

**United States Bankruptcy Court
Eastern District of Michigan-Southern Division-Flint**

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): A&S Supply Co., 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) 38-1537441	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): 1416 Poplar St. Flint, MI	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP Code 48503	ZIP Code
County of Residence or of the Principal Place of Business: Genesee	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):
ZIP Code	ZIP Code

Location of Principal Assets of Business Debtor (if different from street address above):

<p align="center">Type of Debtor (Form of Organization) (Check one box)</p> <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.)	<p align="center">Nature of Business (Check one box)</p> <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	<p align="center">Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)</p> <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
		<p align="center">Nature of Debts (Check one box)</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." <input checked="" type="checkbox"/> Debts are primarily business debts.

<p align="center">Filing Fee (Check one box)</p> <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.	<p align="center">Chapter 11 Debtors</p> 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 type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,343,300 (amount subject to adjustment on 4/01/13 and every three years thereafter). 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).
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Statistical/Administrative Information

Debtor estimates that funds will be available for distribution to unsecured creditors.
 Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.

Estimated Number of Creditors

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000

Estimated Assets

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

Estimated Liabilities

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$0 to \$50,000	\$50,001 to \$100,000	\$100,001 to \$500,000	\$500,001 to \$1 million	\$1,000,001 to \$10 million	\$10,000,001 to \$50 million	\$50,000,001 to \$100 million	\$100,000,001 to \$500 million	\$500,000,001 to \$1 billion	More than \$1 billion

THIS SPACE IS FOR COURT USE ONLY

Voluntary Petition <i>(This page must be completed and filed in every case)</i>	Name of Debtor(s): A&S Supply Co., Inc.
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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;">Exhibit A</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 checked="" type="checkbox"/> Exhibit A is attached and made a part of this petition.</p>	<p style="text-align: center;">Exhibit 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><input checked="" type="checkbox"/> _____ 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):
A&S Supply Co., 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*

X /s/ Rozanne M. Giunta
Signature of Attorney for Debtor(s)

Rozanne M. Giunta P29969
Printed Name of Attorney for Debtor(s)

LAMBERT, LESER, ISACKSON, COOK & GIUNTA, P.C
Firm Name

**916 Washington Ave
Suite 309
Bay City, MI 48708**

Address

Email: rgiunta@lambertleser.com

989-893-3518 Fax: 989-894-2232

Telephone Number

September 20, 2010

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

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/ Cheryl A. Gifford
Signature of Authorized Individual

Cheryl A. Gifford
Printed Name of Authorized Individual

President

Title of Authorized Individual

September 20, 2010

Date

United States Bankruptcy Court
Eastern District of Michigan-Southern Division-Flint

In re **A&S Supply Co., Inc.**

Debtor(s)

Case No.

Chapter

11

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; Fed. R. Bankr. P. 1007(m).

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
El Mustee & Sons 5431 W. 164th St. Brook Park, OH 44142	El Mustee & Sons 5431 W. 164th St. Brook Park, OH 44142	Trade Debt		3,342.88
Erico Inc. 3138 Payshere Circle Chicago, IL 60674	Erico Inc. 3138 Payshere Circle Chicago, IL 60674	Trade Debt		1,666.73
Fernco 300 S. Dayton Davison, MI 48423	Fernco 300 S. Dayton Davison, MI 48423	Trade Debt		2,780.00
Gerber Pumbing Fixtures 2500 Internationale Pkwy. Woodridge, IL 60517	Gerber Pumbing Fixtures 2500 Internationale Pkwy. Woodridge, IL 60517	Trade Debt		6,017.40
Honeywell Inc. 101 Columbia Rd. Morristown, NJ 07962	Honeywell Inc. 101 Columbia Rd. Morristown, NJ 07962	Trade Debt		2,215.00
IPS Corp. 455 W. Victoria St. Compton, CA 90220	IPS Corp. 455 W. Victoria St. Compton, CA 90220	Trade Debt		2,701.62
Jacuzzi Whirlpool P.O. Box 96061 Chicago, IL 60693	Jacuzzi Whirlpool P.O. Box 96061 Chicago, IL 60693	Trade Debt		6,981.00
Legend Valve & Fitting 51245 Filomena Dr. Shelby Twp., MI 48315	Legend Valve & Fitting 51245 Filomena Dr. Shelby Twp., MI 48315	Trade Debt		3,837.00
Lenox P.O. Box 504 East Longmeadow, MA 01028	Lenox P.O. Box 504 East Longmeadow, MA 01028	Trade Debt		4,759.00
Maxitrol Co. P.O. Box 2230 Southfield, MI 48037	Maxitrol Co. P.O. Box 2230 Southfield, MI 48037	Trade Debt		5,002.00
Pentair Water 293 Wright St. Delavan, WI 53115	Pentair Water 293 Wright St. Delavan, WI 53115	Trade Debt		9,142.19
Plumberry Specialty P.O. Box 1684 Palm Springs, CA 92263	Plumberry Specialty P.O. Box 1684 Palm Springs, CA 92263	Trade Debt		3,674.83

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
 (Continuation Sheet)

(1)	(2)	(3)	(4)	(5)
<i>Name of creditor and complete mailing address including zip code</i>	<i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	<i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	<i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	<i>Amount of claim [if secured, also state value of security]</i>
RL Deppmann Co. 20929 Bridge St. Southfield, MI 48033	RL Deppmann Co. 20929 Bridge St. Southfield, MI 48033	Trade Debt		40,201.57
Safety Tubs 1013 Avenue M Grand Prairie, TX 75050	Safety Tubs 1013 Avenue M Grand Prairie, TX 75050	Trade Debt		5,350.80
Symmons Industries 31 Brooks Dr. Braintree, MA 02184	Symmons Industries 31 Brooks Dr. Braintree, MA 02184	Trade Debt		3,813.90
The Distribution Point 3242 Moody Pkwy. Moody, AL 35004	The Distribution Point 3242 Moody Pkwy. Moody, AL 35004	Trade Debt		6,605.86
Tyco Thermal Controls 300 Constitution Dr. Menlo Park, CA 94025	Tyco Thermal Controls 300 Constitution Dr. Menlo Park, CA 94025	Trade Debt		3,057.61
Weil McLain 500 Blaine St. Michigan City, IN 46360	Weil McLain 500 Blaine St. Michigan City, IN 46360	Trade Debt		52,899.00
White Rodgers 8100 W. Florissant Ave. Saint Louis, MO 63136	White Rodgers 8100 W. Florissant Ave. Saint Louis, MO 63136	Trade Debt		2,069.04
Your Other Warehouse P.O. Box 973750 Dallas, TX 75397	Your Other Warehouse P.O. Box 973750 Dallas, TX 75397	Trade Debt		5,239.04

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

I, the President of the corporation 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 **September 20, 2010**

Signature **/s/ Cheryl A. Gifford**
Cheryl A. Gifford
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
 18 U.S.C. §§ 152 and 3571.

UNITED STATES BANKRUPTCY COURT
IN THE EASTERN DISTRICT OF MICHIGAN, NORTHERN DIVISION

IN RE:

A&S SUPPLY CO., INC.,
Debtor.

Case No. _____
Chapter 11 Proceeding
Hon. Daniel S. Opperman

AFFIDAVIT OF CHERYL A. GIFFORD UNDER PENALTY OF PERJURY

STATE OF MICHIGAN }
 } ss.
COUNTY OF BAY }


NOW COMES Cheryl A. Gifford, President of A&S Supply Co., Inc., and in this Affidavit pursuant to 11 U.S.C. §1116, states as follows:

1. That I am the President of A&S Supply Co., Inc.
2. That appended to the Voluntary Petition is the Debtor's 2009 tax returns and the December 2009 Balance Sheets.
3. A current cash flow statement is currently being compiled and will be filed at a later date.



