	Credits
	-11,927		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
	-2,014		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	-1,455
11	Section 179 deduction	16	Items affecting shareholder basis
		C	28,311
12	Other deductions		
A	80		
		17	Other information
		K	12,261

**Part I Information About the Corporation**

A Corporation's employer identification number  
06-1660790

B Corporation's name, address, city, state, and ZIP code  
  
BK Plumbing and Bath LLC  
  
9635 W. Peoria Ave, Ste 102  
Peoria AZ 85345

C IRS Center where corporation filed return  
Ogden, UT 84201-0013

**Part II Information About the Shareholder**

D Shareholder's identifying number Shareholder: 1

E Shareholder's name, address, city, state, and ZIP code  
  
Gery J King  
14118 W. Crocus Drive  
Surprise, AZ 85379

F Shareholder's percentage of stock ownership for tax year . . . . . 50%

For IRS Use Only

CLIENT

\* See attached statement for additional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

	Code	Report on
<b>1. Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:		
Passive loss	<i>Report on</i>	
Passive income	See the Shareholder's Instructions	
Nonpassive loss	Schedule E, line 28, column (g)	
Nonpassive income	Schedule E, line 28, column (h)	
	Schedule E, line 28, column (j)	
<b>2. Net rental real estate income (loss)</b>	See the Shareholder's Instructions	
<b>3. Other net rental income (loss)</b>		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Shareholder's Instructions	
<b>4. Interest income</b>	Form 1040, line 8a	
<b>5a. Ordinary dividends</b>	Form 1040, line 9a	
<b>5b. Qualified dividends</b>	Form 1040, line 9b	
<b>6. Royalties</b>	Schedule E, line 4	
<b>7. Net short-term capital gain (loss)</b>	Schedule D, line 5, column (f)	
<b>8a. Net long-term capital gain (loss)</b>	Schedule D, line 12, column (f)	
<b>8b. Collectibles (28%) gain (loss)</b>	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
<b>8c. Unrecaptured section 1250 gain</b>	See the Shareholder's Instructions	
<b>9. Net section 1231 gain (loss)</b>	See the Shareholder's Instructions	
<b>10. Other income (loss)</b>		
Code		
A Other portfolio income (loss)	See the Shareholder's Instructions	
B Involuntary conversions	See the Shareholder's Instructions	
C Sec. 1256 contracts & straddles	Form 6781, line 1	
D Mining exploration costs recapture	See Pub. 535	
E Other income (loss)	See the Shareholder's Instructions	
<b>11. Section 179 deduction</b>	See the Shareholder's Instructions	
<b>12. Other deductions</b>		
A Cash contributions (50%)	} See the Shareholder's Instructions	
B Cash contributions (30%)		
C Noncash contributions (50%)		
D Noncash contributions (30%)		
E Capital gain property to a 50% organization (30%)		
F Capital gain property (20%)		
G Contributions (100%)		
H Investment interest expense	Form 4952, line 1	
I Deductions—royalty income	Schedule E, line 18	
J Section 59(e)(2) expenditures	See the Shareholder's Instructions	
K Deductions—portfolio (2% floor)	Schedule A, line 23	
L Deductions—portfolio (other)	Schedule A, line 28	
M Preproductive period expenses	See the Shareholder's Instructions	
N Commercial revitalization deduction from rental real estate activities	See Form 8582 instructions	
O Reforestation expense deduction	See the Shareholder's Instructions	
P Domestic production activities information	See Form 8903 instructions	
Q Qualified production activities income	Form 8903, line 7	
R Employer's Form W-2 wages	Form 8903, line 15	
S Other deductions	See the Shareholder's Instructions	
<b>13. Credits</b>		
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Shareholder's Instructions	
B Low-income housing credit (other) from pre-2008 buildings	See the Shareholder's Instructions	
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings	Form 8586, line 11	
D Low-income housing credit (other) from post-2007 buildings	Form 8586, line 11	
E Qualified rehabilitation expenditures (rental real estate)	} See the Shareholder's Instructions	
F Other rental real estate credits		
G Other rental credits		
H Undistributed capital gains credit	Form 1040, line 68, box a	
I Alcohol and cellulosic biofuel fuels credit	Form 6478, line 9	
J Work opportunity credit	Form 5884, line 3	
K Disabled access credit	See the Shareholder's Instructions	
L Empowerment zone and renewal community employment credit	Form 8844, line 3	
<b>14. Foreign transactions</b>		
A Name of country or U.S. possession		Form 1116, Part I
B Gross income from all sources		
C Gross income sourced at shareholder level		
<i>Foreign gross income sourced at corporate level</i>		
D Passive category	} Form 1118, Part I	
E General category		
F Other		
<i>Deductions allocated and apportioned at shareholder level</i>		
G Interest expense		Form 1116, Part I
H Other		Form 1116, Part I
<i>Deductions allocated and apportioned at corporate level to foreign source income</i>		
I Passive category	} Form 1116, Part I	
J General category		
K Other		
<i>Other information</i>		
L Total foreign taxes paid		Form 1118, Part II
M Total foreign taxes accrued		Form 1116, Part II
N Reduction in taxes available for credit		Form 1116, line 12
O Foreign trading gross receipts		Form 8873
P Extraterritorial income exclusion		Form 8873
Q Other foreign transactions		See the Shareholder's Instructions
<b>15. Alternative minimum tax (AMT) items</b>		
A Post-1986 depreciation adjustment	} See the Shareholder's Instructions and the Instructions for Form 6251	
B Adjusted gain or loss		
C Depletion (other than oil & gas)		
D Oil, gas, & geothermal—gross income		
E Oil, gas, & geothermal—deductions		
F Other AMT items		
<b>16. Items affecting shareholder basis</b>		
A Tax-exempt interest income		Form 1040, line 8b
B Other tax-exempt income	} See the Shareholder's Instructions	
C Nondeductible expenses		
D Property distributions		
E Repayment of loans from shareholders		
F Other		
<b>17. Other information</b>		
A Investment income		Form 4952, line 4a
B Investment expenses		Form 4952, line 5
C Qualified rehabilitation expenditures (other than rental real estate)		See the Shareholder's Instructions
D Basis of energy property		See the Shareholder's Instructions
E Recapture of low-income housing credit (section 42(j)(5))		Form 8611, line 8
F Recapture of low-income housing credit (other)		Form 8611, line 8
G Recapture of investment credit		See Form 4255
H Recapture of other credits		See the Shareholder's Instructions
I Look-back interest—completed long-term contracts		See Form 8697
J Look-back interest—income forecast method		See Form 8866
K Dispositions of property with section 179 deductions	} See the Shareholder's Instructions	
L Recapture of section 179 deduction		
M Section 453(l)(3) information		
N Section 453A(c) information		
O Section 1260(b) information		
P Interest allocable to production expenditures		
Q CCF nonqualified withdrawals		
R Depletion information—oil and gas		
S Amortization of reforestation costs		
T Other information		

