

United States Bankruptcy Court District of Maine

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): Corinth Hardware, Inc.					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): 01-0527340					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. & Street, City, State & Zip Code): 534 Main Street Corinth, ME					Street Address of Joint Debtor (No. & Street, City, State & Zip Code):				
ZIPCODE 04427					ZIPCODE				
County of Residence or of the Principal Place of Business: Penobscot					County of Residence or of the Principal Place of Business:				
Mailing Address of Debtor (if different from street address):					Mailing Address of Joint Debtor (if different from street address):				
ZIPCODE					ZIPCODE				
Location of Principal Assets of Business Debtor (if different from street address above): 534 Main Street, Corinth, ME					ZIPCODE 04427				
Type of Debtor (Form of Organization) (Check one box.) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) 			Nature of Business (Check one box.) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other Tax-Exempt Entity (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).			Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box.) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box.) <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." <input checked="" type="checkbox"/> Debts are primarily business debts.			
Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <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. <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.					Chapter 11 Debtors Check one box: <input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2,190,000. Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition <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).				
Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <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.								THIS SPACE IS FOR COURT USE ONLY	
Estimated Number of Creditors <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									
Estimated Assets <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 million 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									
Estimated Liabilities <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 million 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									

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

Name of Debtor(s):

Corinth Hardware, Inc.**Prior Bankruptcy Case 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:

Exhibit A

(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.)

☐ Exhibit A is attached and made a part of this petition.**Exhibit B**

(To be completed if debtor is an individual whose debts are primarily consumer debts.)

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 § 342(b) of the Bankruptcy Code.

X

Signature of Attorney for Debtor(s)

Date

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 or lessor that obtained judgment)

(Address of landlord or lessor)

☐ 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):

Corinth Hardware, Inc.**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***JON A. HADDOW**

X

Signature of Attorney for Debtor(s)

**Jon A. Haddow, Esquire 7071
Farrell, Rosenblatt & Russell
PO Box 738
Bangor, ME 04402-0738**

jah@frrlegal.com

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 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

Signature of Authorized Individual

Timothy Chesley

Printed Name of Authorized Individual

Treasurer

Title of Authorized Individual

Date

Signature of Non-Attorney 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); 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

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

Date

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.

**United States Bankruptcy Court
District of Maine**

IN RE:

Case No. _____

Corinth Hardware, Inc.Chapter 11

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

(1) Name of creditor and complete mailing address including zip code	(2) Name, telephone number and complete mailing address, including zip code, of employee, agent or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contract, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to setoff	(5) Amount of claim (if secured also state value of security)
Machias Savings Bank PO Box 318 Machias, ME 04654		Bank loan		154,000.00 Collateral: 0.00 Unsecured: 154,000.00
Great American Leasing Corporation 8742 Innovation Way Chicago, IL 60682-0087		Trade debt		120,000.00 Collateral: 0.00 Unsecured: 120,000.00
Bank Of America P.O. Box 1516 Newark, NJ 07101-1516		Bank loan		70,000.00
Capital One Bank PO Box 70884 Charlotte, NC 28272-0885		Bank loan		64,000.00 Collateral: 0.00 Unsecured: 64,000.00
True Value Company PO Box 32349 Hartford, CT 06150-2349		Bank loan		54,000.00 Collateral: 0.00 Unsecured: 54,000.00
Tilton Truck & Equipment 44 Concord Drive Hermon, ME 04401		Trade debt		40,000.00
McLaughlin & McLaughlin 99 LaGrange Road Bradford, ME 04410		Trade debt		34,000.00
Key Bank, N.A. PO Box 94831 Cleveland, OH 44101-4831		Bank loan		30,000.00
Ford Credit Box 220564 Pittsburgh, PA 15257-2564		Bank loan		24,000.00 Collateral: 0.00 Unsecured: 24,000.00
Camden National Bank 245 Commercial Street Rockport, ME 04856-5909		Bank loan		19,000.00 Collateral: 0.00 Unsecured: 19,000.00

First Funds PO Box 884 New York, NY 10185-0884	Bank loan	18,700.00
Maine Savings Federal Credit Union 500 Main Street Corinth, ME 04427	Bank loan	11,000.00 Collateral: 0.00 Unsecured: 11,000.00
Bank Of America PO Box 15184 Wilmington, DE 19850	Trade debt	10,797.27
Treasurer, State Of Maine Augusta, ME 04330	Trade debt	9,744.69
Dead River Company PO Box 40 Brewer, ME 04412	Trade debt	8,709.84
The Scotts Company PO Box 93211 Chicago, IL 60673-3211	Trade debt	8,041.80
American Express PO Box 2855 New York, NY 10116-2855	Trade debt	8,039.04
Direct Capital	Bank loan	8,000.00
US Cellular PO Box 371345 Pittsburgh, PA 15250-7345	Trade debt	5,800.00
Maine Savings Federal Credit Union PO Box 347 Hampden, ME 04444	Trade debt	4,572.06

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION OR PARTNERSHIP

I, [the president *or* other officer *or* an authorized agent of the corporation][*or* a member *or* an authorized agent of the partnership] named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date: August 6, 2009

Signature: /s/ Timothy Chesley

Timothy Chesley, Treasurer

(Print Name and Title)

Maine Savings Federal Credit Union
500 Main Street
Corinth, ME 04427

Bank loan 11,000.00
Collateral: 0.00
Unsecured: 11,000.00

Bank Of America PO Box 15184 Wilmington, DE 19850	Trade debt	10,797.27
Treasurer, State Of Maine Augusta, ME 04330	Trade debt	9,744.69
Dead River Company PO Box 40 Brewer, ME 04412	Trade debt	8,709.84
The Scotts Company	Trade debt	8,041.80
American Express PO Box 2855 New York, NY 10116-2855	Trade debt	8,039.04
Direct Capital	Bank loan	8,000.00
US Cellular PO Box 371345 Pittsburgh, PA 15250-7345	Trade debt	5,800.00
Maine Savings Federal Credit Union PO Box 347 Hampden, ME 04444	Trade debt	4,572.06

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION OR PARTNERSHIP

I, [the president *or* other officer *or* an authorized agent of the corporation][*or* a member *or* an authorized agent of the partnership] named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date: _____ Signature: Timothy Chesley

Timothy Chesley, Treasurer

(Print Name and Title)

United States Bankruptcy Court
District of Maine

IN RE:

Case No. _____

Corinth Hardware, Inc.

