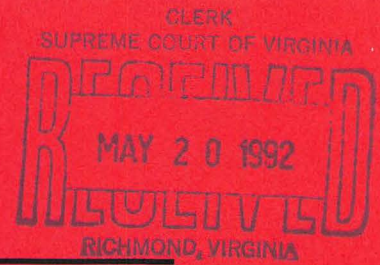


244VA539



IN THE

Supreme Court of Virginia

AT RICHMOND

RECORD NO. 911738

DWIGHT A. DIXON,

Appellant,

V.

MARJORIE HAGOOD WESTON DIXON PUGH,

Appellee.

JOINT APPENDIX

Dannie R. Sutton, Jr.
Attorney at Law
2222 Monument Avenue
Richmond, VA 23220
(804) 355-4623

Counsel for Appellant

William W. Bennett, Jr.
BENNETT and RAND
45 N. Main Street
P.O. Box 1219
Halifax, VA 24558
(804) 476-1128

Counsel for Appellee

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VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

MARJORIE HAGOOD WESTON DIXON,

Plaintiff

v.

DWIGHT ALEXANDER DIXON,
Apt. 1, Village Square Apartments
Appomattox, Virginia

Defendant

DO. #C-1649

BILL OF COMPLAINT

TO THE HONORABLE JUDGES OF SAID COURT:

Comes now your plaintiff, Marjorie Hagood Weston Dixon, by counsel, and respectfully represents unto the Court as follows:

1. That the plaintiff and defendant were lawfully married in Charlotte County, Virginia, on August 27, 1967.
2. That they are both members of the white race and over the age of eighteen years.
3. That the plaintiff is and has been an actual bona fide resident of and domiciled in the State of Virginia for a period of more than six months prior to the commencement of this suit; that the parties last cohabited as husband and wife in the County of Charlotte, Virginia.
4. That there are three children born of this marriage, whose names are Dwight Alexander Dixon, II, born September 2, 1970, Daniel Weston Dixon, born April 9, 1974, and Marjorie Claire Dixon, born July 13, 1979.
5. That on October 16, 1979, the defendant left the marital home without cause or justification which said willful desertion has continued up to and including the filing of this Bill of Complaint.
6. That while defendant was living with the plaintiff he would leave the marital home and remain gone until 3:00 a.m. and 4:00 p.m. and would refuse to inform plaintiff of his whereabouts; that during this period of time plaintiff was pregnant with the parties' third child; that after October 16, 1979, defendant moved into an apartment with his

girlfriend, Patricia Toombs Kelly, which said actions by the defendant have humiliated and embarrassed the plaintiff and which said acts constitute cruelty on the part of the defendant toward the plaintiff.

WHEREFORE, your plaintiff prays for an absolute divorce on the ground of desertion or in the alternative, cruelty; that the custody of the infant children be awarded to the plaintiff; that the defendant be required to pay support for said infant children as well as spousal support to the plaintiff pursuant to the provisions of §20-107 of the Code of Virginia, 1950, as amended; and that defendant be required to pay a reasonable amount as counsel fees and court costs incurred on behalf of the plaintiff in this cause, and that she may have such other and further relief as the nature of her case may require.

MARJORIE HAGOOD WESTON DIXON

By

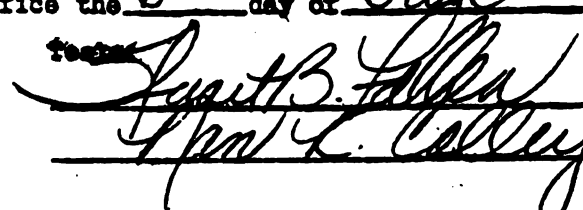
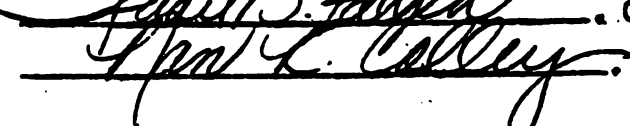

Counsel



P.9.

G. Warthen Downs
Suite 517 Mutual Building
909 East Main Street
Richmond, Virginia 23219

Filed in the Clerk's Office the 8th day of June 19 81
Writ Tax \$ 5.00
Fees 25.00
Total Paid \$ 30.00
315 1.00
31.00


Clerk

D.C.

IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

MARJORIE HAGOOD WESTON DIXON,

Plaintiff

v.