**Dispositions of Property with Section 179 Deductions**

BK Plumbing and Bath LLC

06-1660790

This report shows the total dispositions of Section 179 property for the S-Corporation.  
 Apply your applicable percentage to each disposition when computing your tax return.

Description	Date Acquired	Date Sold	Gross Sale Price	Cost/Basis	Sale Expense	Sec 179 Expense	Depr less 179 AMT	Depr less 179	Current Year Gain (Loss)
<i>Additional information</i>									
2006 Chevy Express Van Ki	8/30/2006	9/23/2008	24,522	32,860		32,860	0	0	24,522
State, if different			24,522	32,860		25,000	4,842		21,504
Type of disposition:	Casualty/theft		Tax Year Taken:	2006		Property Type:	1245		
Event:	Insurance or other reimbursement								
Location:	FMV after casualty or theft								
Property type:	FMV before casualty or theft								

Current Year Net Gain (Loss) **24,522**

Note to Shareholder: Keep for your records

Shareholder's name Gery J King	Shareholder: 1	Identifying Number [REDACTED]
S Corporation's name BK Plumbing and Bath LLC		Employer ID Number 06-1660790

**Summary**

	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock	0	0	0	0	0
Loan	0	0	0		0
Total	0	0	0	0	0

**Election**

Check if special ordering election under Reg. Section 1.1367-1(g) has been made.

**Stock Basis**

1	Beginning of year stock basis	1	0
2	Capital contributions	2	0
3	Other increases	3	0
4	Income items	4	0
5	Add lines 1 through 4	5	0
6	Other decreases	6	0
7	Distributions (not to exceed the sum of line 5 and line 6)	7	0
	Distributions in excess of basis		0
8	Subtract the sum of line 6 and line 7 from line 5 (if zero or less enter 0)	8	0
9	<input type="checkbox"/> Loss items (not to exceed line 8) OR <input checked="" type="checkbox"/> Nondeductible expenses (not to exceed line 8)	9	0
10	Subtract line 9 from line 8	10	0
11	<input type="checkbox"/> Nondeductible expenses (not to exceed line 10) OR <input checked="" type="checkbox"/> Loss items (not to exceed line 10)	11	0
12	Subtract line 11 from line 10	12	0
13	Loan basis restoration	13	0
14	End of year stock basis (subtract line 13 from line 12)	14	0

**Loan Balance**

1	Beginning of year loan balance	1	0
2	Current year loans to corporation	2	0
3	Loan repayments	3	0
4	End of year loan balance	4	0

**Loan Basis**

1	Beginning of year loan basis	1	0
2	Loan basis restoration	2	0
3	Current year loans to corporation	3	0
4	Add lines 1 through 3	4	0
5	Loan repayments (not to exceed line 4)	5	0
6	Subtract line 5 from line 4	6	0
7	<input type="checkbox"/> Excess loss items (not to exceed line 6) OR <input checked="" type="checkbox"/> Excess nondeductible expense items (not to exceed line 6)	7	0
8	Subtract line 7 from line 6	8	0
9	<input type="checkbox"/> Excess nondeductible expense items (not to exceed line 8) OR <input checked="" type="checkbox"/> Excess loss items (not to exceed line 8)	9	0
10	End of year loan basis (subtract line 9 from line 8)	10	0