CHERYL A. GIFFORD

Subscribed and sworn to before me, a Notary Public, in and for said County, this 20th day of September, 2010.



Annette C. Rex, Notary Public
Bay County, Michigan, Acting in
Bay County, Michigan
My commission expires: 08/30/2011

A & S Supply Co., Inc.
Balance Sheets

	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
ASSETS		
CURRENT		
Cash	\$ 24,582	\$ 29,647
Accounts receivable - trade	731,821	620,471
Less: allowance for doubtful accounts	(28,606)	-
Accounts receivable - stockholder	-	7,400
Inventory	1,303,879	1,429,485
Loan receivable - employee	8,346	-
Note receivable - related party	-	2,269
Rent receivable	5,150	-
Prepaid Michigan business tax	-	3,941
Current maturities of notes receivable	-	93,862
Total current assets	<u>2,045,172</u>	<u>2,187,075</u>
PROPERTY AND EQUIPMENT		
Buildings and capital improvements	62,256	51,346
Computer equipment and software	71,075	71,075
Office equipment	13,512	13,512
Vehicles and equipment	142,778	142,778
Warehouse equipment	10,797	10,797
	<u>300,418</u>	<u>289,508</u>
Less: accumulated depreciation	<u>(250,867)</u>	<u>(241,644)</u>
Total property and equipment	<u>49,551</u>	<u>47,864</u>
INTANGIBLE		
Trademarks	17,000	17,000
Covenant not to compete	12,000	12,000
	<u>29,000</u>	<u>29,000</u>
Less: accumulated amortization	<u>(12,000)</u>	<u>(12,000)</u>
Total intangible assets	<u>17,000</u>	<u>17,000</u>
OTHER		
Investment securities	7,542	5,908
Notes receivable - customers	154,764	133,864
Less: current maturities of notes receivable	-	(93,862)
Prepaid expenses	12,313	12,313
Cash surrender value of life insurance - net of loans of \$82,522 in 2009 and \$74,000 in 2008	34,641	33,068
Total other assets	<u>209,260</u>	<u>91,291</u>
Total assets	<u>\$ 2,320,983</u>	<u>\$ 2,343,230</u>

See accountants' compilation report and notes to financial statements.

A & S Supply Co., Inc.
Balance Sheets

	<u>Dec. 31, 2009</u>	<u>Dec. 31, 2008</u>
LIABILITIES AND STOCKHOLDER'S EQUITY		
CURRENT LIABILITIES		
Line of credit	\$ 816,000	\$ 1,156,000
Note payable - bank	324,146	-
Accounts payable - trade	468,397	408,756
Accounts payable - related party	-	2,700
Accounts payable - other	6,938	1,900
Wages payable	2,919	6,686
Payroll taxes payable	6,955	3,492
Sales tax payable	7,071	7,147
Accrued expenses	5,251	26,960
Interest payable - related party	-	-
Current maturities of long-term debt	-	3,437
Current maturities - related party	-	86,679
	<u>1,637,677</u>	<u>1,703,757</u>
Total current liabilities		
LONG-TERM DEBT		
Notes payable	-	3,437
Notes payable - related party	75,010	130,035
Less: current maturities of long-term debt	-	(3,437)
Less: current maturities - related party	-	(86,679)
	<u>75,010</u>	<u>43,356</u>
Total long-term debt		
Total liabilities	<u>1,712,687</u>	<u>1,747,113</u>
STOCKHOLDER'S EQUITY		
Common stock - \$10 par value		
Authorized - 10,000 shares		
Issued and outstanding -		
2,371 shares	23,710	23,710
Additional paid in capital	673,893	673,893
Retained earnings (deficit)	(89,307)	(101,486)
	<u>608,296</u>	<u>596,117</u>
Total stockholder's equity		
Total liabilities and stockholder's equity	<u>\$ 2,320,983</u>	<u>\$ 2,343,230</u>

See accountants' compilation report and notes to financial statements.

A & S Supply Co., Inc.
Statements of Operations

	<u>Year Ended</u> <u>Dec. 31, 2009</u>	<u>%</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>	<u>%</u>
NET SALES	\$ 2,205,025	100.0	\$ 3,124,317	100.0
COST OF SALES	<u>1,257,520</u>	<u>57.0</u>	<u>2,036,719</u>	<u>65.2</u>
Gross profit	947,505	43.0	1,087,598	34.8
OPERATING EXPENSES	<u>901,951</u>	<u>40.9</u>	<u>1,435,890</u>	<u>46.0</u>
Operating income (loss)	<u>45,554</u>	<u>2.1</u>	<u>(348,292)</u>	<u>(11.1)</u>
OTHER INCOME (EXPENSE)				
Interest income	31,925	1.4	16,126	0.5
Rental income	2,350	0.1	-	-
Dividend income	146	-	163	-
Interest expense	(69,284)	(3.1)	(149,503)	(4.8)
Gain (loss) on asset disposal	<u>-</u>	<u>-</u>	<u>200</u>	<u>-</u>
Total other income (expense)	<u>(34,863)</u>	<u>(1.6)</u>	<u>(133,014)</u>	<u>(4.3)</u>
Net income (loss)	<u>\$ 10,691</u>	<u>0.5</u>	<u>\$ (481,306)</u>	<u>(15.4)</u>

See accountants' compilation report and notes to financial statements.

A & S Supply Co., Inc.
 Statements of Retained Earnings (Deficit)

	<u>Year Ended</u> <u>Dec. 31, 2009</u>	<u>Year Ended</u> <u>Dec. 31, 2008</u>
BALANCE - beginning	\$ (101,486)	\$ 383,460
Comprehensive income (loss):		
Net income (loss)	10,691	(481,306)
Unrealized gain (loss) on investment securities	<u>1,488</u>	<u>(3,640)</u>
BALANCE - ending	<u>\$ (89,307)</u>	<u>\$ (101,486)</u>

See accountants' compilation report and notes to financial statements.

A & S Supply Co., Inc.
Statements of Cash Flows

	<u>Year ended</u> <u>Dec. 31, 2009</u>	<u>Year ended</u> <u>Dec. 31, 2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 10,691	\$ (481,306)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	9,224	13,313
Gain on disposal of property and equipment	-	(200)
Bad debt expense	32,446	81,147
Change in cash surrender value of life insurance	(1,573)	2,138
Changes in operating assets and liabilities:		
Decrease (increase):		
Accounts, loan and notes receivable	(134,768)	327,403
Inventory	125,606	348,815
Rent receivable	(5,150)	-
Prepaid expenses	3,941	(3,941)
Increase (decrease):		
Accounts payable	55,041	(423,465)
Accrued and other liabilities	(15,151)	(14,897)
	<u>80,307</u>	<u>(150,993)</u>
Net cash provided (used) by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Short-term investments	-	12,147
Proceeds from disposition of property and equipment	-	200
Purchase of new property and equipment	(10,910)	-
Purchase of investments	(146)	(163)
	<u>(11,056)</u>	<u>12,184</u>
Net cash provided (used) by investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from related party payable	-	55,025
Payments on related party payable	(55,025)	(8,330)
Payments on note payable	(3,437)	(113,417)
Net payments on line of credit and note payable - bank	(15,854)	(34,000)
Proceeds from issuance of stock	-	189,803
	<u>(74,316)</u>	<u>89,081</u>
Net cash provided (used) by financing activities		
Net decrease in cash	(5,065)	(49,728)
CASH - beginning	<u>29,647</u>	<u>79,375</u>
CASH - ending	<u>\$ 24,582</u>	<u>\$ 29,647</u>

See accountants' report and notes to financial statements.