Debtor(s)

Chapter 11

CERTIFICATION OF CREDITOR MATRIX

I hereby certify that the attached matrix, consisting of 3 pages, includes the names and addresses of all creditors listed on the debtor's schedules.

Date: _____

Attorney for Debtor, or Debtor if pro se

American Express
PO Box 2855
New York, NY 10116-2855

Bangor Hydro
PO Box 11008
Lewiston, ME 04243

Bank Of America
P.O. Box 1516
Newark, NJ 07101-1516

Bank Of America
PO Box 15184
Wilmington, DE 19850

Cabot-Valspar
PO Box 676996
Dallas, TX 75267-6996

Camden National Bank
245 Commercial Street
Rockport, ME 04856-5909

Capital One Bank
PO Box 70884
Charlotte, NC 28272-0885

Cumulus
P OBox 643105
Cincinnati, OH 45264-3105

Dead River Company
PO Box 40
Brewer, ME 04412

Engineering & Technical Services, Inc.
PO Box 308
Tea, SD 57064-8100

Fairpoint Communications
PO Box 9000
Annapolis, MD 21401

Ford Credit
Box 220564
Pittsburgh, PA 15257-2564

Forney Industries
PO Box 563
Fort Collins, CO 80522

GMAC
PO Box 630071
Dallas, TX 75263-0071

Great American Leasing Corporation
8742 Innovation Way
Chicago, IL 60682-0087

Key Bank, N.A.
PO Box 94831
Cleveland, OH 44101-4831

Leanin' Tree
Box 9500
Boulder, CO 80301

Machias Savings Bank
PO Box 318
Machias, ME 04654

Maine Savings Federal Credit Union
500 Main Street
Corinth, ME 04427

Maine Savings Federal Credit Union
PO Box 347
Hampden, ME 04444

Maine Service Lubrication
PO Box 732
Portland, ME 04104-0732

Majestic Greeting Cards
6600 High Ridge Road
Boynton Beach, FL 33426

Northeast Merchandising Corp.
PO Box 446
Skowhegan, ME 04976

The Emery Waterhouse Co.
PO Box 1402
Lewiston, ME 04243-9548

Treasurer, State Of Maine
Augusta, ME 04330

US Cellular
PO Box 371345
Pittsburgh, PA 15250-7345

Corinth Hardware

Profit & Loss

January 1 - August 6, 2009

	<u>Total</u>
Income	
296318 Bangor Cellular LP	6,300.00
4010 Sales	175,226.18
Earned Discount	13.50
Rental Income - Equipment	-3,044.80
Services	-103.42
UPS Income	-3,357.37
Total Income	\$175,034.09
Cost of Goods Sold	
5000 Cost of Goods Sold	183,488.19
Freight	506.34
Total Cost of Goods Sold	\$183,994.53
Gross Profit	\$ -8,960.44
Expenses	
6110 Automobile Expense	
Automobile Expense - Fuel	47.00
Automobile Expense - Misc	196.25
Vehicle Lease - Strout	2,494.88
Vehicle Registration	532.44
Total 6110 Automobile Expense	3,270.57
6120 Bank Service Charges	1,366.53
Returned Check /Late PaymentFee	2,040.00
Total 6120 Bank Service Charges	3,406.53
6140 Donations	30.00
6150 Depreciation Expense	11,108.04
6160 Dues and Subscriptions	70.00
6180 Insurance	654.00
6190 Disability Insurance	727.16
Fire & Accident Insurance	4,125.04
Life Insurance	1,296.54
Total 6180 Insurance	6,802.74
6200 Interest Expense	6,893.96
6210 Finance Charge	616.81
6220 Loan Interest	2,191.01
Total 6200 Interest Expense	9,701.78
6230 Licenses and Permits	40.00
6240 Miscellaneous	21.95
6270 Professional Fees	1,047.12
6280 Legal Fees	205.00
6650 Accounting	1,570.00
Financial Consulting	-366.66
Payroll Processing Fees	10.00
Total 6270 Professional Fees	2,465.46
6300 Maintenance	
6310 Building Maintenance	779.40
Total 6300 Maintenance	779.40
6340 Telephone	1,834.14
6390 Utilities	
6400 Gas and Electric	3,940.27
Heating Expense	934.10

	Total
Total 6390 Utilities	4,874.37
6560 Payroll Expenses	23,896.06
Payroll Taxes	58.90
Total 6560 Payroll Expenses	23,954.96
6770 Supplies	96.82
6780 Marketing	43.50
6790 Office	654.97
Total 6770 Supplies	795.29
6820 Taxes	
6830 Federal	178.00
6850 Property	254.76
Total 6820 Taxes	432.76
Advertising	120.00
Bad Debt Expense	1,120.00
Computer Hardware/Software Supp	119.58
Internet Line Charges	425.80
Total Computer Hardware/Software Supp	545.38
Credit Card Proc Fees	890.22
Fines & Penalties	1,089.18
Rent - Cell Reclass	4,500.00
Sales Tax	50.51
Trash Removal	429.50
Total Expenses	\$78,332.78
Net Operating Income	\$ -87,293.22
Other Income	
7010 Interest Income	0.35
Dividend-Tru Serve	2,662.83
Total Other Income	\$2,663.18
Other Expenses	
Amortization	2,666.52
Total Other Expenses	\$2,666.52
Net Other Income	\$ -3.34
Net Income	\$ -87,296.56

Thursday, Aug 06, 2009 06:03:03 AM PDT GMT-7 - Accrual Basis

This report was created using QuickBooks Online.

Corinth Hardware

Balance Sheet

As of August 6, 2009

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
0066810 Machais Savings Checking	50.00
Bank of American/Fleet	0.00
Cash Clearing-opening balances	0.00
Key Bank Checking Account	429.44
Maine Savings	75.57
United Kingfield	1,061.54
Total Bank Accounts	\$1,616.55
Accounts Receivable	
1200 Accounts Receivable	106,017.75
Total Accounts Receivable	\$106,017.75
Other Current Assets	
72909 Employee Cash Advances	-975.00
Bean Boys-Receiveable	101,038.41
Customer Deposits - Layaway	3,543.04
Inventory	198,596.07
Notes Receivable - Shareholders	0.00
Prepaid Interest	9,565.90
Reserve for Bad Debt	0.00
TruServe Corp - Investment	0.00
Total Other Current Assets	\$311,768.42
Total Current Assets	\$419,402.72
Fixed Assets	
Accum.Depre - Machinery & Equip	-111,254.12
Building Fixtures	4,371.08
CAT Equipment	0.00
Furniture & Fixtures	14,590.06
Land	0.00
Leasehold Improvements	15,200.00
Machinery & Equipment	49,379.62
Vehicles	60,421.20
White Truck	5,011.93
Total Vehicles	65,433.13
Total Fixed Assets	\$37,719.77
Other Assets	
Accumulated Amortization	-53,330.60
Non Compete - Hatch	80,000.00
Total Other Assets	\$26,669.40
TOTAL ASSETS	\$483,791.89
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	208,155.14
A/P-beginning bal	0.00
Total Accounts Payable	\$208,155.14
Credit Cards	