DWIGHT ALEXANDER DIXON,

Defendant

N O T I C E

TO: Dwight Alexander Dixon
Apt. 1, Village Square Apartments
Appomattox, Virginia

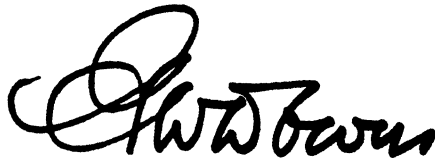
PLEASE TAKE NOTICE that on the 7th day of July,
1981, at 2:00 o'clock pm, I shall appear before the Judge of the Circuit
Court of Charlotte County, Virginia, and move the Court to award me
custody and support of our infant children; spousal support, counsel
fees and court costs pursuant to §20-107 of the Code of Virginia, 1950,
as amended.

MARJORIE HAGOOD WESTON DIXON

By



Counsel



p.q.

G. Warthen Downs
517 Mutual Building
909 East Main Street
Richmond, Virginia 23219

Date 9th of June, 1981

A true copy of the (above-within)
mentioned papers attached to each
other, were executed on:

Name Dwight Alexander Dixon

In Appomattox County, Virginia by:

☒ Posting on front door of
his usual place of abode

☐ In person

☐ Member of family

who is

I attested

VIRGINIA: IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

MARJORIE HAGOOD WESTON DIXON

Plaintiff

VS:

ANSWER

DWIGHT ALEXANDER DIXON

Defendant

TO THE HONORABLE JUDGES OF THE ABOVE NAMED COURT:

Your defendant, Dwight Alexander Dixon, for answer to the Bill of Complaint filed against him, says:

(1) That the defendant denies each and every allegation contained in the Bill of Complaint not herein specifically admitted; and

(2) That your defendant admits the allegations in items 1, 2, 3 and 4; and

(3) That your defendant denies that he did wilfully desert the complainant as alleged in item 5 of the Bill of Complaint; and

(4) That the defendant neither admits nor denies the allegations in item 6 and calls for strict proof thereof; and

(5) That the defendant alleges that he is heavily in debt, owing approximately one million dollars and is unable at this particular time to make any substantial contribution to the plaintiff and/or the children named in item 4.

Respectfully,

Dwight Alexander Dixon

BY

W. M. Abbott

Counsel

4

W. M. Abbitt p.d.
Attorney at Law
Appomattox, Virginia 24522

I hereby certify that I have this 7³ day of June,
1981 mailed a copy of the foregoing Answer unto G. Warthen Downs,
Esquire, Attorney at Law, Suite 517 Mutual Building, 9th and Main
Streets, Richmond, Virginia 23219, counsel of record for the
plaintiff.

W. M. Abbitt

Filed: June 24, 1981
Note: Spent B. follow. 1/4

1 VIRGINIA:

2 IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

3
4
5 MARJORIE HAGOOD WESTON DIXON,

6 Plaintiff,

7 v.

8 DWIGHT ALEXANDER DIXON,

9 Defendant.

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11
12 TRANSCRIPT OF THE ABOVE HEARING
13 BEFORE HONORABLE ROBERT J. SNODDY, JUDGE
14 ON FEBRUARY 5, 1982, at 10:00 a.m.

15
16
17 PRINCE EDWARD COUNTY, VIRGINIA

18
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20
21
22
23
24 Reported by: Linda McHenry

1 **Appearances:**

2

3 **G. WARTHEN DOWNS, ESQ.**
4 **P. O. Box 231**
 Richmond, Virginia 23288

5

6 **WATKINS M. ABBITT**
 Main Street
7 **Appomattox, Virginia 24522**

7

8 **Also Present:**

9 **Mrs. Marjorie Hagood Weston Dixon, plaintiff**

10 **Mr. Dwight Alexander Dixon, defendant**

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PROCEEDINGS

JUDGE SNODDY: I'm going to order some payment to this wife and children, it's just a matter of how much. I don't want to put this man out of business.

MR. ABBITT: He has done a pretty good job of supporting them in 1981.

MR. DOWNS: But she had to borrow from her family.

JUDGE SNODDY: I'm never unsympathetic about these things, but, Mr. Dixon, you're going to have to support your wife and children even if you have to sell everything you've got here.

MR. DIXON: There's no question something will have to be sold but I think it's going to be the bank's. I came back. I want to pay my honest debt; settle up with them.

JUDGE SNODDY: You have got enough to pay them there. They are going to get their money. I can leave a couple of trucks worth forty thousand

MR. DOWNS: I have got a sketch we want to present at this hearing.

MR. DIXON: There's no way I can continue to operate.

