

**United States Bankruptcy Court
Western District of Pennsylvania**

Voluntary Petition

Name of Debtor (if individual, enter Last, First, Middle): A 1 Mortgage and Financial Services, LLC	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./Complete EIN or other Tax ID No. (if more than one, state all) 25-1878652	Last four digits of Soc. Sec./Complete EIN or other Tax ID No. (if more than one, state all)
Street Address of Debtor (No. and Street, City, and State): 3145 Carson Ave., Suite #3 Murrysville, PA	Street Address of Joint Debtor (No. and Street, City, and State):
ZIP Code 15668	ZIP Code
County of Residence or of the Principal Place of Business: Westmoreland	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>Type of Debtor (Form of Organization) (Check one box)</p> <p><input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i></p> <p><input checked="" type="checkbox"/> Corporation (includes LLC and LLP)</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)</p>	<p>Nature of Business (Check one box)</p> <p><input type="checkbox"/> Health Care Business</p> <p><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B)</p> <p><input type="checkbox"/> Railroad</p> <p><input type="checkbox"/> Stockbroker</p> <p><input type="checkbox"/> Commodity Broker</p> <p><input type="checkbox"/> Clearing Bank</p> <p><input checked="" type="checkbox"/> Other</p> <hr/> <p>Tax-Exempt Entity (Check box, if applicable)</p> <p><input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).</p>	<p>Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box)</p> <p><input type="checkbox"/> Chapter 7</p> <p><input type="checkbox"/> Chapter 9</p> <p><input checked="" type="checkbox"/> Chapter 11</p> <p><input type="checkbox"/> Chapter 12</p> <p><input type="checkbox"/> Chapter 13</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding</p> <p><input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding</p> <hr/> <p>Nature of Debts (Check one box)</p> <p><input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose."</p> <p><input checked="" type="checkbox"/> Debts are primarily business debts.</p>
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<p>Filing Fee (Check one box)</p> <p><input checked="" type="checkbox"/> Full Filing Fee attached</p> <p><input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A.</p> <p><input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.</p>	<p>Chapter 11 Debtors</p> <p>Check one box:</p> <p><input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p><input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D).</p> <p>Check if:</p> <p><input checked="" type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2 million.</p> <hr/> <p>Check all applicable boxes:</p> <p><input type="checkbox"/> A plan is being filed with this petition.</p> <p><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).</p>
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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									
1-49	50-99	100-199	200-999	1000-5,000	5001-10,000	10,001-25,000	25,001-50,000	100,001-100,000	OVER 100,000
<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"/>

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

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

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 1 Mortgage and Financial Services, LLC
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All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

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

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

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

<p style="text-align: center;">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 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>X _____ 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.

Statement 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.

Voluntary Petition

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

Name of Debtor(s):
A 1 Mortgage and Financial Services, LLC

Signatures

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

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

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of Attorney

X /s/ Erik Sobkiewicz
Signature of Attorney for Debtor(s)

Erik Sobkiewicz 56836
Printed Name of Attorney for Debtor(s)

Campbell & Levine, LLC
Firm Name

1700 Grant Building
Pittsburgh, PA 15219

Address

412-261-0310 Fax: 412-261-5066
Telephone Number

November 1, 2006
Date

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/ James L. Keen
Signature of Authorized Individual

James L. Keen
Printed Name of Authorized Individual

President
Title of Authorized Individual

November 1, 2006
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 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 19B is attached.

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

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

Address

X _____
Date

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

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

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

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

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:

Case No. 06-_____

A 1 MORTGAGE AND FINANCIAL
SERVICES, LLC,

Chapter 11

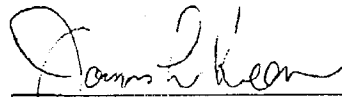
Debtor.

DECLARATION OF JAMES L. KEEN PURSUANT TO 11 U.S.C. § 1116(1)

I, James L. Keen, declare under penalty of perjury as follows:

1. I am the President of A 1 Mortgage and Financial Services, LLC (the "Debtor"), the debtor herein, and am fully familiar with its operations and affairs.