**Income Items**

1	Ordinary income from trade or business activities	1	0
2	Net income from rental real estate activities	2	0
3	Net income from other rental activities	3	0
4	Interest	4	0
5	Ordinary dividends	5	0
6	Royalties	6	0
7	Net short-term capital gain	7	0
8	Net long-term capital gain	8	0
9	Net section 1231 gain	9	0
10	Other income	10	0
11	Tax-exempt interest income	11	0
12	Other tax-exempt income	12	0
	Total income items		0

**Loss and Expense Items**

1	Ordinary loss from trade or business activities	1	11,927
2	Net loss from rental real estate activities	2	0
3	Net loss from other rental activities	3	0
4	Net short-term capital loss	4	0
5	Net long-term capital loss	5	0
6	Net section 1231 loss	6	2,014
7	Other loss	7	0
8	Section 179 expense deduction	8	0
9	Charitable contributions	9	80
10	Investment interest expense	10	0
11	Section 59(e)(2) expenditures	11	0
12	Other deductions	12	0
13	Total foreign taxes	13	0
14	Carryforward of prior losses	14	53,783
	Total loss and expense items		67,804

**Nondeductible Expense Items**

1	Nondeductible expenses	1	28,311
2	Carryforward of prior nondeductible expenses	2	47,137
	Total nondeductible expense items		75,448

**Loss Carryovers**

1	Loss items	1	67,804
2	Nondeductible expense items	2	75,448

Schedule K-1  
(Form 1120S)

Department of the Treasury  
Internal Revenue Service

2008

For calendar year 2008, or tax

year beginning \_\_\_\_\_, 2008

ending \_\_\_\_\_, 20\_\_

Shareholder's Share of Income, Deductions,  
Credits, etc.

▶ See back of form and separate instructions.

**Part I Information About the Corporation**

A Corporation's employer identification number

06-1660790

B Corporation's name, address, city, state, and ZIP code

BK Plumbing and Bath LLC

9635 W. Peoria Ave, Ste 102

Peoria

AZ

85345

C IRS Center where corporation filed return

Ogden, UT 84201-0013

**Part II Information About the Shareholder**

D Shareholder's identifying number

Shareholder: 2

E Shareholder's name, address, city, state, and ZIP code

Brian E King

14195 W. Hearn R

Surprise, AZ 85379

F Shareholder's percentage of stock

ownership for tax year . . . . .

50%

**Part III Shareholder's Share of Current Year Income, Deductions, Credits, and Other Items**

1	Ordinary business income (loss)	13	Credits
	-11,927		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends		
5b	Qualified dividends	14	Foreign transactions
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (28%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
	-2,015		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
		A	-1,455
11	Section 179 deduction	16	Items affecting shareholder basis
		C	28,311
12	Other deductions		
A	80		
		17	Other information
		K	12,261

\* See attached statement for additional information.