MR. DOWNS: If he's worth a

1 million dollars --

2 JUDGE SNODDY: You haven't
3 shown me any million dollars here.

4 MR. DOWNS: The man signed
5 a sworn statement but look what he's done with the
6 corporation money.

7 JUDGE SNODDY: I understand
8 he's jeopardized it.

9 MR. DOWNS: He put stock in
10 his name.

11 JUDGE SNODDY: This stock,
12 as far as that's concerned, that's the only problem that
13 I have in this whole matter, where any money is now.

14 MR. DOWNS: He mismanaged the
15 corporation.

16 MR. ABBITT: The corporation
17 was his to start with.

18 JUDGE SNODDY: What I'm trying
19 to figure out is a way for her to get something. If you
20 all can point it out to me, I'd be glad to do it.

21 MR. DOWNS: He's got the assets.

22 JUDGE SNODDY: I understand
23 all that, but I still have to know where some of this is
24 before I can order --

25 MR. DOWNS: Where is he getting

1 \$7,000 a month? He told us he's current in all his bills
2 and pays \$7,000 a month. That's before he pays his wife
3 and children. He didn't fix up a statement like she did.
4 He's got some self-serving statement that lists none of
5 his assets. He can afford to pay her.

6 JUDGE SNODDY: She's entitled
7 to some of his assets but what I have got to figure out
8 is where his assets are.

9 MR. DOWNS: I think it comes
10 close in the 1980 statement. The one he prepared for
11 today's hearing is worth nothing --

12 JUDGE SNODDY: That's the amount
13 of attention I'm going to give it too.

14 MR. DOWNS: --, because he owns
15 the same things.

16 JUDGE SNODDY: But he was
17 borrowing money then.

18 MR. DOWNS: I think the lady
19 ought to have a monthly fixed income. She's got to be
20 secure. If something happened to him tomorrow, she'd get
21 nothing.

22 JUDGE SNODDY: They have but
23 a half interest in the car and house.

24 MR. ABBITT: But you're talking
25 about a financial statement he made in 1980. That probably

1 won't be anything like that now especially since he's got
2 a judgement of a hundred some thousand to it.

3 JUDGE SNODDY: She's got a
4 lot of judgements against her.

5 MR. ABBITT: That's going to
6 be encumbent against this property.

7 MR. DOWNS: It's funny how
8 that Keysville property went. It went down real quick.

9 MR. ABBITT: Well, they owe
10 80 some thousand dollars on it.

11 MR. DIXON: My current
12 obligations are 88,000 a year.

13 MR. ABBITT: How can he possibly
14 pay it? She wouldn't sign for anything.

15 JUDGE SNODDY: I'm going to
16 enter a temporary order until I have a chance to look it
17 over, or until I do anything on ^{Not asked for by plaintiff} a lump sum, or anything
18 else. But what Mrs. Dixon needs now is help with support
19 for herself and these children. I think it's very
20 commendable what she's done. A lot of them just sit back
21 and hope they're going to get money from their husband.
22 You don't see one charge account down there.

23 MR. ABBITT: He thinks if he's
24 given the opportunity, he can find a way to work out of
25 this thing.

1 JUDGE SNODDY: He might work
2 himself further in debt.

3 MR. DIXON: Then the family
4 wouldn't have any support at all.

5 JUDGE SNODDY: The family comes
6 first. That's going to come first in my mind before
7 anything else comes out. If all these other things fall
8 through, you're still going to support your family, or
9 go to jail. Of course, that won't help them a bit but
10 it's the only alternative I have.

11 MR. DIXON: That might be the
12 only alternative I have.

13 JUDGE SNODDY: I don't want
14 to do it to anybody.

15 The sum of \$1,000 per month for the children; \$200
16 a month for Mrs. Dixon is ordered. I'm just putting that
17 in there until I can figure out how to work this thing
18 out.

19 MR. DOWNS: She has also got
20 counsel fees and court costs.

21 JUDGE SNODDY: I'm going to
22 put down here \$500 counsel fees.

23 MR. DOWNS: Court costs, I
24 imagine, run around --

25 JUDGE SNODDY: I'm going to

1 put \$200 down here for costs.

2 I will just leave it on the docket. I'm not going
3 to enter a final judgment. I want to make a decision before
4 I enter a final decree.

5 MR. DOWNS: This is an interim
6 judgement? Those payments will --

7 JUDGE SNODDY: As far as the
8 divorce is concerned, you say there's no objection, but
9 this is only temporary as to this support. I have to work
10 out something on it financially.