	Total
1339 MBNA LLBean	7,834.08
4192000 Bank of Amer 8984	3,859.10
8767 Capital One 8767 %6.9	8,987.44
AAA Financials	0.00
Americian Express	0.00
Bank of Amer 8328 7.9%	26,924.70
Bank of America 1583 14.24%	21,256.83
BANK ONE - 9162	0.00
Bank One - closed	0.00
Capital One closed 11/24/06	0.00
Dell 9856/3681 (deleted)	0.00
Dell Financial - 6889 (deleted)	0.00
Dell Financial - 8404	0.00
Dell Financial Serv	0.00
Discover - 10.24%	0.00
Fleet - Visa - closed 3/16	0.00
Maine Savings CC - 12.99%	4,648.57
Platinum Plus - 9053 - 11.99% (deleted)	0.00
Platinum Plus - 9046 - 11.99%	11,792.83
Provident/Washington Mutual	0.00
Total Credit Cards	\$85,303.55
Other Current Liabilities	
123067 First Funds	16,676.99
14685 Direct Capital Corp	5,437.84
2100 Payroll Liabilities	469.62
2200 Sales Tax Payable	-3,609.80
4133 Capital One Business Loan	55,710.60
508 Blackwell Loan Payable	-1,000.00
6568 Maine Savings Federal Credit Union	0.00
6568-02 Maine Savings-Dump Truck	10,755.71
781260 Capital One (deleted)	0.00
Barco LOC	0.00
Camden National Loan	18,484.17
Capital One LOC	0.00
Cat Rental Payable	0.00
Charlene Chesley - 4.25% (deleted)	0.00
Fed & State w/h Taxes	0.00
Fleet Bank LOC - 9%	75,188.64
FORD CREDIT - F250	25,860.49
Great American Leasing - WILCO	28,755.74
Key Bank LOC - 7.75%	28,548.47
Machais Savings LOC	151,272.46
Maine Savings - Loader - 9%	0.00
United Kingfield LOC (deleted)	0.00
Total Other Current Liabilities	\$412,550.93
Total Current Liabilities	\$706,009.62
Long Term Liabilities	
001-0348080-000 Cat	0.00
001-0348087-000 Cat	0.00
001-0348095-000 Cat	0.00
001-0353292-000 Cat	0.00
001-0353298-000 Cat	0.00
001-0357770-000 Cat	0.00
Bean Boys	140,291.63
Due to Tracey Chesley	0.00
LOAN - CAT EQUIPMENT	0.00
LOC - CAMDEN NATIONAL	0.00

	Total
Outdoor Boiler (deleted)	0.00
Ravena Hatch - Non Compete Payb	10,768.61
Ravena Hatch - Notes Payable	29,613.16
Stockholder Loan - D. Strout	14,019.00
Stockholder Loan - Strout B	-3,450.00
Stockholder Loan - Tim Chesley	32,958.46
Stockholder Loan - TimChesley A	-2,659.18
Total Long Term Liabilities	\$221,541.68
Total Liabilities	\$927,551.30
Equity	
1110 Retained Earnings	-386,662.85
1520 Capital Stock	200.00
Cash Contribution - TJ Chesley	10,000.00
Total 1520 Capital Stock	10,200.00
3000 Opening Bal Equity	0.00
Additional Paid in Capital-Don	5,000.00
Additional Paid in Capital-Tim	15,000.00
Distributions Tim	0.00
Distributions Don	0.00
Net Income	-87,296.56
Total Equity	\$ -443,759.41
TOTAL LIABILITIES AND EQUITY	\$483,791.89

Thursday, Aug 06, 2009 06:02:28 AM PDT GMT-7 - Accrual Basis

This report was created using QuickBooks Online.

Corinth Hardware

Statement of Cash Flows

January 1 - August 6, 2009

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	-87,296.56
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Bean Boys-Receivable	-12,500.00
72909 Employee Cash Advances	975.00
Inventory	107,239.83
2000 Accounts Payable	-26,087.73
Bank of Amer 8328 7.9%	-795.00
4192000 Bank of Amer 8984	663.51
Bank of America 1583 14.24%	714.04
8767 Capital One 8767 %6.9	-40.00
Maine Savings CC - 12.99%	-751.43
1339 MBNA LLBean	-215.00
Platinum Plus - 9046 - 11.99%	1,346.52
508 Blackwell Loan Payable	-47,500.00
Camden National Loan	-8,365.79
4133 Capital One Business Loan	-2,674.00
14685 Direct Capital Corp	-3,261.09
123067 First Funds	-8,644.15
FORD CREDIT - F250	-1,925.79
Great American Leasing - WILCO	-607.74
Key Bank LOC - 7.75%	-216.10
Machais Savings LOC	-1,600.00
6568-02 Maine Savings-Dump Truck	-1,000.00
2100 Payroll Liabilities	469.62
2200 Sales Tax Payable	-5,528.71
Net cash provided by operating activities	\$ -97,600.57
INVESTING ACTIVITIES	
Accum.Depre - Machinery & Equip	11,108.04
Land	17,000.00
Accumulated Amortization	2,666.52
Net cash provided by investing activities	\$30,774.56
FINANCING ACTIVITIES	
Bean Boys	43,500.00
Stockholder Loan - D. Strout	13,639.00
Stockholder Loan - Tim Chesley	15,773.48
Net cash provided by financing activities	\$72,912.48
Net cash increase for period	\$6,086.47
Cash at beginning of period	-4,469.92
Cash at end of period	<u>\$1,616.55</u>

Thursday, Aug 06, 2009 06:04:31 AM PDT GMT-7

This report was created using QuickBooks Online.

U.S. Income Tax Return for an S Corporation

► Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

2008

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2008 or tax year beginning , and ending

A S election effective date 07/01/1999	Use the IRS label. Otherwise, print or type.	Name CORINTH HARDWARE INCORPORATED	D Employer identification number 01-0527340
B Business activity code number (see instructions) 444130		Number, street, and room or suite no. If a P.O. box, see instructions. 534 MAIN STREET	E Date incorporated 06/17/1999
C Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code CORINTH, ME 04427	F Total assets (see instructions) \$ 604,718.