For IRS Use Only

CLIENT

**This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.**

	<i>Code</i>	<i>Report on</i>
<b>1. Ordinary business income (loss).</b> Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:		
Passive loss	<i>Report on</i>	
Passive income	See the Shareholder's Instructions	
Nonpassive loss	Schedule E, line 28, column (g)	
Nonpassive income	Schedule E, line 28, column (h)	
<b>2. Net rental real estate income (loss)</b>	Schedule E, line 28, column (j)	
	See the Shareholder's Instructions	
<b>3. Other net rental income (loss)</b>		
Net income	Schedule E, line 28, column (g)	
Net loss	See the Shareholder's Instructions	
<b>4. Interest income</b>	Form 1040, line 8a	
<b>5a. Ordinary dividends</b>	Form 1040, line 9a	
<b>5b. Qualified dividends</b>	Form 1040, line 9b	
<b>6. Royalties</b>	Schedule E, line 4	
<b>7. Net short-term capital gain (loss)</b>	Schedule D, line 5, column (f)	
<b>8a. Net long-term capital gain (loss)</b>	Schedule D, line 12, column (f)	
<b>8b. Collectibles (28%) gain (loss)</b>	28% Rate Gain Worksheet, line 4 (Schedule D instructions)	
<b>8c. Unrecaptured section 1250 gain</b>	See the Shareholder's Instructions	
<b>9. Net section 1231 gain (loss)</b>	See the Shareholder's Instructions	
<b>10. Other income (loss)</b>		
<i>Code</i>		
<b>A Other portfolio income (loss)</b>	See the Shareholder's Instructions	
<b>B Involuntary conversions</b>	See the Shareholder's Instructions	
<b>C Sec. 1256 contracts &amp; straddles</b>	Form 6781, line 1	
<b>D Mining exploration costs recapture</b>	See Pub. 535	
<b>E Other income (loss)</b>	See the Shareholder's Instructions	
<b>11. Section 179 deduction</b>	See the Shareholder's Instructions	
<b>12. Other deductions</b>		
<b>A Cash contributions (50%)</b>	} See the Shareholder's Instructions	
<b>B Cash contributions (30%)</b>		
<b>C Noncash contributions (50%)</b>		
<b>D Noncash contributions (30%)</b>		
<b>E Capital gain property to a 50% organization (30%)</b>		
<b>F Capital gain property (20%)</b>		
<b>G Contributions (100%)</b>		
<b>H Investment interest expense</b>	Form 4952, line 1	
<b>I Deductions—royalty income</b>	Schedule E, line 18	
<b>J Section 59(e)(2) expenditures</b>	See the Shareholder's Instructions	
<b>K Deductions—portfolio (2% floor)</b>	Schedule A, line 23	
<b>L Deductions—portfolio (other)</b>	Schedule A, line 28	
<b>M Preproductive period expenses</b>	See the Shareholder's Instructions	
<b>N Commercial revitalization deduction from rental real estate activities</b>	See Form 8582 instructions	
<b>O Reforestation expense deduction</b>	See the Shareholder's Instructions	
<b>P Domestic production activities information</b>	See Form 8903 instructions	
<b>Q Qualified production activities income</b>	Form 8903, line 7	
<b>R Employer's Form W-2 wages</b>	Form 8903, line 15	
<b>S Other deductions</b>	See the Shareholder's Instructions	
<b>13. Credits</b>		
<b>A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings</b>	See the Shareholder's Instructions	
<b>B Low-income housing credit (other) from pre-2008 buildings</b>	See the Shareholder's Instructions	
<b>C Low-income housing credit (section 42(j)(5)) from post-2007 buildings</b>	Form 8586, line 11	
<b>D Low-income housing credit (other) from post-2007 buildings</b>	Form 8586, line 11	
<b>E Qualified rehabilitation expenditures (rental real estate)</b>	} See the Shareholder's Instructions	
<b>F Other rental real estate credits</b>		
<b>G Other rental credits</b>		
<b>H Undistributed capital gains credit</b>	Form 1040, line 68, box a	
<b>I Alcohol and cellulosic biofuel fuels credit</b>	Form 6478, line 9	
<b>J Work opportunity credit</b>	Form 5884, line 3	
<b>K Disabled access credit</b>	See the Shareholder's Instructions	
<b>L Empowerment zone and renewal community employment credit</b>	Form 8844, line 3	
<b>M Credit for increasing research activities</b>		See the Shareholder's Instructions
<b>N Credit for employer social security and Medicare taxes</b>		Form 8846, line 5
<b>O Backup withholding</b>		Form 1040, line 62
<b>P Other credits</b>		See the Shareholder's Instructions
<b>14. Foreign transactions</b>		
<b>A Name of country or U.S. possession</b>	} Form 1116, Part I	
<b>B Gross income from all sources</b>		
<b>C Gross income sourced at shareholder level</b>		
<i>Foreign gross income sourced at corporate level</i>		
<b>D Passive category</b>	} Form 1116, Part I	
<b>E General category</b>		
<b>F Other</b>		
<i>Deductions allocated and apportioned at shareholder level</i>		
<b>G Interest expense</b>	Form 1116, Part I	
<b>H Other</b>	Form 1116, Part I	
<i>Deductions allocated and apportioned at corporate level to foreign source income</i>		
<b>I Passive category</b>	} Form 1116, Part I	
<b>J General category</b>		
<b>K Other</b>		
<i>Other information</i>		
<b>L Total foreign taxes paid</b>	Form 1116, Part II	
<b>M Total foreign taxes accrued</b>	Form 1116, Part II	
<b>N Reduction in taxes available for credit</b>	Form 1116, line 12	
<b>O Foreign trading gross receipts</b>	Form 8873	
<b>P Extraterritorial income exclusion</b>	Form 8873	
<b>Q Other foreign transactions</b>	See the Shareholder's Instructions	
<b>15. Alternative minimum tax (AMT) items</b>		
<b>A Post-1986 depreciation adjustment</b>	} See the Shareholder's Instructions and the Instructions for Form 6251	
<b>B Adjusted gain or loss</b>		
<b>C Depletion (other than oil &amp; gas)</b>		
<b>D Oil, gas, &amp; geothermal—gross income</b>		
<b>E Oil, gas, &amp; geothermal—deductions</b>		
<b>F Other AMT items</b>		
<b>16. Items affecting shareholder basis</b>		
<b>A Tax-exempt interest income</b>	Form 1040, line 8b	
<b>B Other tax-exempt income</b>	} See the Shareholder's Instructions	
<b>C Nondeductible expenses</b>		
<b>D Property distributions</b>		
<b>E Repayment of loans from shareholders</b>		
<b>17. Other information</b>		
<b>A Investment income</b>	Form 4952, line 4a	
<b>B Investment expenses</b>	Form 4952, line 5	
<b>C Qualified rehabilitation expenditures (other than rental real estate)</b>	See the Shareholder's Instructions	
<b>D Basis of energy property</b>	See the Shareholder's Instructions	
<b>E Recapture of low-income housing credit (section 42(j)(5))</b>	Form 8611, line 8	
<b>F Recapture of low-income housing credit (other)</b>	Form 8611, line 8	
<b>G Recapture of investment credit</b>	See Form 4255	
<b>H Recapture of other credits</b>	See the Shareholder's Instructions	
<b>I Look-back interest—completed long-term contracts</b>	See Form 8697	
<b>J Look-back interest—income forecast method</b>	See Form 8866	
<b>K Dispositions of property with section 179 deductions</b>	} See the Shareholder's Instructions	
<b>L Recapture of section 179 deduction</b>		
<b>M Section 453(l)(3) information</b>		
<b>N Section 453A(c) information</b>		
<b>O Section 1260(b) information</b>		
<b>P Interest allocable to production expenditures</b>		
<b>Q CCF nonqualified withdrawals</b>		
<b>R Depletion information—oil and gas</b>		
<b>S Amortization of reforestation costs</b>		
<b>T Other information</b>		