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #1: NATURE OF THE BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Business

A & S Supply Co., Inc. (the "Company") is primarily a wholesaler of plumbing and heating supplies. The Company services master licensed plumbers throughout Michigan. The Company also has a second line of business, closet organizer systems (Closets 123). Closet organizer sales represent approximately 1 percent of the Company's total sales for 2009 and 2008.

Cash Equivalents

The Company considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investment securities are presented at market value and consist of mutual funds.

Trade Accounts Receivable

Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made.

The amount of trade accounts receivable outstanding for over 90 days as of December 31, 2009 is \$240,810.

Inventory

Inventory is stated at the lower of cost or market, with cost determined on the first-in, first-out (FIFO) method and consists of merchandise held for resale.

Property and Equipment

Property and equipment are recorded at cost. Both straight-line and accelerated methods are used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Shipping and Handling Costs

Shipping and handling costs are recorded as costs of sales as they are incurred.

Advertising Expenses

Advertising expenses are charged to income during the year in which they are incurred. Advertising expense for 2009 and 2008 was \$6,383 and \$63,973, respectively.

See accountants' compilation report.

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Income Taxes

Pursuant to provisions of the Internal Revenue Code, the Company has elected to be taxed as an S Corporation. Generally, the income of an S Corporation is not subject to federal income tax at the corporate level, but rather the stockholders are required to include a pro rata share of the corporation's taxable income or loss in their personal income tax returns, irrespective of whether dividends have been paid. Accordingly, no provision for federal income taxes has been made in the accompanying financial statements. The Company is, however, subject to Michigan business tax and subject to city corporate income taxes.

In June 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes*, which prescribed a comprehensive model for how a company should measure, recognize, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. The Company adopted FIN 48 as of January 1, 2009 and, thereafter, recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The income tax filings are subject to audit by various taxing authorities. The Company's open audit periods are 2006 - 2009. The tax benefits recognized in the financial statements from such positions are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There was no impact to the Company's financial statements as a result of the implementation of FIN 48.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Other Comprehensive Income (Loss)

Accounting principles generally require that recognized revenue, expenses, gains, and losses be included in net income (loss). Certain changes in assets and liabilities, however, such as unrealized gains and losses on available-for-sale securities, are reported as a direct adjustment to the equity section of the balance sheet. Such items, along with net income (loss), are considered components of other comprehensive income (loss).

See accountants' compilation report.

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #1: NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Accumulated other comprehensive income (loss) at December 31, 2009 and 2008 is comprised solely of unrealized gain (losses) on available-for-sale securities of \$(448) and \$(1,936), respectively.

NOTE #2: INVESTMENT IN EQUITY SECURITIES

The details of the Company's investments in equity securities are as follows at December 31:

	<u>2009</u>	<u>2008</u>
Mutual funds - brokerage - At cost	\$ 7,990	\$ 7,844
Gross unrealized (loss) gain	<u>(448)</u>	<u>(1,936)</u>
Mutual funds - At fair value	<u>\$ 7,542</u>	<u>\$ 5,908</u>

The following is a summary of investment earnings recognized in income during the years ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Dividend income	<u>\$ 146</u>	<u>\$ 163</u>

Realized gains and losses are determined on the average cost basis.

As of January 1, 2008, the Company adopted Statement of Financial Accounting Standards No. 157 (SFAS 157), *Fair Value Measurements*. SFAS 157 clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures for fair value measurements. The implementation of the provisions of SFAS 157 for financial assets and liabilities as of January 1, 2008 did not have a material impact on the Company's financial statements.

The Company measures the mutual funds at fair value on a recurring basis. The fair value of the mutual funds is based primarily on Level 1 inputs. Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

See accountants' compilation report.

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #3: NOTES RECEIVABLE

Notes receivable at December 31 consist of the following:

	<u>2009</u>	<u>2008</u>
Customer note receivable, unsecured, bears interest at 8 percent, principal and interest due August 2009. This note was deemed to be uncollectible on December 31, 2009	\$ -	\$ 3,840
Customer note receivable, unsecured, bears interest at 4 percent, principal and interest due December 2012	32,699	27,868
Customer note receivable, unsecured, bears interest at 6 percent, principal and interest due December 2012	<u>122,065</u>	<u>102,156</u>
	154,764	133,864
Less: current maturities	<u>-</u>	<u>(93,862)</u>
Total	<u>\$ 154,764</u>	<u>\$ 40,002</u>

NOTE #4: LINE OF CREDIT AND NOTE PAYABLE - BANK

The Company has an \$821,000 line-of-credit agreement with a bank. Borrowings under this agreement are payable on demand and are secured by trade accounts receivable, inventories, four vehicles, equipment, the assignment of five corporate life insurance policies, and by the personal guarantee of the sole shareholder of the Company. Interest is payable monthly at 1.5% over prime (an effective rate of 5.75% as of December 31, 2009). The agreement calls for a renewal date of April 30, 2010. As of June 16, 2010, the bank has not renewed the line of credit, nor has it made demand for payment.

The Company has a note payable to a bank. Borrowings under this agreement are secured by the same assets as the line of credit described above. Interest is payable monthly at a rate of 8.0% per annum. The note agreement calls for a renewal date of April 30, 2010. As of June 16, 2010, the bank has not renewed the note, nor has it made demand for payment.

See accountants' compilation report.

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #5: LONG-TERM DEBT

Long-term debt at December 31 is as follows:

	<u>2009</u>	<u>2008</u>
Noninterest-bearing note payable to a financing Company in monthly installments of \$634. The note is collateralized by a Company vehicle and is due in October 2009	\$ -	\$ 2,537
Noninterest-bearing note payable to a financing Company in monthly installments of \$700. The note is collateralized by a Company vehicle and is due in April 2009	-	900
	-	3,437
Less: current maturities	-	(3,437)
Total	\$ -	\$ -

NOTE #6: RELATED PARTY TRANSACTIONS

Following is a description of transactions between the Company and related parties:

Stockholder Receivable

At December 31, 2009 and 2008, the Company had accounts receivable from a stockholder of the Company in the amount of \$0 and \$7,400 respectively, for amounts paid by the Company on behalf of the stockholder.

Payable to Related Party

At December 31, 2009 and 2008, the Company had accounts payable to a party related through common ownership in the amount of \$0 and \$2,700, respectively, for amounts owed to the related party for rental activities.

See accountants' compilation report.

See accountants' compilation report.

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Related party interest expense was \$5,251 and \$2,847 for 2009 and 2008, respectively.

	Total
\$ 43,356	\$ 75,010
130,035	75,010
(86,679)	-
75,010	75,010
\$ 55,025	\$ -
2008	2009

Note payable to stockholder is interest only payments at 2.50 percent above the prime rate (an effective rate of 7.00 percent at December 31, 2009). The note is unsecured and is due in February 2012.

Note payable to a stockholder. The note is unsecured, noninterest bearing, and is due on demand.