11 MR. DOWNS: It's very important
12 to Mrs. Dixon. The youngest child is two years old. The
13 child hasn't seen her father but twice. She's extremely
14 concerned. She does object strenuously to him taking that
15 child away overnight. The other two know he's their
16 father. He'll scare the little one to death. For the
17 time being if you would just restrict --

18 MR. ABBITT: I think that's
19 okay.

20 JUDGE SNODDY: The other two
21 children will be allowed to visit as long as you notify
22 her ahead of time.

23 MR. DOWNS: I'm sure Mrs. Dixon
24 understands that.

25 JUDGE SNODDY: It is all I

1 can do at the present time. I am going to have to put
2 him in jail to shake him up while the custody papers are
3 being signed.

4 I'm giving you everything except the money. If
5 I could give you a million dollars today, I'd do it.

6 (OFF THE RECORD)

7 * * * END OF PROCEEDINGS * * *

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1 CERTIFICATE OF COURT REPORTER:

2
3 I, Linda F. McHenry, certify
4 that I reported and transcribed the foregoing matter to
5 the best of my ability and certify that such transcript
6 is complete and accurate.

7 I further certify that I am
8 neither related to nor associated with any party in this
9 proceeding, nor otherwise interested in the outcome thereof.

10 Given under my hand this 25th
11 day of February, 1986.

12
13
14 *Linda F. McHenry*
15 LINDA F. McHENRY
16 Court Reporter
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25

VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

MARJORIE HAGOOD WESTON DIXON.

Plaintiff

v.

DWIGHT ALEXANDER DIXON,

Defendant

FINAL DECREE

This cause, which has been regularly docketed, matured and set for hearing, came on this day to be heard upon the Bill of Complaint; upon proof of proper and legal service of process upon the defendant; upon the answer of the defendant; upon the depositions of witnesses on behalf of the plaintiff, regularly taken after proper and legal notice and filed in accordance with law, and was argued by counsel.

Upon consideration whereof, the Court finds from the evidence, independently of any admissions of the parties in the pleadings or otherwise, the following facts: that the parties are over the age of eighteen; that they were lawfully married in Charlotte County, Virginia, on August 27, 1967; that there are three infant children born of this marriage, whose names are Dwight Alexander Dixon, II, Daniel Weston Dixon and Marjorie Claire Dixon; that the plaintiff is domiciled in and is and has been an actual bona fide resident of the Commonwealth of Virginia for a period of more than six months immediately preceding the commencement of this suit; that the plaintiff and defendant last cohabited as husband and wife in the County of Charlotte, Virginia; that the charge of desertion of the plaintiff by the defendant on October 16, 1979, as alleged in the Bill of Complaint, has been fully proven by the evidence, and that the plaintiff is entitled to the relief prayed for.

Accordingly, it is ADJUDGED, ORDERED and DECREED that the plaintiff, Marjorie Hagood Weston Dixon, is now absolutely divorced from the defendant, Dwight Alexander Dixon, from the bond of matrimony

on the ground of desertion of the plaintiff by the defendant for a period of more than one year. and that the bond of matrimony created by the marriage between these parties on August 27, 1967, is dissolved.

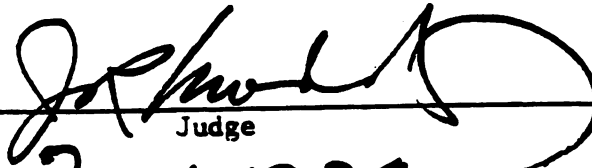
It is ADJUDGED and ORDERED that custody of Dwight Alexander Dixon, II, Daniel Weston Dixon and Marjorie Claire Dixon, infant children of the parties, is awarded to the plaintiff but leave is granted to the defendant to see and visit said children at reasonable times and places, and it is further ORDERED that the defendant pay to the plaintiff for the care, support and maintenance of the said children the sum of \$ 1000⁰⁰ per month, and provide hospitalization insurance for said children.

It is further ORDERED that the defendant shall pay to the plaintiff a lump sum award in the amount of \$ _____ and spousal support in the amount of \$ 200⁰⁰ per month until further order of this Court.

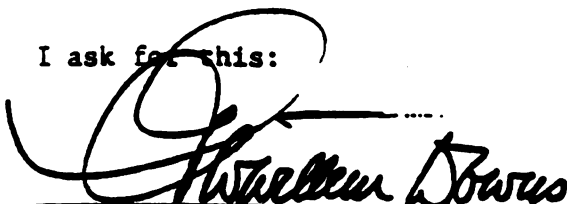
It is further ORDERED that the defendant pay to G. Warthen Downs, counsel for the plaintiff, the sum of \$ 500⁰⁰ for legal services rendered on behalf of the plaintiff and the further sum of \$ 200⁰⁰, court costs incurred.