2. The Debtor is a "small business debtor" as that term is defined in section 101(51D) of the Bankruptcy Code. As required by section 1116(1) of the Bankruptcy Code, the Debtor has attached hereto a copy of its 2005 Federal tax return. The Debtor has not prepared a balance sheet or cash-flow statement since July 2005, and has never prepared a statement of operations. The Debtor will, by November 20, 2006, file a balance sheet and cash-flow statement for the period ending October 31, 2006.



JAMES L. KEEN

Form **1120S**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for an S Corporation

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



For calendar year 2005, or tax year beginning , 2005, and ending

A Effective date of S election 10/01/2002	Use the IRS label. Otherwise, print or type.	A1 MORTGAGE & FINANCIAL SERVICES 16 EAST OTTERMAN STREET GREENSBURG, PA 15601-2502	C Employer identification number 25-1878652
B Business code number (see instructions) 522300			D Date incorporated 1/08/2001
			E Total assets (see instructions) \$ 45,563.

F Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

G Enter number of shareholders in the corporation at end 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.

I N C O M E	1a Gross receipts or sales... 782,018.	b Less returns and allowances... []	c Bal ▶	1c 782,018.
	2 Cost of goods sold (Schedule A, line 8).....			2
	3 Gross profit. Subtract line 2 from line 1c.....			3 782,018.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797).....			4 1,246.
	5 Other income (loss) (attach statement).....	SEE STATEMENT 1		5 25,789.
	6 Total income (loss). Add lines 3 through 5.....			6 809,053.
D E D U C T I O N S	7 Compensation of officers.....	SEE STATEMENT 2		7 26,000.
	8 Salaries and wages (less employment credits).....			8 342,247.
	9 Repairs and maintenance.....			9 201.
	10 Bad debts.....			10
	11 Rents.....			11 49,309.
	12 Taxes and licenses.....	SEE STATEMENT 3		12 38,969.
	13 Interest.....			13 9,081.
	14a Depreciation (attach Form 4562).....	14a 16,041.		
	b Depreciation claimed on Schedule A and elsewhere on return.....	14b		
	c Subtract line 14b from line 14a.....			14c 16,041.
	15 Depletion (Do not deduct oil and gas depletion.).....			15
	16 Advertising.....			16 165,158.
	17 Pension, profit-sharing, etc, plans.....			17
	18 Employee benefit programs.....			18 8,953.
	19 Other deductions (attach statement).....	SEE STATEMENT 4		19 240,641.
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19.....			20 896,600.	
21 Ordinary business income (loss). Subtract line 20 from line 6.....			21 -87,547.	
T A X A N D P A Y M E N T S	22 Tax: a Excess net passive income tax (attach statement).....	22a		
	b Tax from Schedule D (Form 1120S).....	22b		
	c Add lines 22a and 22b (see the instructions for additional taxes).....			22c
	23 Payments: a 2005 estimated tax payments and amount applied from 2004 return.....	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 <input type="checkbox"/>	
25 Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed.....			25 0.	
26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid.....			26	
27 Enter amount of line 26 you want: Credited to 2006 estimated tax. ▶ Refunded			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	Signature of officer	Date	Signature of officer	Date
			PRESIDENT			

May the IRS discuss this return with the preparer shown below (see instructions)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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Preparer's signature	Date	Check if self-employed	Preparer's SSN or PTIN
		<input type="checkbox"/>	P00029932
Paid Preparer's Use Only	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Phone no.
	DELISI & ASSOCIATES, P.C. 217 SOUTH PENNSYLVANIA AVENUE GREENSBURG, PA 15601-3006	25-1818418	724.832.8585

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	
2	Purchases	2	
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	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

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) Yes No

c Check if the LIFO inventory method was adopted (this tax year for any goods (if checked, attach Form 970)) Yes No

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO Yes No

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? If 'Yes,' attach explanation Yes No

Part III Other Information (see instructions)

		Yes	No
1	Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2	See the instructions and enter the: (a) Business activity MORTGAGE BROKER (b) Product or service MORTGAGE BROKER		
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, address, and employer identification number and (b) percentage owned		X
4	Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5	Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
6	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"/>		
7	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" value="\$"/> <input type="checkbox"/>		
8	Check this box if the corporation had accumulated earnings and profits at the close of the tax year <input type="checkbox"/>		
9	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L and M-1 <input type="checkbox"/>		X