At December 31, 2009 and 2008, the Company's related party debt consisted of the following:

Notes Payable

\$ 2,269	\$ -
2008	2009

Note receivable from a stockholder. The note is unsecured, noninterest bearing, and is due due March 31, 2009

At December 31, 2009 and 2008, the Company's related party note receivable consisted of the following:

Note Receivable

NOTE #6: RELATED PARTY TRANSACTIONS (CONTINUED)

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #6: RELATED PARTY TRANSACTIONS (CONTINUED)

Lease Commitment

The Company conducts its operations from premises leased from entities related through common ownership. The leases are each for one year and contain renewal options for one year in January of each subsequent year. The Company is required to pay the property taxes on the leased space. Annual rent expense was \$2,000 and \$9,736 for 2009 and 2008, respectively. The amounts paid to the related entities for property taxes on the leased space were \$18,285 and \$19,386 for 2009 and 2008, respectively. Effective January 1, 2009, the leases were renewed and rental payments were waived for 2009 and 2010; however, the Company is still required to pay property taxes on the leased spaces.

NOTE #7: RETIREMENT PLANS

The Company sponsors a 401(k) plan for substantially all employees who have attained the age of 18 and have completed six months of service. The participants can contribute up to the federal limit. The plan provides for the Company to make a discretionary matching contribution. The Company made no matching contributions to the plan for the years ended December 31, 2009 and 2008, respectively.

NOTE #8: SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

The Company paid cash for interest and income taxes during the years ended December 31, 2009 and 2008 as follows:

	<u>2009</u>	<u>2008</u>
Cash paid for interest	\$ 69,284	\$ 149,503
Cash paid for income taxes	-	4,000

NOTE #9: SUBSEQUENT EVENTS

Management has evaluated the possibility of subsequent events affecting the Company's financial statements through June 16, 2010. Management has determined that there are no such subsequent events that would require disclosure in the Company's financial statements through the above date, which is the date the financial statements were issued.

NOTE #10: UNCONSOLIDATED AFFILIATES

The Company is the primary beneficiary of two affiliated leasing entities that qualify as variable interest entities. Accordingly, the assets and liabilities and revenues and expenses of the affiliated leasing entities should be consolidated in these financial statements. Those amounts are not included in the accompanying financial statements, which is a departure from generally accepted accounting principles.

A & S Supply Co., Inc.
Notes to Financial Statements
December 31, 2009 and 2008

NOTE #10: UNCONSOLIDATED AFFILIATES (CONTINUED)

The entities were formed for the purpose of holding the buildings which are leased to the Company. The affiliated leasing entities generated substantially all of their revenues from the Company for the years ended December 31, 2009 and 2008. Creditors and beneficial holders of the affiliated leasing entities have no recourse to the assets or general credit of the Company.

The following is unaudited financial information of the affiliated leasing entities as of and for the years ended December 31:

	<u>2009</u>	<u>2008</u>
Current assets	\$ 252,931	\$ 282,023
Property	<u>458,966</u>	<u>456,683</u>
Total assets	711,897	738,706
Liabilities	<u>285,108</u>	<u>275,000</u>
Equity	<u>\$ 426,789</u>	<u>\$ 463,706</u>
Revenue	\$ 44,559	\$ 24,225
Expenses	<u>(81,477)</u>	<u>(42,927)</u>
Net income (loss)	<u>\$ (36,918)</u>	<u>\$ (18,702)</u>

If the entities had been consolidated as required by generally accepted accounting principles, current assets would have been increased by \$252,931 and \$279,323 in 2009 and 2008, respectively; property would have been increased by the amount in the table above, and liabilities would have increased by \$285,108 and \$272,300 in 2009 and 2008, respectively. Revenue, net of eliminations, would have been increased by \$23,859 and \$2,139 in 2009 and 2008, respectively; and expenses, net of eliminations, would have been increased by \$63,777 and \$20,841 in 2009 and 2008, respectively. Consolidated net income would have been decreased by \$39,918 and \$18,702 in 2009 and 2008, respectively. The equity of the entities would have been reported as noncontrolling interests.

A & S Supply Co., Inc.
Schedules of Operating Expenses

	Year Ended Dec. 31, 2009	%	Year Ended Dec. 31, 2008	%
Advertising	\$ 6,383	0.3	\$ 63,973	2.0
Automobile	26,184	1.2	65,826	2.1
Bad debt	32,446	1.5	81,147	2.6
Bad debt recoveries	(1,269)	(0.1)	(1,638)	(0.1)
Bank service charges	10,782	0.5	21,400	0.7
Computer	19,558	0.9	25,723	0.8
Depreciation	9,224	0.4	13,313	0.4
Dues and subscriptions	1,264	0.1	1,989	0.1
Education	565	-	418	-
Employee benefits	130,493	5.9	129,988	4.2
Insurance	19,223	0.9	31,274	1.0
Office	26,082	1.2	32,610	1.0
Penalties	-	-	1,454	-
Professional fees	17,578	0.8	49,970	1.6
Promotion	858	-	-	-
Rent	20,285	0.9	29,122	0.9
Repairs and maintenance	19,565	0.9	45,532	1.5
Salaries - officer	31,079	1.4	132,760	4.2
Salaries - other	445,519	20.2	593,259	19.0
Security	1,992	0.1	-	-
Taxes - Michigan business	(59)	-	-	-
Taxes - payroll	40,750	1.8	60,273	1.9
Taxes - other	-	-	759	-
Telephone	13,851	0.6	13,824	0.4
Trash removal	824	-	-	-
Travel	15	-	2,567	0.1
Utilities	28,759	1.3	40,348	1.3
Total	\$ 901,951	40.9	\$ 1,435,891	46.0

Certain 2008 amounts have been reclassified for comparative purposes.

See accountants' compilation report.

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A & S Supply Co.

JN DATE: 09/20/10
 JN TIME: 9:19 AM

Balance Sheet
 AS OF 06/30/10

ASSETS

101	CASH	212,048.13-
113	LIFE INSURANCE	37,341.50
120	ACCOUNTS RECEIVABLE-TRADE	289,519.92
122	ACCOUNTS RECEIVABLE-REBAT	50,318.50
123	ACCOUNTS RECEIVABLE-OTHER	143,818.51
12401	ACCTS REC-SHORT TERM LLG	8,346.00
12402	ACCTS REC - OFFICER CAG	12,288.53
12410	RENT RECEIVABLE	5,150.00
130	PREPAID EXPENSE	12,312.50
13150	NOTES RECEIVABLE - BALLAR	32,699.01
13160	NOTES RECEIVABLE - D.COOK	122,065.27
132	PREPAID INSURANCE	3,152.93
134	SALES LITERATURE	400.00
135	SALES PROMO - AWARDS	8,943.06
138	INVENTORY	1,110,691.87
14275	INV-SEC 263A CAP COSTS	83,230.00
14410	INVENT - WTY ALLOW / AMST	1,113.37-
14411	INVENT - WTY ALLOW / OLSO	441.70-
14412	INVENT - WTY ALLOW / MANS	1,920.67-
14413	INVENT - WTY ALLOW/GINZEL	204.77-
14420	ALLOW OBSOLET & DENIED VC	1,705.06-

	TOTAL CURRENT ASSETS	1,702,843.90

FIXED ASSETS		
172	AUTOMOTIVE EQUIPMENT	128,777.52
17275	ACCUM DEPRECIATION-AUTO	128,056.04-
173	TOOLS, EQUIP, DIES - CLST	14,000.00
17375	ACCUM DEPR - TOOLS EQUIP	14,000.00-
174	COMPUTER EQUIPMENT	71,074.79
17475	ACCUM DEPRECIAT-COMPUTER	71,074.79-
176	BUILDING & CAPITAL IMPR	41,996.00
17675	ACCUM DEPRECIAT-BLDG CAPT	11,579.70-
177	LEASEHOLD IMPROVEMENTS	20,260.00
17775	ACCUM DEPR-LEASEHOLD IMPR	4,694.16-
178	OFFICE EQUIPMENT	13,511.68
17875	ACCUM DEPRECIAT-OFFICE EQ	13,511.68-
179	WAREHOUSE EQUIPMENT	10,797.00
17975	ACCUM DEPR - WHSE EQUIP	9,834.64-
181	TRADEMARKS	17,000.00
182	NON COMPETE AGREEMENT	12,000.00
18275	ACCUM DEPR - NON COMPETE	12,000.00-

	TOTAL FIXED ASSETS	64,665.98

TOTAL ASSETS 1,767,509.88

A & S Supply Co.