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.

Income	1 a Gross receipts or sales 782,187.	b Less returns and allowances	c Balance 782,187.
	2 Cost of goods sold (Schedule A, line 8)		2 804,616.
	3 Gross profit. Subtract line 2 from line 1c		3 <22,429.>
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)		4 27,801.
	5 Other income (loss) (attach statement) STATEMENT 1		5 381.
	6 Total income (loss). Add lines 3 through 5		6 5,753.
Deductions (See instructions for limitations)	7 Compensation of officers STATEMENT 2		7 70,825.
	8 Salaries and wages (less employment credits)		8 96,866.
	9 Repairs and maintenance		9 5,650.
	10 Bad debts		10 18,868.
	11 Rents		11 24,847.
	12 Taxes and licenses STATEMENT 3		12 45,803.
	13 Interest		13 78,438.
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)		14 21,147.
	15 Depletion (Do not deduct oil and gas depletion.)		15
	16 Advertising		16 15,071.
	17 Pension, profit-sharing, etc., plans		17
	18 Employee benefit programs		18
	19 Other deductions (attach statement) STATEMENT 4		19 111,960.
	20 Total deductions. Add lines 7 through 19		20 489,475.
	21 Ordinary business income (loss). Subtract line 20 from line 6		21 <483,722.>
Tax and Payments	22 a Excess net passive income or LIFO recapture tax (see instructions)	22a	
	b Tax from Schedule D (Form 1120S)	22b	
	c Add lines 22a and 22b		22c
	23 a 2008 estimated tax payments and 2007 overpayment credited to 2008	23a	
	b Tax deposited with Form 7004	23b	
	c Credit for federal tax paid on fuels (attach Form 4136)	23c	
	d Add lines 23a through 23c		23d
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>		24
	25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed		25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid		26
27 Enter amount from line 26 Credited to 2009 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>		27	

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.

Sign Here	Signature of officer	Date	Title
	<p>May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code	Preparer's SSN or PTIN	
	WILLIAMS & ASSOCIATES, P.A. 11 DEBECK DRIVE HOLDEN, ME 04429	P00042986 04-3374690 (207) 941-9810	

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

Form **1120S** (2008)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	711,252.
2	Purchases	2	400,302.
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	1,111,554.
7	Inventory at end of year	7	306,938.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	804,616.

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 type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ <input type="text"/>		
2 See the instructions and enter the: (a) Business activity RETAIL (b) Product or service HARDWARE STORE		
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?		<input checked="" type="checkbox"/>
4 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		<input checked="" type="checkbox"/>
5 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
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 \$ <input type="text"/>		
7 Enter the accumulated earnings and profits of the corporation at the end of the tax year \$ <input type="text"/>		
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 checked="" type="checkbox"/>

Schedule K Shareholders' Pro Rata Share Items

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	<483,722.>
	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	
	4 Interest income	4	
	5 Dividends: a Ordinary dividends STATEMENT 5	5a	7,555.
	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		
10 Other income (loss) (see instructions) Type ▶ <input type="text"/>	10		

JWA

Form 1120S (2008)

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions STATEMENT 6	12a	981.
	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 Foreign gross income sourced at corporate level	14c	
	d Passive category	14d	
	e General category	14e	
	f Other (attach statement) Deductions allocated and apportioned at shareholder level	14f	
	g Interest expense	14g	
	h Other Deductions allocated and apportioned at corporate level to foreign source income	14h	
	i Passive category	14i	
	j General category	14j	
	k Other (attach statement) Other information	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	2,542.
	b Adjusted gain or loss STATEMENT 7	15b	<3,730.>
	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	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses STATEMENT 8	16c	65.
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	7,555.
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	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 14i	18	<477,148.>

JWA

Form 1120S (2008)

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		<3,561.>		<5,049.>
2 a	Trade notes and accounts receivable	124,934.		106,018.	
b	Less allowance for bad debts		124,934.		106,018.
3	Inventories		711,252.		306,938.
4	U.S. Government obligations				
5	Tax-exempt securities				
6	Other current assets (att. stmt.)	STATEMENT 11	92,081.		101,647.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (att. stmt.)	STATEMENT 12	59,730.		0.
10 a	Buildings and other depreciable assets	203,033.		148,974.	
b	Less accumulated depreciation	134,406.	68,627.	100,146.	48,828.
11 a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		17,000.		17,000.
13 a	Intangible assets (amortizable only)	80,000.		80,000.	
b	Less accumulated amortization	45,331.	34,669.	50,664.	29,336.
14	Other assets (att. stmt.)				
15	Total assets		1,104,732.		604,718.
Liabilities and Shareholders' Equity					
16	Accounts payable		277,339.		237,762.
17	Mortgages, notes, bonds payable in less than 1 year		300,429.		358,429.
18	Other current liabilities (att. stmt.)	STATEMENT 13	85,910.		86,004.
19	Loans from shareholders		28,321.		21,456.
20	Mortgages, notes, bonds payable in 1 year or more		309,709.		265,256.
21	Other liabilities (att. stmt.)				
22	Capital stock		200.		200.
23	Additional paid-in capital		10,000.		20,000.
24	Retained earnings	STATEMENT 14	92,824.		<384,389.>
25	Adjustments to shareholders' equity (att. stmt.)				
26	Less cost of treasury stock		()		()
27	Total liabilities and shareholders' equity		1,104,732.		604,718.

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	<477,213.>	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):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14 (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$	65.	7	Add lines 5 and 6	
4	Add lines 1 through 3	<477,148.>	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	<477,148.>

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	80,694.	12,130.
2	Ordinary income from page 1, line 21		
3	Other additions STATEMENT 9	7,555.	
4	Loss from page 1, line 21	(483,722.)	
5	Other reductions STATEMENT 10	(1,046.)	
6	Combine lines 1 through 5	<396,519.>	12,130.
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	<396,519.>	12,130.

Depreciation and Amortization
(Including Information on Listed Property) OTHER
▶ See separate instructions. ▶ Attach to your tax return.