~~And nothing further remaining to be done herein, it is ORDERED that this cause is stricken from the docket and the papers placed among the the cause.~~


ENTER:


Judge
Feb. 5, 1982

I ask for this:


G. Warthen Downs p.q.

Seen: + open to


Watkins M. Abbitt p.d.

Entered in Chancery Order Book 24. page 249 on 2-10-82.

Book 24 page 249

VIRGINIA: IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE, February 10, 1982.
MARJORIE HAGOOD WESTON DIXON,
v.
Dwight Alexander Dixon,

Plaintiff

Defendant

FINAL DECREE

This cause, which has been regularly docketed, matured and set for hearing, came on this day to be heard upon the Bill of Complaint; upon proof of proper and legal service of process upon the defendant; upon the answer of the defendant; upon the depositions of witnesses on behalf of the plaintiff, regularly taken after proper and legal notice and filed in accordance with law, and was argued by counsel.

Upon consideration whereof, the Court finds from the evidence, independently of any admissions of the parties in the pleadings or otherwise, the following facts: that the parties are over the age of eighteen; that they were lawfully married in Charlotte County, Virginia, on August 27, 1967; that there are three infant children born of this marriage, whose names are Dwight Alexander Dixon, II, Daniel Weston Dixon and Marjorie Claire Dixon; that the plaintiff is domiciled in and is and has been an actual bona fide resident of the Commonwealth of Virginia for a period of more than six months immediately preceding the commencement of this suit; that the plaintiff and defendant last cohabited as husband and wife in the County of Charlotte, Virginia; that the charge of desertion of the plaintiff by the defendant on October 16, 1979, as alleged in the Bill of Complaint, has been fully proven by the evidence, and that the plaintiff is entitled to the relief prayed for.

Accordingly, it is ADJUDGED, ORDERED and DECREED that the plaintiff, Marjorie Hagood Weston Dixon, is now absolutely divorced from the defendant, Dwight Alexander Dixon, from the bond of matrimony on the ground of desertion of the plaintiff by the defendant for a period

of more than one year, and that the bond of matrimony created by the marriage between these parties on August 27, 1967, is dissolved.

It is ADJUDGED and ORDERED that custody of Dwight Alexander Dixon, II, Daniel Weston Dixon and Marjorie Claire Dixon, infant children of the parties, is awarded to the plaintiff but leave is granted to the defendant to see and visit said children at reasonable times and places, and it is further ORDERED that the defendant pay to the plaintiff for the care, support and maintenance of the said children the sum of \$1000.00 per month, and provide hospitalization insurance for said children.

It is further ORDERED that the defendant shall pay to the plaintiff a lump sum award in the amount of \$_____ and spousal support in the amount of \$200.00 per month until further order of this Court.

It is further ORDERED that the defendant pay to C. Warren Downs, counsel for the plaintiff, the sum of \$500.00 for legal services rendered on behalf of the plaintiff and the further sum of \$200.00, court costs incurred.

Enter: Feb. 5, 1982.

COPY-TESTE

Shirley B. Jarrington
Recorded In CO. Book # 24 Page 249

VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

MARJORIE HAGOOD WESTON DIXON,

Plaintiff

v.

DWIGHT ALEXANDER DIXON,


Defendant

O R D E R

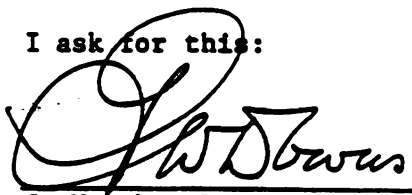
This day came the parties, in person and by counsel, to be heard on the plaintiff's Motion that the child support and spousal support payments as ordered by this Court on February 5, 1982, and all future modifications thereof should constitute a lien on the defendant's real estate pursuant to the provisions of §8.01-460 of the Code of Virginia, 1950, as amended, and was argued by counsel.

Upon consideration whereof, it is ORDERED that the child support and spousal support amounts as ordered by this Court on February 5, 1982 and all modifications and amendments thereto that may be made in the future shall constitute a lien on the defendant's real estate pursuant to the provisions of §8.01-460 of the Code of Virginia, 1950, as amended, until further order of this Court.