Balance Sheet
AS OF 06/30/10

Liabilities and Equity

LIABILITIES & CAPITAL

CURRENT LIABILITIES

202	ACCOUNTS PAYABLE-TRADE	201,995.80	
20250	ACCOUNTS PAYABLE-ACCRUAL	72,155.53	
20260	ACCT PAY - V/C ACCRUAL	109,892.79-	
203	DEPOSIT LIABILITY RECEIVE	23,391.69	
20520	ACCTS PAY - RENT DEPOSIT	2,850.00	
20550	A/P & CREDIT MEMO REFUNDS	1,794.73	
206	NOTE PAYABLE-BANK	811,000.00	
20610	NOTE PAYABLE- CITIZENS	26,557.08	
21010	SOCIAL SECURITY PAYABLE	320.85	
21020	MEDICARE PAYABLE	75.03	
214	STATE W/H PAYABLE	1,879.02	
216	CITY W/H PAYABLE	288.00	
217	SALES TAX PAYABLE-NET	4,742.89	
221	P/R DEDUCTION PAYABLE	84.12	
224	CORP SBT/CITY INC TAX PAY	2,450.00-	
232	ACCRUED EXPENSE	24,783.81	
236	ACCRUED PAYROLL	5,821.68	
23802	ACCRUED FUTA	35.87	
23804	ACCRUED MESC	688.10	
	TOTAL CURRENT LIABILITIES		1,066,121.41

LONG TERM LIABILITIES

256	NOTES PAYABLE-CITIZENS LT	292,646.28	
25620	NOTE PAYABLE - CAG (LT)	75,010.00	
	TOTAL LONG TERM LIAB		367,656.28

TOTAL LIABILITIES

1,433,777.69

CAPITAL

292	COMMON STOCK	23,710.00	
293	PD IN CAP IN EXCSS OF PAR	673,893.00	
294	UNREALIZED GAIN/LOSS INVE	448.05-	
295	RETAINED EARNINGS	367,026.00	
296	ACCUMULATED ADJUSTMENTS	455,885.31-	
297	CURRENT EARNINGS	274,563.45-	
	TOTAL CAPITAL		333,732.19

DATE: 09/20/10
TIME: 9:19 AM

A & S Supply Co.

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Balance Sheet
AS OF 06/30/10

TOTAL LIABILITIES/CAPITAL

1,767,509.88
=====

Income Statement
 FOR THE MONTH ENDING 06/30/10

	THIS MONTH	6 MONTHS
=====		
INCOME		
301 SALES	118,577.09	743,608.05
	-----	-----
NET SALES	118,577.09	743,608.05
COST OF GOODS SOLD		
411 COST OF SALES	90,675.57	486,782.38
	-----	-----
GROSS PROFIT	27,901.52	256,825.67
EXPENSES		
501 SALARIES	41,238.41	231,920.00
513 ACCIDENT & INJURIES	0.00	0.00
514 ADVERTISING	479.00	4,528.02
515 ADVERTISING REBATE	0.00	(63.96)
516 AUTOMOTIVE EXPENSE	5,425.91	16,526.57
517 AUTO FUEL EXPENSE	685.75	4,675.18
518 BAD DEBT PROVISION	0.00	0.00
519 CASUAL LABOR	0.00	0.00
520 CELL PHONES	179.98	1,089.07
521 COMPUTER EXPENSE	1,405.11	20,696.27
522 DEPRECIATION EXPENSE	314.00	1,884.00
524 DIRECTOR FEES	0.00	0.00
525 DUES	239.30	1,625.60
526 SMALL EQUIPMENT	0.00	0.00
527 EDUCATION & TRAINING	0.00	0.00
528 EMPLOYEE RELATIONS	0.00	0.00
529 DONATIONS	0.00	0.00
530 INSURANCE	9,844.99	69,665.40
535 INSURANCE - WORKMANS COMP	242.90	(368.60)
536 INSURANCE-MEDICAL REIMBUR	0.00	0.00
538 INSURANCE GROUP DISABILIT	119.67	722.03
540 INSURANCE GROUP LIFE	160.86	965.16
542 LAUNDRY	0.00	0.00
544 MISCELLANEOUS EXPENSE	0.00	4,081.25
546 OFFICE EXPENSE	4,006.67	9,385.43
547 PENSION 401(K)	0.00	0.00
548 POSTAGE	650.91	2,230.64
549 PENSION ROTH 401K PLAN	0.00	0.00
550 PROFESSIONAL FEES	3,882.50	31,783.40
552 RENT	0.00	8,700.00
554 REPAIR & MAINTENANCE	3,382.00	15,531.43
556 SALES PROMOTIONAL	565.15	6,834.69
557 SERVICE CHGS, BANK & VISA	1,077.94	5,326.22
558 SUNDRY SUPPLIES	0.00	76.05
560 TAXES	1,465.00	9,195.00

Income Statement
 FOR THE MONTH ENDING 06/30/10

	THIS MONTH	6 MONTHS
561 SALES TAX EXPENSE	0.00	0.00
562 TAXES-CORPORATION CITY	0.00	0.00
564 TAXES-CORPORATION SBT	125.00	750.00
566 TAXES-PAYROLL (SS/MED)	3,103.86	17,544.00
568 TAXES-UNEMPLOYMENT	103.41	6,974.30
570 TELEPHONE	1,068.83	6,102.96
572 TRASH REMOVAL	(38.39)	292.33
574 TRAVEL EXPENSE	0.00	3,091.09
575 UNIFORM ALLOWANCES	0.00	0.00
576 UNLOADING EXPENSE	0.00	0.00
577 VENDING MACHINE	0.00	0.00
587 UTILITIES	1,133.49	13,460.43
588 OTHER EXPENSES	0.00	0.00
TOTAL EXPENSES	80,862.25	495,223.96
598	0.00	0.00
INCOME BEFORE TAXES	(52,960.73)	(238,398.29)
602 BAD DEBT RECOVERY	0.00	(143.59)
603 INCOME ACCOUNT	(87.10)	(969.86)
609 UNREAL GAIN/LOSS LIFE INS	0.00	0.00
610 UNREALIZED GAIN/LOSS INVE	0.00	0.00
615 REALIZED GAIN/LOSS INVEST	0.00	0.00
616 INVESTMENT INCOME	0.00	0.00
620 RENTAL INCOME	0.00	(1,425.00)
630 INTEREST EXPENSE	8,307.31	38,703.61
635 GAIN/LOSS ON SALE	0.00	0.00
690 MISC INCOME - NONTAXABLE	0.00	0.00
NET INCOME	(61,180.94)	(274,563.45)
Other Expenses		
Net Income	(61,180.94)	(274,563.45)

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

2009

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.