CORINTH HARDWARE INCORPORATED

OTHER DEPRECIATION

01-0527340

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	
3	Threshold cost of section 179 property before reduction in limitation	3	800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
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	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
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 2009. Add lines 9 and 10, less line 12	13	

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

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

14	Special depreciation for qualified property (other than listed property) placed in service during the tax year	14	
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	19,275.
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		

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 use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		13,104.	7 YRS.	HY	200DB	1,872.
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	/		27.5 yrs.	MM	S/L	
	/		39 yrs.	MM	S/L	
	/			MM	S/L	

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

20a	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	
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	21,147.
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	

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? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
--	-------------------------------------	--	-------------------------------	--	---------------------------	------------------------------	----------------------------------	---------------------------------------

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

25

26 Property used more than 50% in a qualified business use:

		%						
		%						
		%						

27 Property used 50% or less in a qualified business use:

		%				S/L -		
		%				S/L -		
		%				S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1

28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1

29

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.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
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?	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
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.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
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?		

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

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
-----------------------------	------------------------------------	------------------------------	------------------------	---	--------------------------------------

42 Amortization of costs that begins during your 2008 tax year:

--	--	--	--	--	--

43 Amortization of costs that began before your 2008 tax year

43

5,333.

44 Total. Add amounts in column (f). See the instructions for where to report

44

5,333.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return.

OMB No. 1545-0184

2008

Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

CORINTH HARDWARE INCORPORATED

01-0527340

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

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

3 Gain, if any, from Form 4684, line 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

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

Part II Ordinary Gains and Losses

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

11 Loss, if any, from line 7

11 ()

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

12

13 Gain, if any, from line 31

13 27,801.

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 27,801.

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

JWA For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2008)

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

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 95 DODGE 1 TON TRUCK

102000

063008

B EQUIPMENT-GREAT AMERICAN LEASING

103106

123108

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.)

20

1,500.

38,066.

21 Cost or other basis plus expense of sale

21

11,533.

55,639.

22 Depreciation (or depletion) allowed or allowable

22

11,533.

43,874.

23 Adjusted basis. Subtract line 22 from line 21

23

0.

11,765.

24 Total gain. Subtract line 23 from line 20

24

1,500.

26,301.

25 If section 1245 property:

a Depreciation allowed or allowable from line 22

25a

11,533.

43,874.

b Enter the smaller of line 24 or 25a

25b

1,500.

26,301.

26 If section 1250 property: If straight line depreciation
was used, enter -0- on line 26g, except for a corporation
subject to section 291.

a Additional depreciation after 1975

26a

b Applicable percentage multiplied by the smaller of
line 24 or line 26a

26b

c Subtract line 26a from line 24. If residential rental
property or line 24 is not more than line 26a, skip lines
26d and 26e

26c

d Additional depreciation after 1969 and before 1976

26d

e Enter the smaller of line 26c or 26d

26e

f Section 291 amount (corporations only)

26f

g Add lines 26b, 26e, and 26f

26g

27 If section 1252 property: Skip this section if you did not
dispose of farmland or if this form is being completed for
a partnership (other than an electing large partnership).

a Soil, water, and land clearing expenses

27a

b Line 27a multiplied by applicable percentage

27b

c Enter the smaller of line 24 or 27b

27c

28 If section 1254 property:

a Intangible drilling and development costs, expenditures
for development of mines and other natural deposits,
and mining exploration costs

28a

b Enter the smaller of line 24 or 28a

28b

29 If section 1255 property:

a Applicable percentage of payments excluded from
income under section 126

29a

b Enter the smaller of line 24 or 29a

29b

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

27,801.

31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13

31

27,801.

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

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	

ALTERNATIVE MINIMUM TAX

Form **4797**Department of the Treasury
Internal Revenue Service (99)**Sales of Business Property**(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return.

OMB No. 1545-0184

2008Attachment
Sequence No. **27**

Name(s) shown on return

Identifying number

CORINTH HARDWARE INCORPORATED**01-0527340**

- 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**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date used (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

- 3 Gain, if any, from Form 4684, line 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

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**Part II Ordinary Gains and Losses**

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

- 11 Loss, if any, from line 7

11 ()

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

12

- 13 Gain, if any, from line 31

13 24,071.

- 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 24,071.

- 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

JWA For Paperwork Reduction Act Notice, see separate instructions.

Form **4797** (2008)

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

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 95 DODGE 1 TON TRUCK	102000	063008
B EQUIPMENT-GREAT AMERICAN LEASING	103106	123108
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.)	20	1,500.	38,066.		
21 Cost or other basis plus expense of sale	21	11,533.	55,639.		
22 Depreciation (or depletion) allowed or allowable	22	11,533.	40,144.		
23 Adjusted basis. Subtract line 22 from line 21	23	0.	15,495.		
24 Total gain. Subtract line 23 from line 20	24	1,500.	22,571.		
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a	11,533.	40,144.		
b Enter the smaller of line 24 or 25a	25b	1,500.	22,571.		
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975	26a				
b Applicable percentage multiplied by the smaller of line 24 or line 26a	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the smaller of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage	27b				
c Enter the smaller of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs	28a				
b Enter the smaller of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126	29a				
b Enter the smaller of line 24 or 29a	29b				

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	24,071.
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	24,071.
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	

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	

FORM 1120S	OTHER INCOME	STATEMENT 1
------------	--------------	-------------

DESCRIPTION	AMOUNT
MISCELLANEOUS	381.
TOTAL TO FORM 1120S, PAGE 1, LINE 5	381.

FORM 1120S	COMPENSATION OF OFFICERS	STATEMENT 2
------------	--------------------------	-------------

NAME OF OFFICER	SOCIAL SECURITY NUMBER	TIME DEVOTED TO BUSINESS	PCT OF STOCK	AMOUNT OF COMPENSATION
DONALD A. STROUT, JR	-5319	98	%	37,175.
TIMOTHY S. CHESLEY	-1335	98	%	33,650.
TOTAL COMPENSATION OF OFFICERS				70,825.
LESS: COMPENSATION CLAIMED ELSEWHERE EMPLOYMENT CREDIT REDUCTION				
TOTAL TO FORM 1120S, PAGE 1, LINE 7				70,825.

FORM 1120S	TAXES AND LICENSES	STATEMENT 3
------------	--------------------	-------------

DESCRIPTION	AMOUNT
PAYROLL TAXES	45,672.
PROPERTY TAX	61.
LICENSES & PERMITS	70.
TOTAL TO FORM 1120S, PAGE 1, LINE 12	45,803.

FORM 1120S	OTHER DEDUCTIONS	STATEMENT 4
------------	------------------	-------------

DESCRIPTION	AMOUNT
VEHICLE EXP	11,766.
UTILITIES	11,158.
INSURANCE	20,183.
PROFESSIONAL FEES	8,419.
OFFICE SUPPLIES EXPENSE	7,112.
PAYROLL PROCESSING FEES	5,823.
CREDIT CARD PROCESSING	4,304.