**Dispositions of Property with Section 179 Deductions**

BK Plumbing and Bath LLC

06-1660790

This report shows the total dispositions of Section 179 property for the S-Corporation.  
Apply your applicable percentage to each disposition when computing your tax return.

Description	Date Acquired	Date Sold	Gross Sale Price	Cost/Basis	Sale Expense	Sec 179 Expense	Depr less 179 AMT	Depr less 179	Current Year Gain (Loss)
<i>Additional information</i>									
2006 Chevy Express Van Kri	8/30/2006	9/23/2008	24,522	32,860		32,860	0	0	24,522
State, if different			24,522	32,860		25,000	4,842		21,504
Type of disposition:	Casualty/theft		Tax Year Taken: 2006		Property Type: 1245				
Event:	Insurance or other reimbursement					24,522			
Location:	FMV after casualty or theft								
Property type:	FMV before casualty or theft								
<b>Current Year Net Gain (Loss)</b>									<b>24,522</b>

Note to Shareholder: Keep for your records

Shareholder's name Brian E King	Shareholder: 2	Identifying Number ██████████
S Corporation's name BK Plumbing and Bath LLC		Employer ID Number 06-1660790

**Summary**

	Beginning Balance	Increases	Decreases	Distributions	Ending Balance
Stock	0	0	0	0	0
Loan	0	0	0	0	0
Total	0	0	0	0	0

**Election**

Check if special ordering election under Reg. Section 1.1367-1(g) has been made.

**Stock Basis**

1	Beginning of year stock basis	1	0
2	Capital contributions	2	0
3	Other increases	3	0
4	Income items	4	0
5	Add lines 1 through 4	5	0
6	Other decreases	6	0
7	Distributions (not to exceed the sum of line 5 and line 6)	7	0
	Distributions in excess of basis		0
8	Subtract the sum of line 6 and line 7 from line 5 (if zero or less enter 0)	8	0
9	<input type="checkbox"/> Loss items (not to exceed line 8) OR		
	<input checked="" type="checkbox"/> Nondeductible expenses (not to exceed line 8)	9	0
10	Subtract line 9 from line 8	10	0
11	<input type="checkbox"/> Nondeductible expenses (not to exceed line 10) OR		
	<input checked="" type="checkbox"/> Loss items (not to exceed line 10)	11	0
12	Subtract line 11 from line 10	12	0
13	Loan basis restoration	13	0
14	End of year stock basis (subtract line 13 from line 12)	14	0

**Loan Balance**

1	Beginning of year loan balance	1	0
2	Current year loans to corporation	2	0
3	Loan repayments	3	0
4	End of year loan balance	4	0

**Loan Basis**

1	Beginning of year loan basis	1	0
2	Loan basis restoration	2	0
3	Current year loans to corporation	3	0
4	Add lines 1 through 3	4	0
5	Loan repayments (not to exceed line 4)	5	0
6	Subtract line 5 from line 4	6	0
7	<input type="checkbox"/> Excess loss items (not to exceed line 6) OR		
	<input checked="" type="checkbox"/> Excess nondeductible expense items (not to exceed line 6)	7	0
8	Subtract line 7 from line 6	8	0
9	<input type="checkbox"/> Excess nondeductible expense items (not to exceed line 8) OR		
	<input checked="" type="checkbox"/> Excess loss items (not to exceed line 8)	9	0
10	End of year loan basis (subtract line 9 from line 8)	10	0

**Income Items**

1	Ordinary income from trade or business activities	1	<u>0</u>
2	Net income from rental real estate activities	2	<u>0</u>
3	Net income from other rental activities	3	<u>0</u>
4	Interest	4	<u>0</u>
5	Ordinary dividends	5	<u>0</u>
6	Royalties	6	<u>0</u>
7	Net short-term capital gain	7	<u>0</u>
8	Net long-term capital gain	8	<u>0</u>
9	Net section 1231 gain	9	<u>0</u>
10	Other income	10	<u>0</u>
11	Tax-exempt interest income	11	<u>0</u>
12	Other tax-exempt income	12	<u>0</u>
	Total income items		<u>0</u>