For calendar year 2009 or tax year beginning

A S election effective date **01/01/86**

B Business activity code number (see instructions) **423700**

C Check if Sch. M-3 attached

D Employer identification number **38-1537441**

E Date incorporated **01/02/1957**

F Total assets (see instructions) \$ **2,320,982**

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	1a	Gross receipts or sales	2,205,025	b	Less returns and allowances		c	Net	1c	2,205,025
	2	Cost of goods sold (Schedule A, line 8)							2	1,257,520
	3	Gross profit Subtract line 2 from line 1c							3	947,505
	4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)							4	
	5	Other income (loss) (see instructions—attach statement)					See Stmt 1		5	19,175
	6	Total income (loss). Add lines 3 through 5							6	966,680
Deductions (see instructions for limitations)	7	Compensation of officers							7	31,079
	8	Salaries and wages (less employment credits)							8	445,519
	9	Repairs and maintenance							9	19,565
	10	Bad debts							10	3,840
	11	Rents							11	2,000
	12	Taxes and licenses							12	58,976
	13	Interest							13	64,033
	14	Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)							14	9,226
	15	Depletion (Do not deduct oil and gas depletion.)							15	
	16	Advertising							16	21,939
	17	Pension, profit-sharing, etc., plans							17	
	18	Employee benefit programs							18	130,493
	19	Other deductions (attach statement)					See Stmt 2		19	170,589
	20	Total deductions. Add lines 7 through 19							20	957,259
	21	Ordinary business income (loss). Subtract line 20 from line 6							21	9,421
Tax and Payments	22a	Excess net passive income or LIFO recapture tax (see instructions)		22a					22c	
	b	Tax from Schedule D (Form 1120S)		22b						
	c	Add lines 22a and 22b (see instructions for additional taxes)								
	23a	2009 estimated tax payments and 2008 overpayment credited to 2009		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							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 2010 estimated tax							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.

Signature of officer **CHERYL GIFFORD** Date _____ Title **SHAREHOLDER**

Preparer's signature _____ Date _____ Check if self-employed Preparer's SSN or PTIN **P00052789**

Firm's name (or yours if self-employed), address, and ZIP code **Fromholz, Paauwe & Baker, P.C.**
5080 W Bristol Rd # 2A
Flint, MI 48507-2923 EIN **38-2173099** Phone no. **810-733-3450**

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions. Form 1120S (2009)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	1,429,485
2	Purchases	2	1,131,914
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	
7	Inventory at end of year	8	2,561,399
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	7	1,303,879
9a	Check all methods used for valuing closing inventory: (i) <input checked="" type="checkbox"/> Cost as described in Regulations section 1.471-3	8	1,257,520
	(ii) <input type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4		
	(iii) <input type="checkbox"/> 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		
e	If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?	9d	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Schedule B Other Information (see instructions)

1	Check accounting method a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the: a Business activity ▶ WHOLESALE b Product or service ▶ PLUMBING SUPPLY		
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 8111 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 8281, 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 not 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.		X

Schedule K Shareholders' Pro Rata Share Items

		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	9,421
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	31,925
5	Dividends a Ordinary dividends b Qualified dividends	5a	146
6	Royalties	6b	146
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 ▶	10	

Shareholders' Pro Rata Share Items (continued)		Total amount
Deductions	11 Section 179 deduction (attach Form 4562)	11
	12a Contributions	12a
	b Investment interest expense	12b
	c Section 59(a)(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 cellulose 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
	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
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a
	b Other tax-exempt income	16b
	c Nondeductible expenses	16c
	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)	
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 14l	18

1,574
5,702

32,071

41,492

Schedule L: Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		29,647		24,581
2a	Trade notes and accounts receivable	620,471		731,821	
b	Loss allowance for bad debts		620,471	28,606	
3	Inventories		1,429,485		703,215
4	U.S. government obligations				1,303,879
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) Stmt 3		110,115		180,573
7	Loans to shareholders		9,669		
8	Mortgage and real estate loans				
9	Other investments (attach statement) Stmt 4		5,908		7,542
10a	Buildings and other depreciable assets	289,508		300,418	
b	Less accumulated depreciation	(241,643)	(47,865)	(250,867)	(49,551)
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (not of any amortization)				
13a	Intangible assets (amortizable only)	29,000		29,000	
b	Less accumulated amortization	(12,000)	(17,000)	(12,000)	(17,000)
14	Other assets (attach statement) Stmt 5		73,070		34,641
16	Total assets		2,343,230		2,320,982
Liabilities and Shareholders' Equity					
16	Accounts payable		432,726		470,543
17	Mortgages, notes, bonds payable in less than 1 year		1,156,000		816,000
18	Other current liabilities (attach statement) Stmt 6		22,215		26,987
19	Loans from shareholders		132,735		75,010
20	Mortgages, notes, bonds payable in 1 year or more		3,437		324,146
21	Other liabilities (attach statement)				
22	Capital stock		23,710		23,710
23	Additional paid-in capital		673,893		673,893
24	Retained earnings		-101,486		-89,307
25	Adjustments to shareholders' equity (attach statement)				
26	Loss cost of treasury stock				
27	Total liabilities and shareholders' equity		2,343,230		2,320,982

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	12,179	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 14i (Itemize)		Stmt 8	3,062	3,062
a	Depreciation \$		6	Deductions included on Schedule K, lines 1 through 12 and 14i, not charged against book income this year (Itemize)	
b	Travel and entertainment \$		a	Depreciation \$	
Stmt 7	34,308	34,308	Stmt 9	1,933	1,933
4	Add lines 1 through 3	46,487	7	Add lines 5 and 6	4,995
			8	Income (loss) (Schedule K, line 18). Line 4 less line 7	41,492

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	-272,171	-196,341
2	Ordinary income from page 1, line 21	9,421	
3	Other additions Stmt 10	35,492	1,574
4	Loss from page 1 line 21		
5	Other reductions Stmt 11	34,308	
6	Combine lines 1 through 5	-261,566	-194,767
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-261,566	-194,767

Schedule K-1
(Form 1120S)
Department of the Treasury
Internal Revenue Service

2009

For calendar year 2009, or tax
year beginning _____
ending _____

Final K-1 Amended K-1

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

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

Part I Information About the Corporation

A Corporation's employer identification number
38-1537441

B Corporation's name, address, city, state, and ZIP code
A & S SUPPLY CO, INC.
1416 POPLAR
FLINT MI 48501

C IRS Center where corporation filed return
e-file

Part II Information About the Shareholder


D Shareholder's identifying number
381-64-9017

E Shareholder's name, address, city, state, and ZIP code
CHERYL GIFFORD
PO BOX 521
FLINT MI 48501

F Shareholder's percentage of stock ownership for tax year
100.000000 %

1	Ordinary business income (loss)	13	Credits
	9,421		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)		
4	Interest income		
	31,925		
5a	Ordinary dividends		
	146		
5b	Qualified dividends	14	Foreign transactions
	146		
6	Royalties		
7	Net short-term capital gain (loss)		
8a	Net long-term capital gain (loss)		
8b	Collectibles (20%) gain (loss)		
8c	Unrecaptured section 1250 gain		
9	Net section 1231 gain (loss)		
10	Other income (loss)	15	Alternative minimum tax (AMT) items
11	Section 179 deduction	16 B	Items affecting shareholder basis 1,574
12	Other deductions	C*	5,702
		17 A	Other information 32,071

* See attached statement for additional information.



For IRS Use Only

Schedule K-1 (Form 1120S) Department of the Treasury Internal Revenue Service

2009

For calendar year 2009, or tax year beginning ending

Final K-1 Amended K-1

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

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 38-1537441
B Corporation's name, address, city, state, and ZIP code A & S SUPPLY CO, INC. 1416 POPLAR FLINT MI 48501
C IRS Center where corporation filed return e-file

Part II Information About the Shareholder

D Shareholder's identifying number 368-70-8720
E Shareholder's name, address, city, state, and ZIP code LAWRENCE L GIFFORD II 8432 BELLECHASSE DR DAVISON MI 48423
F Shareholder's percentage of stock ownership for tax year %

Table with 4 columns: Line number, Description, Column number, and Other information. Rows include Ordinary business income, Dividends, Capital gains, Section 179 deduction, etc.