TELEPHONE	7,579.
TRAVEL	438.
BANK CHARGES & OTHER FEES	15,230.
DUES & SUBSCRIPTIONS	689.
MISCELLANEOUS	1,101.
LEASE EXPENSE	
TRASH REMOVAL	1,883.
POSTAGE & DELIVERY	6,081.
COMPUTER HDWE/SOFTWARE SUPPORT	4,795.
UNIFORMS	
TRAINING	
CAT MAINTENANCE	
EQUIPMENT RENT	
INTERNET LINE CHARGES	
MEALS AND ENTERTAINMENT	66.
AMORTIZATION EXPENSE	5,333.
TOTAL TO FORM 1120S, PAGE 1, LINE 19	111,960.

SCHEDULE K	DIVIDEND INCOME	STATEMENT	5
------------	-----------------	-----------	---

DESCRIPTION	ORDINARY	QUALIFIED
TRUE SERV CORPORATION	7,555.	
TOTALS TO SCHEDULE K, LINES 5A AND 5B	7,555.	

SCHEDULE K	CHARITABLE CONTRIBUTIONS	STATEMENT	6
------------	--------------------------	-----------	---

DESCRIPTION	NO LIMIT	50% / 100% LIMIT	30% LIMIT	20% LIMIT
MISCELLANEOUS		981.		
TOTALS TO SCHEDULE K, LINE 12A		981.		

SCHEDULE K	ADJUSTED GAIN OR LOSS	STATEMENT	7
------------	-----------------------	-----------	---

DESCRIPTION	TOTAL AMOUNT	25%/28% RATE AMOUNT
-------------	-----------------	------------------------

ADJUSTED GAIN OR LOSS ALLOCABLE TO:

ORDINARY GAIN OR LOSS	<3,730.>
SECTION 1231 GAIN OR LOSS	
SHORT-TERM CAPITAL GAIN OR LOSS	
LONG-TERM CAPITAL GAIN OR LOSS	
UNRECAPTURED SECTION 1250 GAIN - 25% RATE AMOUNT	

SCHEDULE K	NONDEDUCTIBLE EXPENSES	STATEMENT	8
------------	------------------------	-----------	---

DESCRIPTION	AMOUNT
-------------	--------

OFFICER HEALTH INSURANCE	
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	65.
TOTAL TO SCHEDULE K, LINE 16C	65.

SCHEDULE M-2	ACCUMULATED ADJUSTMENTS ACCOUNT - OTHER ADDITIONS	STATEMENT	9
--------------	---	-----------	---

DESCRIPTION	AMOUNT
-------------	--------

PORTFOLIO DIVIDEND INCOME	7,555.
TOTAL TO SCHEDULE M-2, LINE 3 - COLUMN (A)	7,555.

SCHEDULE M-2	ACCUMULATED ADJUSTMENTS ACCOUNT- OTHER REDUCTIONS	STATEMENT	10
--------------	---	-----------	----

DESCRIPTION	AMOUNT
-------------	--------

CHARITABLE CONTRIBUTIONS	981.
NONDEDUCTIBLE EXPENSES	65.
TOTAL TO SCHEDULE M-2, LINE 5 - COLUMN (A)	1,046.

SCHEDULE L	OTHER CURRENT ASSETS	STATEMENT 11
------------	----------------------	--------------

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
CUSTOMER-LAYAWAY	3,543.	3,543.
NOTE REC-BEAN BOYS LLC	88,538.	88,538.
PREPAID INTEREST	0.	9,566.
TOTAL TO SCHEDULE L, LINE 6	92,081.	101,647.

SCHEDULE L	OTHER INVESTMENTS	STATEMENT 12
------------	-------------------	--------------

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
STOCK TRUE VALUE	59,730.	0.
TOTAL TO SCHEDULE L, LINE 9	59,730.	0.

SCHEDULE L	OTHER CURRENT LIABILITIES	STATEMENT 13
------------	---------------------------	--------------

DESCRIPTION	BEGINNING OF TAX YEAR	END OF TAX YEAR
SALES TAX PAYABLE	4,247.	1,873.
CREDIT CARDS PAYABLE	81,663.	84,131.
TOTAL TO SCHEDULE L, LINE 18	85,910.	86,004.

SCHEDULE L	ANALYSIS OF TOTAL RETAINED EARNINGS PER BOOKS	STATEMENT 14
------------	---	--------------

DESCRIPTION	AMOUNT
BALANCE AT BEGINNING OF YEAR	92,824.
NET INCOME PER BOOKS	<477,213.>
DISTRIBUTIONS	0.
OTHER INCREASES (DECREASES)	
BALANCE AT END OF YEAR - SCHEDULE L, LINE 24, COLUMN (D)	<384,389.>

Schedule K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____
ending _____

2008

Final K-1

☐ Amended K-1

OMB No. 1545-0130

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See separate instructions.

Part I **Information About the Corporation**

A Corporation's employer identification number
01-0527340

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

CORINTH HARDWARE INCORPORATED
534 MAIN STREET
CORINTH, ME 04427

C IRS Center where corporation filed return
CINCINNATI, OH

Part II — Information About the Shareholder

D Shareholder's identifying number
[REDACTED]-1335

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

TIMOTHY CHESLEY
697 MAIN STREET
CORINTH, ME 04427

F Shareholder's percentage of stock ownership for tax year 50.000000%

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

1	Ordinary business income (loss) <241,861.>	13	Credits
2	Net rental real estate inc (loss)		
3	Other net rental income (loss)		
4	Interest income		
5a	Ordinary dividends 3,778.		
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 sec 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative min tax (AMT) items 1,271.
		A	
		B	<1,865.>
11	Section 179 deduction	16	Items affecting shareholder basis 33.
12	Other deductions 491.	C*	
A			
		17	Other information 3,778.
		A	

*See attached statement for additional information.

811271
12-31-08

JWA For Paperwork Reduction Act Notice, see Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 2008

15

SHAREHOLDER NUMBER 1

17290309 810681 CORI7340

2008.02060 CORINTH HARDWARE INCORPORAT CORI7341

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 16, CODE C

DESCRIPTION	AMOUNT	SHAREHOLDER FILING INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES		33. SEE FORM 1040 INSTRUCTIONS
TOTAL	33.	