**Loss and Expense Items**

1	Ordinary loss from trade or business activities	1	<u>11,927</u>
2	Net loss from rental real estate activities	2	<u>0</u>
3	Net loss from other rental activities	3	<u>0</u>
4	Net short-term capital loss	4	<u>0</u>
5	Net long-term capital loss	5	<u>0</u>
6	Net section 1231 loss	6	<u>2,015</u>
7	Other loss	7	<u>0</u>
8	Section 179 expense deduction	8	<u>0</u>
9	Charitable contributions	9	<u>80</u>
10	Investment interest expense	10	<u>0</u>
11	Section 59(e)(2) expenditures	11	<u>0</u>
12	Other deductions	12	<u>0</u>
13	Total foreign taxes	13	<u>0</u>
14	Carryforward of prior losses	14	<u>80,644</u>
	Total loss and expense items		<u>94,666</u>

**Nondeductible Expense Items**

1	Nondeductible expenses	1	<u>28,311</u>
2	Carryforward of prior nondeductible expenses	2	<u>47,137</u>
	Total nondeductible expense items		<u>75,448</u>

**Loss Carryovers**

1	Loss items	1	<u>94,666</u>
2	Nondeductible expense items	2	<u>75,448</u>

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

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

Name(s) shown on return: **BK Plumbing and Bath LLC** Identifying number: **06-1660790**

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

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

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
<b>2</b> 2003 Chevy Express Van	5/1/2003	3/31/2008	8,000	26,711	38,740	-4,029
						0
						0

**3** Gain, if any, from Form 4684, line 45 . . . . . **3**

**4** Section 1231 gain from installment sales from Form 6252, line 26 or 37 . . . . . **4**

**5** Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . . . . . **5**

**6** Gain, if any, from line 32, from other than casualty or theft . . . . . **6**

**7** Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . . . . . **7** align="right">-4,029

**Partnerships (except electing large partnerships) and S corporations.** Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

**Individuals, partners, S corporation shareholders, and all others.** If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

**8** Nonrecaptured net section 1231 losses from prior years (see instructions) . . . . . **8**

**9** Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) . . . . . **9** align="right">0

**Part II Ordinary Gains and Losses (see instructions)**

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

						0
						0
						0

**11** Loss, if any, from line 7 . . . . . **11** ( )

**12** Gain, if any, from line 7 or amount from line 8, if applicable . . . . . **12**

**13** Gain, if any, from line 31 . . . . . **13** align="right">4,020

**14** Net gain or (loss) from Form 4684, lines 37 and 44a . . . . . **14**

**15** Ordinary gain from installment sales from Form 6252, line 25 or 36 . . . . . **15**

**16** Ordinary gain or (loss) from like-kind exchanges from Form 8824 . . . . . **16**

**17** Combine lines 10 through 16 . . . . . **17** align="right">4,020

**18** For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

**a** If the loss on line 11 includes a loss from Form 4684, line 41, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . . . **18a**

**b** Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . . **18b** align="right">0

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

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A	2004 Chevy Cutaway Express Van #25	6/5/2004	3/31/2008
B			
C			
D			

These columns relate to the properties on lines 19A through 19D.		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	7,500			
21	Cost or other basis plus expense of sale	30,219			
22	Depreciation (or depletion) allowed or allowable	26,739			
23	Adjusted basis. Subtract line 22 from line 21	3,480	0	0	0
24	Total gain. Subtract line 23 from line 20	4,020	0	0	0
25	<b>If section 1245 property:</b>				
a	Depreciation allowed or allowable from line 22	26,739			
b	Enter the smaller of line 24 or 25a	4,020	0	0	0
26	<b>If section 1250 property:</b> If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a	Additional depreciation after 1975 (see instructions)				
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)				
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	0	0	0	0
d	Additional depreciation after 1969 and before 1976				
e	Enter the smaller of line 26c or 26d	0	0	0	0
f	Section 291 amount (corporations only)				
g	Add lines 26b, 26e, and 26f	0	0	0	0
27	<b>If section 1252 property:</b> Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a	Soil, water, and land clearing expenses				
b	Line 27a multiplied by applicable percentage (see instructions)	0	0	0	0
c	Enter the smaller of line 24 or 27b	0	0	0	0
28	<b>If section 1254 property:</b>				
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)				
b	Enter the smaller of line 24 or 28a	0	0	0	0
29	<b>If section 1255 property:</b>				
a	Applicable percentage of payments excluded from income under section 126 (see instructions)				
b	Enter the smaller of line 24 or 29a (see instructions)	0	0	0	0

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

30	Total gains for all properties. Add property columns A through D, line 24	30	4,020
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	4,020
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 39. Enter the portion from other than casualty or theft on Form 4797, line 6	32	0

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

	(a) Section 179	(b) Section 280F(b)(2)	
33	Section 179 expense deduction or depreciation allowable in prior years	33	
34	Recomputed depreciation (see instructions)	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	0

# Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

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

Name(s) shown on return 3K Plumbing and Bath LLC	Business or activity to which this form relates 1120S - Plumbing contractor	Identifying number 06-1660790
---	--	----------------------------------