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule M Shareholders' Shares of Income, Deductions, Credits, etc

Shareholders' Pro Rata Share Items		Total amount
1	Ordinary business income (loss) (page 1, line 21)	1 -87,547.
2	Net rental real estate income (loss) (attach Form 8825)	2
3a	Other gross rental income (loss) <input type="text" value="3a"/>	
	b Expenses from other rental activities (attach statement) <input type="text" value="3b"/>	
	c Other net rental income (loss). Subtract line 3b from line 3a. <input type="text" value="3c"/>	
4	Interest income <input type="text" value="4"/>	
5	Dividends: a Ordinary dividends <input type="text" value="5a"/> b Qualified dividends <input type="text" value="5b"/>	
6	Royalties <input type="text" value="6"/>	
7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) <input type="text" value="7"/>	
8a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) <input type="text" value="8a"/>	
	b Collectibles (28%) gain (loss) <input type="text" value="8b"/>	
	c Unrecaptured section 1250 gain (attach statement) <input type="text" value="8c"/>	
9	Net section 1231 gain (loss) (attach Form 4797) <input type="text" value="9"/>	9 6,300.
10	Other income (loss) (see instructions) <input type="text" value="10"/>	

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	100.
	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 and Credit Recapture	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 instrs) Type	13d	
	e Other rental credits (see instrs) Type	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits and credit recapture (see instrs) Type	13g	
Foreign Transactions	14a Name of country or U.S. possession		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level <i>Foreign gross income sourced at corporate level:</i>	14c	
	d Passive	14d	
	e Listed categories (attach statement)	14e	
	f General limitation <i>Deductions allocated and apportioned at shareholder level:</i>	14f	
	g Interest expense	14g	
	h Other <i>Deductions allocated and apportioned at corporate level to foreign source income:</i>	14h	
	i Passive	14i	
	j Listed categories (attach statement)	14j	
	k General limitation <i>Other information:</i>	14k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l	
	m Reduction in taxes available for credit (attach statement)	14m	
	n Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-343.
	b Adjusted gain or loss	15b	-292.
	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	110.
	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)		
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) 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 lines 14i	17e	-81,347.

BAA

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered 'Yes'.

Schedule M-1 Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		-23,998.		-777.
2a	Trade notes and accounts receivable	1,500.		6,183.	
b	Less allowance for bad debts		1,500.		6,183.
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach stmt)				
7	Loans to shareholders		17,196.		8,238.
8	Mortgage and real estate loans				
9	Other investments (attach statement) SEE ST. 6		395.		
10a	Buildings and other depreciable assets	100,555.		95,855.	
b	Less accumulated depreciation	49,398.	51,157.	64,193.	31,662.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)	735.		735.	
b	Less accumulated amortization	331.	404.	478.	257.
14	Other assets (attach stmt) SEE ST. 7		4.		
15	Total assets		46,658.		45,563.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year		8,248.		4,643.
18	Other current liabilities (attach stmt) SEE ST. 8		116,767.		119,271.
19	Loans from shareholders		4,000.		90,883.
20	Mortgages, notes, bonds payable in 1 year or more		11,527.		6,884.
21	Other liabilities (attach statement)				
22	Capital stock		100.		100.
23	Additional paid-in capital		21,080.		21,080.
24	Retained earnings		-115,064.		-197,298.
25	Adjustments to shareholders' equity (att stmt)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		46,658.		45,563.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return				
1	Net income (loss) per books	-82,234.	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 14f (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14f, not charged against book income this year (itemize):
a	Depreciation \$		a	Depreciation ... \$
b	Travel and entertainment \$ 110.		7	Add lines 5 and 6
SEE STATEMENT 9	777.	887.	8	Income (loss) (Schedule K, ln 17e). Ln 4 less ln 7..
4	Add lines 1 through 3	-81,347.		

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	-115,064.	
2	Ordinary income from page 1, line 21		
3	Other additions SEE STATEMENT 10	6,300.	
4	Loss from page 1, line 21	(87,547.)	
5	Other reductions SEE STATEMENT 11	(987.)	
6	Combine lines 1 through 5	-197,298.	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-197,298.	