CLIENT COPY

Shareholder Basis Worksheet

Shareholder Number: 1	Year Ended: DECEMBER 31, 2008
Shareholder Name:	S Corporation Name:
TIMOTHY CHESLEY	CORINTH HARDWARE INCORPORATED
Shareholder ID Number: 1335	S Corporation ID Number:
Ownership Percentage: 50.000000 %	01-0527340

Stock Basis

1. a. Stock basis, beginning of year (Not less than zero)	44,501.	
b. Additional capital contributions	5,000.	49,501.
2. Increases:		
a. Ordinary income from trade or business		
b. Net income from rental real estate activities		
c. Net income from other rental activities		
d. Net short-term capital gains		
e. Net long-term capital gains		
f. Other portfolio income	3,778.	
g. Net gain under Section 1231		
h. Other income		
i. Tax exempt interest income		
j. Other tax-exempt income		
k. Section 179 recapture		
l. Depletion (other than oil and gas) in excess of basis		
m. Other increases:		
3. Total increases (Add lines 2(a) through 2(m))		3,778.
4. Total increases to stock basis (Add lines 1 and 3)		53,279.
5. Less: Distributions		
6. Subtract line 5 from line 4 (Not less than zero)		53,279.
7. Decreases:		
a. Ordinary losses from trade or business	241,861.	
b. Net losses from rental real estate activities		
c. Net losses from other rental activities		
d. Net short-term capital losses		
e. Net long-term capital losses		
f. Other portfolio losses		
g. Net losses under Section 1231		
h. Other deductions		
i. Charitable contributions	491.	
j. Section 179 expense deduction		
k. Deductions related to portfolio income (losses)		
l. Interest expense on investment debts		
m. Foreign taxes paid or accrued		
n. Section 59(e) expenditures		
o. Nondeductible expenses	33.	
p. Oil and gas depletion		
q. Other decreases:		
r. Disallowed prior year's losses and deductions		242,385.
8. Total decreases (Add lines 7(a) through 7(r))		242,385.
9. Net increases or decreases to basis (Subtract line 8 from line 6)		<189,106.
10. Less: Net increases applied to debt basis		
11. Stock basis, end of year (Subtract line 10 from line 9) (Not less than zero)		0.

Shareholder Basis Worksheet, Continued

Shareholder Number: 1	Year Ended: DECEMBER 31, 2008
Shareholder Name: TIMOTHY CHESLEY	Shareholder ID Number: 1335

Debt Basis

12. Debt basis, beginning of year (Not less than zero)		32,226.
13. Loans made during the year		
14. Restoration of debt basis (from line 10)		
15. Subtotal (Add lines 13 and 14)		
16. Less: Loan repayments		17,700.
17. Gain from loan repayments		
18. Other adjustments:		
19. Subtotal (Combine lines 12, 15, 16, 17 and 18)		14,526.
20. Applied against excess loss and deductions		14,526.
21. Debt basis, end of year (Not less than zero)		0.
22. Total shareholder stock and debt basis, end of year (Add lines 11 and 21) (Not less than zero)		0.

Gain on Distributions

23. Distributions	
24. Less: Basis before distributions	
25. Enter excess of line 23 over line 24 (capital gain)	

Carryover

	Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
26. Beginning of year		
27. Add: Losses and deductions this year	242,385.	14,526.
28. Less: Applied this year	67,805.	
29. End of year (Not less than zero)	174,580.	14,526.

PRINCIPAL AMOUNT OF DEBT OWED TO SHAREHOLDER, ADJUSTED FOR LOANS MADE OR PAID DURING THE YEAR	7,517.
--	--------

Allocation of Losses and Deductions

Shareholder Number: 1

Shareholder Name: TIMOTHY CHESLEY

Year Ended:

DECEMBER 31, 2008

Shareholder ID Number: [REDACTED]-1335

	(a) Beginning of Year and Current Year Losses and Deductions	(b) %	(c) Allowable Losses and Deductions in Current Year	(d) Disallowed Losses and Deductions (Carryover to Next Year)
Ordinary losses from trade or business	241,861.	99.797402	67,635.	174,226.
Net losses from rental real estate activities				
Net losses from other rental activities				
Net short-term capital losses				
Net long-term capital losses				
Other portfolio losses				
Net losses under Section 1231				
Other deductions				
Charitable contributions	491.	.202598	137.	354.
Section 179 expense deduction				
Deductions related to portfolio income (losses)				
Interest expense on investment debts				
Foreign taxes paid or accrued				
Section 59(e) expenditures				
Other decreases				
Total deductible losses and deductions	242,352.	100.000000	67,772.	174,580.
Nondeductible expenses	33.	100.000000	33.	
Oil and gas depletion				
Total nondeductible expenses and oil and gas depletion	33.	100.000000	33.	
Totals	242,385.		67,805.	174,580.

	Analysis of Shareholder's Loan Accounts	
--	--	--

Year Ended:

DECEMBER 31, 2008

Shareholder Number:	1	Year Ended:	DECEMBER 31, 2008
Shareholder Name:	TIMOTHY CHESLEY	Shareholder ID Number:	██████████-1335

A Loan Number	B Original Loan Balance	C Amount to Restore Debt Basis, Beginning of Year	D Debt Basis Beginning of Year	E Loans Made During Year	F Restored Debt Basis of Prior Year Amounts Not to Exceed Column C
1	25,217.	0.	32,226.		
2					
3					
4					
5					
6					
7					
8					
9					
10					
Totals	25,217.		32,226.		

	G Basis after Restoration Add: Columns D through F	H Amount of Debt Basis Applied Against Excess Losses and Deductions	I Subtotal Column G Minus Column H	J Less: Loan Repayments	K Gain from Loan Repayment
1	32,226.	14,526.	17,700.	17,700.	
2					
3					
4					
5					
6					
7					
8					
9					
10					
	32,226.	14,526.	17,700.	17,700.	

End of Year Balances		
L Loan Balance Combine Columns B, E and J	M Amount to Restore Debt Basis (Column L Minus Column N)	N Debt Basis Combine Columns I through K
1 7,517.	7,517.	
2		
3		
4		
5		
6		
7		
8		
9		
10 7,517.	7,517.	

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____
ending _____

2008

☐ Final K-1

☐ Amended K-1

OMB No. 1545-0130

Shareholder's Share of Income, Deductions, Credits, etc. ▶ See separate instructions.

Part I Information About the Corporation

A Corporation's employer identification number
01-0527340

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

CORINTH HARDWARE INCORPORATED
534 MAIN STREET
CORINTH, ME 04427

C IRS Center where corporation filed return
CINCINNATI, OH

Part II Information About the Shareholder

D Shareholder's identifying number
[REDACTED] 5319

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

DONALD STROUT JR.
420 MAIN STREET
CORINTH, ME 04427

F Shareholder's percentage of stock ownership for tax year 50.000000%

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

[illegible]

* See attached statement for additional information.