* See attached statement for additional information.



For IRS Use Only

Depreciation and Amortization
(Including Information on Listed Property)

(09)

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

A & S SUPPLY CO, INC.

Identifying number

38-1537441

Business or activity to which this form relates

Regular Depreciation

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 (see instructions)	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 2008 Form 4562	10	
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	
13	Carryover of disallowed deduction to 2010. 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.) (See Instr.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 169(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 2009	17	9,121
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 2009 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						
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	
			27.5 yrs.	MM	S/L	
i Nonresidential real property	08/31/09	10,910	39 yrs.	MM	S/L	105
				MM	S/L	

Section C—Assets Placed in Service During 2009 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 instructions	22	9,226
23	For assets shown above and placed in service during the current year, enter the portion of the gain attributable to section 283A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

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, column (n) 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

Table with columns: (n) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (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 (see instructions) 26

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

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

Table for Section B with columns (a) through (f) for Vehicle 1 through 6, and rows 30-36 for various usage questions.

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).

Table for Section C with rows 37-41 and Yes/No columns for employer questions.

Part VI: Amortization

Table for Section C with columns (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 2009 tax year (see instructions)

43 Amortization of costs that began before your 2009 tax year 43 1,933

44 Total. Add amounts in column (f). See the instructions for where to report. 44 1,933

Federal Statements

Statement 1 - Form 1120S, Page 1, Line 5 - Other Income

<u>Description</u>	<u>Amount</u>
Other income	\$ 2,350
Bad debt recoveries	1,269
Advertising rebates	15,556
Total	\$ 19,175

Statement 2 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
Promotion	\$ 858
Security	1,992
Automobile	26,184
Bank service charges	10,782
Computer expense	19,558
Dues and subscriptions	813
Education	565
Insurance	20,797
Laundry	811
Office supplies	20,601
Postage	4,668
Professional fees	17,578
Telephone	13,851
Trash removal	824
Travel	15
Utilities	28,759
Amortization	1,933
Total	\$ 170,589

Statement 3 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Note receivable - officer LLG	\$	\$ 8,346
Note receivable - York	3,840	
Note receivable - Ballar	27,868	32,699
Note receivable - D Cook	62,153	122,065
Rent receivable		5,150
Prepaid Michigan business tax	3,941	
Prepaid expenses	12,313	12,313
Total	\$ 110,115	\$ 180,573

Federal Statements

Statement 4 - Form 1120S, Page 4, Schedule L, Line 9 - Other Investments

Description	Beginning of Year	End of Year
Short term investment	\$ 7,844	\$ 7,990
Market allowatnce	-1,936	-448
Total	\$ 5,908	\$ 7,542

Statement 5 - Form 1120S, Page 4, Schedule L, Line 14 - Other Assets

Description	Beginning of Year	End of Year
Cash surrender value - life i	\$ 33,068	\$ 34,641
Notes receivable	40,002	
Total	\$ 73,070	\$ 34,641

Statement 6 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
Customer deposits	\$ 4,890	\$ 4,924
Withheld tax-FITW/FICA	484	502
City tax withheld and payable	334	237
Withheld tax-state	2,022	1,600
FUTA payable	55	65
MESC payable	224	431
Other withholdings	373	84
Sales tax payable	7,147	6,955
Wages payable	6,686	6,938
Interest payable		5,251
Total	\$ 22,215	\$ 26,987

Statement 7 - Form 1120S, Page 4, Schedule M-1, Line 3 - Expenses on Books Not on Return

Description	Amount
Nondeductible dues	\$ 451
Interest expense - officer	5,251
Bad debts - non deductible	28,606
Total	\$ 34,308

Statement 8 - Form 1120S, Page 4, Schedule M-1, Line 5 - Income on Books Not on Return

Description	Amount
Unrealized gain on investment	\$ 1,488
Insurance - officer's life	1,574
Total	\$ 3,062

00015 A & S SUPPLY CO, INC.
38-1537441
FYE: 12/31/2009

Federal Statements

Statement 9 - Form 1120S, Page 4, Schedule M-1, Line 6 - Deductions on Return Not on Books

<u>Description</u>	<u>Amount</u>
Amortization Book/Tax Diff	\$ 1,933
Total	\$ 1,933

Statement 10 - Form 1120S, Page 4, Schedule M-2, Line 3(a) - Other Additions

<u>Description</u>	<u>Amount</u>
Unrealized gain on investment	\$ 1,488
Amortization Book/Tax Diff	1,933
Interest Income	31,925
Dividend Income	146
Total	\$ 35,492

Statement 11 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions

<u>Description</u>	<u>Amount</u>
Nondeductible dues	\$ 451
Interest expense - officer	5,251
Bad debts - non deductible	28,606
Total	\$ 34,308

00015 A & S SUPPLY CO, INC.
38-1537441
FYE: 12/31/2009

Federal Statements
CHERYL GIFFORD
381-64-9017

Schedule K-1, Box 16, Code C - Nondeductible Expenses

<u>Description</u>	<u>Shareholder Amount</u>
Nondeductible dues	\$ 451
Interest expense - officer	5,251
Total	<u>\$ 5,702</u>

00015 A & S SUPPLY CO, INC.

38-1537441

FYE: 12/31/2009

Federal Statements
LAWRENCE L GIFFORD II
368-70-8720

Schedule K-1, Box 16, Code C - Nondeductible Expenses

<u>Description</u>	<u>Shareholder</u> <u>Amount</u>
Nondeductible dues	\$ 0
Interest expense - officer	0
Total	<u>\$ 0</u>

Retained Earnings Reconciliation Worksheet

Form **1120S**

2009

For calendar year 2009 or tax year beginning _____, ending _____

Name

Employer Identification Number

A & S SUPPLY CO, INC.

38-1537441

Schedule L - Retained Earnings

Retained Earnings - Unappropriated	<u>367,026</u>
Accumulated Adjustments Account	<u>-261,566</u>
Other Adjustments Account	<u>-194,767</u>
Undistributed Previously Taxed Income	<u>0</u>
 Schedule L, Line 24 - Retained Earnings	 <u><u>-89,307</u></u>

Schedule M-2 - Retained Earnings

	Accumulated Adjustments Account	Other Adjustments Account	Undistributed Previously Taxed Income	Retained Earnings Unappropriated/ Timing Differences	Total Retained Earnings
Beg Yr Bal	<u>-272,171</u>	<u>-196,341</u>	<u>0</u>	<u>367,026</u>	<u>-101,486</u>
Ordinary Inc (Loss)	<u>9,421</u>				<u>9,421</u>
Other Additions	<u>35,492</u>	<u>1,574</u>			<u>37,066</u>
Other Reductions	<u>34,308</u>				<u>34,308</u>
Distributions					
End Yr Bal	<u><u>-261,566</u></u>	<u><u>-194,767</u></u>	<u><u>0</u></u>	<u><u>367,026</u></u>	<u><u>-89,307</u></u>

Form **1120S** **Schedule K-1 Summary Worksheet** **2009**

Name **A & S SUPPLY CO, INC.** Employer Identification Number **38-1537441**

	Shareholder Name	SSN/EIN
Column A	CHERYL GIFFORD	381-64-9017
Column B	LAWRENCE L GIFFORD II	368-70-8720
Column C		
Column D		