**Part I Election To Expense Certain Property Under Section 179**

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

1 Maximum amount. See the instructions for a higher limit for certain businesses . . . . .	1	250,000
2 Total cost of section 179 property placed in service (see instructions) . . . . .	2	32,183
3 Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .	3	800,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . .	5	250,000

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

7 Listed property. Enter the amount from line 29 . . . . .	7	0
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .	8	0
9 Tentative deduction. Enter the smaller of line 5 or line 8 . . . . .	9	0
10 Carryover of disallowed deduction from line 13 of your 2007 Form 4562. . . . .	10	68,315
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .	12	0
13 Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 . . . . . ▶	13	68,315

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

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

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) . . . . .	14	16,092
15 Property subject to section 168(f)(1) election . . . . .	15	
16 Other depreciation (including ACRS) . . . . .	16	

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

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2008 . . . . .	17	9,029
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . ▶ <input type="checkbox"/>		

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property		16,091	5	HY	200DB	3,218
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	

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

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

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28 . . . . .	21	204
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. . . . .	22	28,543
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . . ▶	23	

**Line 7 (Form 1120S) - Compensation of Officers**

	Name of officer	Address	City, State, and Zip Code	Social security number	Percent of time devoted to business	Percent of corporation stock owned	Officer Title	Check if officer is a shareholder	Amount of compensation
1	Gery King								42,777
2	Brian King								46,800
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
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17									
18									
19									
20									
21									
22									
23									
24									

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Total compensation of shareholder officers . . . . .	0
Total compensation of other officers . . . . .	89,577
Less amounts included in cost of goods sold . . . . .	46,800
Less employment credits . . . . .	
<b>Total officer compensation . . . . .</b>	<b>42,777</b>

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

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

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

24a Do you have evidence to support the business/investment use claimed? 24b If "Yes," is the evidence written? 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions). 26 Property used more than 50% in a qualified business use: Phone system 5/24/2004 100.00% 1,767 1,767 5 200DB - HY 204 27 Property used 50% or less in a qualified business use: 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28 204 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29 0

Section B—Information on Use of Vehicles

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

30 Total business/investment miles driven during the year (do not include commuting miles) 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven 33 Total miles driven during the year. Add lines 30 through 32 34 Was the vehicle available for personal use during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? 36 Is another vehicle available for personal use?

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

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

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners 39 Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

42 Amortization of costs that begins during your 2008 tax year (see instructions): 43 Amortization of costs that began before your 2008 tax year 44 Total. Add amounts in column (f). See the instructions for where to report



**Line 6, Sch L (Form 1120S) - Other Current Assets**

		Beginning	End
1 Employee advances	1	559	132
2 Security deposits	2	1,190	1,190
3 Total other current assets	3	1,749	1,322

**Line 18, Sch L (Form 1120S) - Other Current Liabilities**

		Beginning	End
1 Credit card payable	1	44,495	60,028
2 Pension plan payable	2	1,176	54
3 Sales tax payable	3	2,456	1,893
4 Payroll taxes	4		1,235
5 Total other current liabilities	5	48,127	63,210

**Line 2, Sch M-1 (Form 1120S) - Income on Sch K, lines 1 through 10, Not on Books**

1 Gain/loss on sale of property	1	4,020
2 Net 1231 loss	2	-4,029
3 Total income on Sch K, lines 1 through 10, not on books	3	-9

**Line 5 (Form 1120S) - Other Income (Loss)**

1	Sale of scrap metal	1	2,374
2	Total other income (loss)	2	2,374

**Line 19 (Form 1120S) - Other Deductions**

1	Travel, Meals and Entertainment		
	b Meals and entertainment, subject to 50% limit	1b	1,549
	c Meals and entertainment, subject to 80% limit (DOT)	1c	
	d Less disallowed	1d	775
	e Subtract line d from lines b and c	1e	774
2	Automobile and truck expenses	2	30,510
3	Bank charges	3	156
4	Education and training	4	399
5	Dues and subscriptions	5	1,515
6	Insurance	6	24,728
7	Postage	7	1,741
8	Pest Control	8	60
9	Professional fees	9	8,642
10	Security	10	421
11	Small tools and equipment	11	241
12	Supplies	12	5,663
13	Telephone	13	10,112
14	Utilities	14	2,835
15	Uniforms	15	1,148
16	Total other deductions	16	88,945

**Line 5, Sch A (Form 1120S) - Other Costs for Cost of Goods Sold**

1	Travel, Meals and Entertainment		
	a Travel	1a	
	b Total meals and entertainment	1b	
	c 50% of line b	1c	0
	d Subtract line c from line b	1d	0
2	Depreciation	2	27,506
3	Compensation of officers	3	46,800
4	Salesperson wages and commissions	4	
5	Indirect labor	5	
6	Rent	6	166
7	Amortization	7	
8	Freight-in	8	
9	Supplies	9	
10	Taxes	10	13,809
11	Utilities	11	
12	Subcontractors	12	738
13	Permits	13	368
14		14	
15		15	
16	Total other costs	16	89,387