SCHEDULE K-1

NONDEDUCTIBLE EXPENSES, BOX 16, CODE C

DESCRIPTION	AMOUNT	SHAREHOLDER FILING INSTRUCTIONS
EXCLUDED MEALS AND ENTERTAINMENT EXPENSES	32.	SEE FORM 1040 INSTRUCTIONS
TOTAL	32.	

CLIENT COPY

Shareholder Basis Worksheet

Shareholder Number: 2	Year Ended: DECEMBER 31, 2008
Shareholder Name: DONALD STROUT JR.	S Corporation Name: CORINTH HARDWARE INCORPORATED
Shareholder ID Number: [REDACTED] - 5319	S Corporation ID Number: 01-0527340
Ownership Percentage: 50.000000 %	

Stock Basis

1. a. Stock basis, beginning of year (Not less than zero)	44,508.	
b. Additional capital contributions	5,000.	49,508.
2. Increases:		
a. Ordinary income from trade or business		
b. Net income from rental real estate activities		
c. Net income from other rental activities		
d. Net short-term capital gains		
e. Net long-term capital gains		
f. Other portfolio income	3,777.	
g. Net gain under Section 1231		
h. Other income		
i. Tax exempt interest income		
j. Other tax-exempt income		
k. Section 179 recapture		
l. Depletion (other than oil and gas) in excess of basis		
m. Other increases:		
3. Total increases (Add lines 2(a) through 2(m))	3,777.	
4. Total increases to stock basis (Add lines 1 and 3)		53,285.
5. Less: Distributions		
6. Subtract line 5 from line 4 (Not less than zero)		53,285.
7. Decreases:		
a. Ordinary losses from trade or business	241,861.	
b. Net losses from rental real estate activities		
c. Net losses from other rental activities		
d. Net short-term capital losses		
e. Net long-term capital losses		
f. Other portfolio losses		
g. Net losses under Section 1231		
h. Other deductions		
i. Charitable contributions	490.	
j. Section 179 expense deduction		
k. Deductions related to portfolio income (losses)		
l. Interest expense on investment debts		
m. Foreign taxes paid or accrued		
n. Section 59(e) expenditures		
o. Nondeductible expenses	32.	
p. Oil and gas depletion		
q. Other decreases:		
r. Disallowed prior year's losses and deductions		
8. Total decreases (Add lines 7(a) through 7(r))	242,383.	
9. Net increases or decreases to basis (Subtract line 8 from line 6)		<189,098.
10. Less: Net increases applied to debt basis		
11. Stock basis, end of year (Subtract line 10 from line 9) (Not less than zero)		0.

Shareholder Basis Worksheet, Continued

Shareholder Number: 2

Shareholder Name:

DONALD STROUT JR.

Year Ended:

DECEMBER 31, 2008

Shareholder ID Number: 5319

Debt Basis

12. Debt basis, beginning of year (Not less than zero)	13,086.
13. Loans made during the year	
14. Restoration of debt basis (from line 10)	
15. Subtotal (Add lines 13 and 14)	
16. Less: Loan repayments	13,086.
17. Gain from loan repayments	
18. Other adjustments:	
19. Subtotal (Combine lines 12, 15, 16, 17 and 18)	
20. Applied against excess loss and deductions	
21. Debt basis, end of year (Not less than zero)	0.
22. Total shareholder stock and debt basis, end of year (Add lines 11 and 21) (Not less than zero)	0.

Gain on Distributions

23. Distributions	
24. Less: Basis before distributions	
25. Enter excess of line 23 over line 24 (capital gain)	

Carryover

26. Beginning of year		
27. Add: Losses and deductions this year	242,383.	
28. Less: Applied this year	53,285.	
29. End of year (Not less than zero)	189,098.	

Total Disallowed Losses	Debt Basis Applied Against Excess Losses and Deductions
242,383.	
53,285.	
189,098.	

Allocation of Losses and Deductions

Shareholder Number: 2

Shareholder Name:

DONALD STROUT JR.

Year Ended:

DECEMBER 31, 2008

Shareholder ID Number:

██████████-5319

	(a) Beginning of Year and Current Year Losses and Deductions	(b) %	(c) Allowable Losses and Deductions in Current Year	(d) Disallowed Losses and Deductions (Carryover to Next Year)
Ordinary losses from trade or business	241,861.	99.797814	53,145.	188,716.
Net losses from rental real estate activities				
Net losses from other rental activities				
Net short-term capital losses				
Net long-term capital losses				
Other portfolio losses				
Net losses under Section 1231				
Other deductions				
Charitable contributions	490.	.202186	108.	382.
Section 179 expense deduction				
Deductions related to portfolio income (losses)				
Interest expense on investment debts				
Foreign taxes paid or accrued				
Section 59(e) expenditures				
Other decreases				
Total deductible losses and deductions	242,351.	100.000000	53,253.	189,098.
Nondeductible expenses	32.	100.000000	32.	
Oil and gas depletion				
Total nondeductible expenses and oil and gas depletion	32.	100.000000	32.	
Totals	242,383.		53,285.	189,098.

Analysis of Shareholder's Loan Accounts

Shareholder Number: 2

Year Ended:

Shareholder Name:

DONALD STROUT JR.

DECEMBER 31, 2008

Shareholder ID Number:

5319

A Loan Number	B Original Loan Balance	C Amount to Restore Debt Basis, Beginning of Year	D Debt Basis Beginning of Year	E Loans Made During Year	F Restored Debt Basis of Prior Year Amounts Not to Exceed Column C
1	2	6,080.	0.	13,086.	
2					
3					
4					
5					
6					
7					
8					
9					
10					
Totals	6,080.		13,086.		

G Basis after Restoration Add: Columns D through F	H Amount of Debt Basis Applied Against Excess Losses and Deductions	I Subtotal Column G Minus Column H	J Less: Loan Repayments	K Gain from Loan Repayment
1	13,086.	13,086.	13,086.	
2				
3				
4				
5				
6				
7				
8				
9				
10				
	13,086.	13,086.	13,086.	

End of Year Balances		
L Loan Balance Combine Columns B, E and J	M Amount to Restore Debt Basis (Column L Minus Column N)	N Debt Basis Combine Columns I through K
1	<7,006.>	
2		
3		
4		
5		
6		
7		
8		
9		
10		
	<7,006.>	