Schedule K Items	Column A	Column B	Column C	Column D	Sch K Total
1 Ordinary Income	9,421				9,421
2 Net rental RE inc					
3c Net other rental inc					
4 Interest income	31,925				31,925
5a Ordinary dividends	146				146
5b Qualified dividends	146				146
6 Royalties					
7 Net ST capital gain					
8a Net LT capital gain					
8b Collectibles 28% gain					
8c Unrecap Sec 1250					
9 Net Sec 1231 gain					
10 Other income (loss)					
11 Sec 179 deduction					
12a Contributions					
12b Invest interest exp					
12c Sec 59(e)(2) exp					
12d Other deductions					
13a,c Low-inc house 4215					
13b,d Low-inc house other					
13e Qualif rehab exp					
13f Rental RE credits					
13g Other rental credits					
13h Fuel alcohol credit					
13i Other credits					
14b Gross Inc all src					
14d-f Total foreign inc					
14g-k Total foreign dedc					
14l Total foreign taxes					
14m Reduct in taxes					
15a Depr adjustment					
15b Adjusted gain (loss)					
15c Depletion					
15d Inc-oil/gas/geoth					
15e Ded-oil/gas/geoth					
15f Other AMT items					
16a Tax-exempt interest					
16b Other tax-exempt	1,574				1,574
16c Nondod expense	5,702				5,702
16d Total property dist					
16e Shr loan repmts					
17a Investment income	32,071				32,071
17b Investment expense					
18 Income (loss)	41,492				41,492

B 1A (Official Form 1, Exhibit A) (9/97)

[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 of the Bankruptcy Code, this Exhibit "A" shall be completed and attached to the petition.]

**United States Bankruptcy Court
Eastern District of Michigan-Southern Division-Flint**

In re **A&S Supply Co., Inc.** Debtor(s) Case No. _____ Chapter **11**

EXHIBIT "A" TO VOLUNTARY PETITION

1. If any of the debtor's securities are registered under Section 12 of the Securities Exchange Act of 1934, the SEC file number is _____.

2. The following financial data is the latest available information and refers to the debtor's condition on ____.

a. Total assets		\$	<u>unknown</u>	
b. Total debts (including debts listed in 2.c., below)		\$	<u>unknown</u>	
c. Debt securities held by more than 500 holders:				Approximate number of holders:
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>		\$	<u>0.00</u>	<u>0</u>
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>		\$	<u>0.00</u>	<u>0</u>
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>		\$	<u>0.00</u>	<u>0</u>
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>		\$	<u>0.00</u>	<u>0</u>
secured <input type="checkbox"/> unsecured <input type="checkbox"/> subordinated <input type="checkbox"/>		\$	<u>0.00</u>	<u>0</u>
d. Number of shares of preferred stock			<u>0</u>	<u>0</u>
e. Number of shares common stock			<u>0</u>	<u>0</u>

Comments, if any:

3. Brief description of Debtor's business:

Plumbing Supply Sales

4. List the name of any person who directly or indirectly owns, controls, or holds, with power to vote, 5% or more of the voting securities of debtor:

Cheryl Gifford

United States Bankruptcy Court
Eastern District of Michigan-Southern Division-Flint

In re **A&S Supply Co., Inc.**
Debtor

Case No. _____

Chapter **11**

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007(a)(3) for filing in this chapter 11 case.

Name and last known address or place of business of holder	Security Class	Number of Securities	Kind of Interest
Cheryl Gifford P.O. Box 521 Flint, MI 48501	Stock - Common	100%	Shareholder

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date **September 20, 2010**

Signature **/s/ Cheryl A. Gifford**
Cheryl A. Gifford
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C §§ 152 and 3571.

**United States Bankruptcy Court
Eastern District of Michigan-Southern Division-Flint**

In re **A&S Supply Co., Inc.**

Debtor(s)

Case No. _____
Chapter

11

VERIFICATION OF CREDITOR MATRIX

I, the President of the corporation named as the debtor in this case, hereby verify that the attached list of creditors is true and correct to the best of my knowledge.

Date: **September 20, 2010**

/s/ Cheryl A. Gifford

Cheryl A. Gifford/President
Signer/Title

BW & US Tax Office
3024 W. Grand Blvd., Ste 11-500
Detroit, MI 48202

Internal Revenue Service
P.O. Box 21126
Philadelphia, PA 19114-0326

Michigan Dept. of Treasury
Collection/Bankruptcy Unit
P.O. Box 30168
Lansing, MI 48909

Michigan Unemployment Agency
P.O. Box 169
Grand Rapids, MI 49501

U.S. Attorney
Attn: Civil Department
101 First Street, Suite 200
Bay City, MI 48708

Attorney General
Law Building
515 Ottawa
Lansing, MI 48913

A&S Properties
P.O. Box 736
Flint, MI 48501

A&S Properties Inc.
P.O. Box 736
Flint, MI 48501

AO Smith Water Products
500 Tennessee Waltz Pkwy.
Ashland City, TN 37015

Baldwin Hardware Corp.
19701 DaVinci
Foothill Ranch, CA 92610

Cheryl Gifford
P.O. Box 736
Flint, MI 48501

Cheryl Gifford
1416 Poplar St.
Flint, MI 48503

Citizens Bank
328 S. Saginaw St.
Flint, MI 48502

El Mustee & Sons
5431 W. 164th St.
Brook Park, OH 44142

Elkhart Products Corp.
1255 Oak St..
Elkhart, IN 46514

Erico Inc.
3138 Payshere Circle
Chicago, IL 60674

Fernco
300 S. Dayton
Davison, MI 48423

Gerber Pumbing Fixtures
2500 Internationale Pkwy.
Woodridge, IL 60517

Honeywell Inc.
101 Columbia Rd.
Morristown, NJ 07962

Insulation Sales
1341 Wanda St.
Ferndale, MI 48220

IPS Corp.
455 W. Victoria St.
Compton, CA 90220

Jacuzzi Whirlpool
P.O. Box 96061
Chicago, IL 60693

Legend Valve & Fitting
51245 Filomena Dr.
Shelby Twp., MI 48315

Lenox
P.O. Box 504
East Longmeadow, MA 01028

Maxitrol Co.
P.O. Box 2230
Southfield, MI 48037

Pentair Water
293 Wright St.
Delavan, WI 53115

Plumberry Specialty
P.O. Box 1684
Palm Springs, CA 92263

RL Deppmann Co.
20929 Bridge St.
Southfield, MI 48033

S&A Management
P.O. Box 736
Flint, MI 48501

S&A Management Inc.
P.O. Box 736
Flint, MI 48501

Safety Tubs
1013 Avenue M
Grand Prairie, TX 75050

State of Michigan
Dept. of Treasury
Collection Division
P.O. Box 30199
Lansing, MI 48909-7699

State of Michigan
Unemployment Insurance Agency
3024 W. Grand River
Detroit, MI 48202

Symmons Industries
31 Brooks Dr.
Braintree, MA 02184

T&S Brass & Bronze
P.O. Box 1088
Travelers Rest, SC 29690

The Distribution Point
3242 Moody Pkwy.
Moody, AL 35004

Trumbull Industries
P.O. Box 200
Warren, OH 44482

Tyco Thermal Controls
300 Constitution Dr.
Menlo Park, CA 94025

Weil McLain
500 Blaine St.
Michigan City, IN 46360

White Rodgers
8100 W. Florissant Ave.
Saint Louis, MO 63136

Your Other Warehouse
P.O. Box 973750
Dallas, TX 75397

Zurn Pex Inc.
Dept. CH 14315
Palatine, IL 60055