**Line 12a, Sch K (Form 1120S) - Charitable Contributions**

A	Code A - Cash contributions (50%)	A	160
	Total contributions	12a	160

**Line 17d, Sch K (Form 1120S) - Other Items and Amounts**

K	Code K - Dispositions of property with section 179 deductions	K	24,522
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**Sch L (Form 1120S) - Balance Sheets per Books**

		Beginning	Ending
<b>Assets</b>			
1	Cash	13,451	11,680
2a	Trade notes and accounts receivable		
2b	Less allowance for bad debts		
2c	Net trade notes and accounts receivable	0	0
3	Inventories	22,050	18,647
4	U.S. government obligations		
5	Tax-exempt securities		
6	Other current assets	1,749	1,322
7	Loans to shareholders	21,548	21,548
8	Mortgage and real estate loans		
9	Other investments	0	0
10a	Buildings and other depreciable assets	293,150	223,515
10b	Less accumulated depreciation	151,698	129,955
10c	Net buildings and other depreciable assets	141,452	93,560
11a	Depletable assets		
11b	Less accumulated depletion		
11c	Net depletable assets	0	0
12	Land (net of any amortization)	0	0
13a	Intangible assets (amortizable only)	0	0
13b	Less accumulated amortization	0	0
13c	Net intangible assets	0	0
14	Other assets	0	0
15	<b>Total assets</b>	<b>200,250</b>	<b>146,757</b>
<b>Liabilities and Capital</b>			
16	Accounts payable	3,609	12,528
17	Mortgages, notes, bonds payable in less than 1 year		
18	Other current liabilities	48,127	63,210
19	Loans from shareholders	82,409	89,273
20	Mortgages, notes, bonds payable in 1 year or more	189,038	141,599
21	Other liabilities	0	0
22	Capital stock		
23	Additional paid-in capital		
24	Retained earnings	-122,933	-159,853
25	Adjustments to shareholders' equity	0	0
26	Less cost of treasury stock		
27	<b>Total liabilities and shareholders' equity</b>	<b>200,250</b>	<b>146,757</b>

End of year balance sheet out of balance by . . . . . 0

**Balance Sheet Discrepancy Statement**

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**Line 8 (Form 1120S) - Salaries and Wages**

1	Salaries	1	49,033	
2	Wages	2		
3		3		
4	Total salaries and wages	4	49,033	
Salaries and wages reported elsewhere on return:				
5	Amounts included in Cost of Goods Sold	5	0	
6	Elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reductions SEP agreement or a SIMPLE IRA plan	6		
7	Total salaries and wages reported elsewhere on return	7	0	
Less employment credits:				
8	From Form 5884 - Work Opportunity Credit	8	0	
9	From Form 8844 - Empowerment Zone Employment Credit	9	0	
10	From Form 8845 - Indian Employment Credit	10	0	
11	From Form 8861 - Welfare to Work Credit	11	0	
12		12		
13		13		
14		14		
15	Total employment credits	15	0	
16	Total salaries and wages less amounts reported elsewhere on return and employment credits	16	49,033	

**Line 12 (Form 1120S) - Taxes and Licenses**

1	Payroll tax	1	8,340	
2	License and permits	2	2,061	
3	Sub Total	3	10,401	
4	Total taxes and licenses	4	10,401	

**Line 16c, Sch K (Form 1120S) - Nondeductible Expenses**

C	Code C - Nondeductible expenses			
	Depreciation		55,847	
	Nondeductible portion of meals and entertainment expenses		775	
	Total nondeductible expenses	16c	56,622	

**Sch M-2 (Form 1120S) - Retained Earnings**

		Accumulated Adjustments Account	Other Adjustments Account	Shareholders' Undistributed Taxable Income Previously Taxed	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
1 Balance at beginning of tax year	1	-122,933	0	0		-122,933
2 Income from page 1, line 21	2	0				0
3 Other additions	3	47,736	0			47,736
4 Loss from page 1, line 21	4	-23,854				-23,854
5 Other reductions	5	60,802	0			60,802
6 Combine lines 1 through 5	6	-159,853	0	0	0	-159,853
7 Distributions	7	0	0	0		0
8 Balance at end of tax year	8	-159,853	0	0	0	-159,853

**Sch M-2, Lines 3 and 5 (Form 1120S) - Other Additions and Reductions**

		(a) Accumulated adjustments account	(b) Other adjustments account
<b>Line 3 - Other additions</b>			
1	Gain or Loss on dispositions of property with section 179 deductions	24,522	
2	Gain/loss on sale of property	-5,329	
3	Depreciation	28,543	
4	Total other additions. Enter on line 3, Schedule M-2	47,736	0
<b>Line 5 - Other reductions</b>			
1	Charitable contributions	160	
2	Nondeductible expenses	56,622	
3	Net Section 1231 loss	4,029	
4	Gain/loss on sale of property	4,020	
5	Net 1231 loss	-4,029	
6	Total other reductions. Enter on line 5, Schedule M-2	60,802	0

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