Depreciation and Amortization
(Including Information on Listed Property)

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

Name(s) shown on return

A1 MORTGAGE & FINANCIAL SERVICES

Identifying number
25-1878652

Business or activity to which this form relates

FORM 1120S

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	\$105,000.
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	\$420,000.
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 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) ..	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 2006. 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 instructions.)

14	Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property (other than listed property) placed in service during the tax year (see instrs)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	267.

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 2005	17	14,506.
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 2005 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	
i Nonresidential real property			39 yrs	MM	S/L	

Section C - Assets Placed in Service During 2005 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	1,268.
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	16,041.
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 2 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?.....		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	24b If 'Yes,' is the evidence written?.....		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> 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 allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions).....							25	
26 Property used more than 50% in a qualified business use:								
1999 TOYOTA	10/01/02	100.0	13,475.	13,475.	7.0	200DB HY	1,268.	
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1.....							28	1,268.
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1.....							29	0.

Section B – Information on Use of Vehicles

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

30 Total business/investment miles driven during the year (do not include commuting miles).....	(a)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6						
31 Total commuting miles driven during the year.....	16,500											
32 Total other personal (noncommuting) miles driven.....												
33 Total miles driven during the year. Add lines 30 through 32.....	16,500											
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?.....	X											
35 Was the vehicle used primarily by a more than 5% owner or related person?.....	X											
36 Is another vehicle available for personal use?.....	X											

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

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

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?.....	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? (See instructions).....		

Note: If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles.

Part 3 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 2005 tax year (see instructions):					
43 Amortization of costs that began before your 2005 tax year.....				43	147.
44 Total. Add amounts in column (f). See instructions for where to report.....				44	147.

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

Department of the Treasury Internal Revenue Service (99)

Name(s) shown on return

Identifying number

A1 MORTGAGE & FINANCIAL SERVICES

25-1878652

1 Enter the gross proceeds from sales or exchanges reported to you for 2005 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

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

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (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).

- 3 Gain, if any, from Form 4684, line 42
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
6 Gain, if any, from line 32, from other than casualty or theft. 6,300.
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows. 7 6,300.

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 loss, 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

Ordinary Gains and Losses (see instructions)

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

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (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).

- 11 Loss, if any, from line 7
12 Gain, if any, from line 7 or amount from line 8, if applicable
13 Gain, if any, from line 31. 1,246.
14 Net gain or (loss) from Form 4684, lines 34 and 41a
15 Ordinary gain from installment sales from Form 6252, line 25 or 36
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824
17 Combine lines 10 through 16. 1,246.

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 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from Form 4797, line 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

BAA For Paperwork Reduction Act Notice, see separate instructions.

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

19(a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)
A COPIER/PRINTER	1/01/04	7/01/05
B PHONE SYSTEM	1/01/04	7/01/05
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.)	9,830.	1,170.		
21	Cost or other basis plus expense of sale.	4,200.	500.		
22	Depreciation (or depletion) allowed or allowable.	1,114.	132.		
23	Adjusted basis. Subtract line 22 from line 21.	3,086.	368.		
24	Total gain. Subtract line 23 from line 20.	6,744.	802.		
25 If section 1245 property:					
25a	Depreciation allowed or allowable from line 22.	1,114.	132.		
25b	Enter the smaller of line 24 or 25a.	1,114.	132.		
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
26a	Additional depreciation after 1975 (see instrs.)				
26b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions).				
26c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e.				
26d	Additional depreciation after 1969 & before 1976.				
26e	Enter the smaller of line 26c or 26d.				
26f	Section 291 amount (corporations only).				
26g	Add lines 26b, 26e, and 26f.				
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).					
27a	Soil, water, and land clearing expenses.				
27b	Line 27a multiplied by applicable percentage (see instructions).				
27c	Enter the smaller of line 24 or 27b.				
28 If section 1254 property:					
28a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions).				
28b	Enter the smaller of line 24 or 28a.				
29 If section 1255 property:					
29a	Applicable percentage of payments excluded from income under section 126 (see instructions).				
29b	Enter the smaller of line 24 or 29a (see instrs.).				

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	7,546.
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13.	31	1,246.
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6.	32	6,300.

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	