ENTER:


Judge
Mar. 12, 1982

I ask for this:


G. Warthen Downs p.q.

Seent objective to


Wilbert L. Sawyer, Jr. p.d.

MARJORIE HAGOOD WESTON DIXON,

Plaintiff

v.

DWIGHT ALEXANDER DIXON,

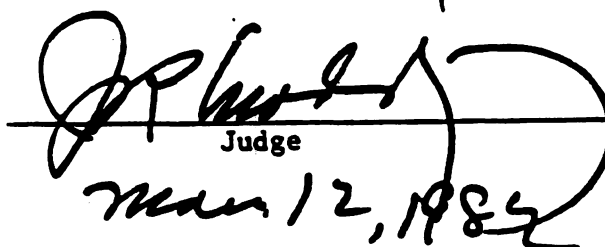
Defendant

O R D E R

This day came the parties, in person and by counsel, to be heard on the plaintiff's Motion that the defendant be required to give adequate recognizance with surety to insure compliance with the Court's Order entered on February 5, 1982, regarding child support and spousal support payments as provided by §20-114 of the Code of Virginia, 1950, as amended, and was argued by counsel.

Upon consideration whereof, and it appearing that the defendant has failed to comply with the Court's Order entered on February 5, 1982 regarding the payment of child support and spousal support, and deeming it reasonable to do so, the Court doth hereby ORDER that the defendant shall give a cash recognizance bond in the amount of \$10,000⁰⁰ to the Clerk of this Court in order to insure future compliance with the orders of this Court regarding the payment of child support and spousal support. It is further ORDERED that the defendant shall be held in custody by the Sheriff of this County until such time as a recognizance herein ordered has been posted in accordance with the provisions of this Order.

ENTER:

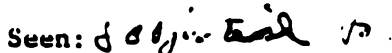

Judge
Mar 12, 1982

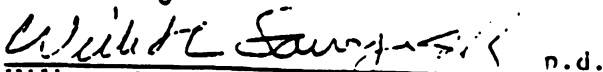
I ask for this:


G. Warthen Downs

Entered in Chancery Order Book #24, Page
261. 3-12-82

p.q.

Seen:  n.d.


n.d.

VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

MARJORIE HAGOOD WESTON DIXON,

Plaintiff

v.

DWIGHT ALEXANDER DIXON,

Defendant

O R D E R

On this 12th day of March, 1982, this cause came to be heard upon order for the defendant to show cause why he should not be held in contempt, and fined or imprisoned or both, for failure to comply with this Court's decree entered on February 5, 1982; upon a Notice wherein the plaintiff requests that the defendant give an adequate recognizance to insure that the defendant comply with this Court's orders and that support orders of this Court shall constitute a lien on the defendant's real estate; and upon a petition of defendant praying that the divorce decree dated February 5, 1982 and entered herein be modified to decrease the payments defendant is require to make for the maintenance and support of the plaintiff and for child support, on proof of service of the show cause order, the notice and the petition to modify, upon a hearing ore tenus, where plaintiff and her counsel and defendant and his counsel appeared, and was argued by counsel.

UPON CONSIDERATION WHEREOF, it appearing to the Court that the defendant failed to comply with the Court's Final Decree dated February 5, 1982; that a recognizance from the defendant is appropriate; that a lien on the defendant's real estate to insure compliance with the Court's orders is appropriate, that the claims set forth in the defendant's petition have some merit and that this order should be entered, it is therefore

ADJUDGED, ORDERED and DECREED that the defendant is guilty of contempt of court and is therefore sentenced to 30 days in Jail, said 22

sentence to begin on March 12, 1982, and further it is

ADJUDGED, ORDERED and DECREED that the child support and spousal support amounts as ordered by this Court in this cause and all modifications and amendments thereto that may be made in the future shall constitute a lien on the defendant's real estate pursuant to the provisions of §8.01-460 of the 1950 Code of Virginia, as amended, until further order of this Court; and further it is

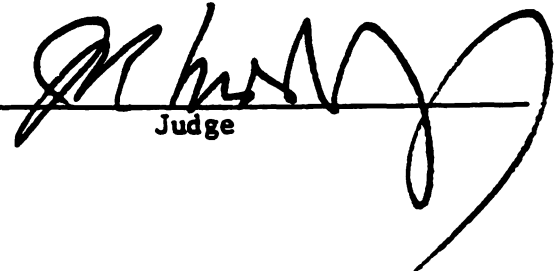
ADJUDGED, ORDERED and DECREED that

(1) The Final Decree entered herein on February 5, 1982 be modified to require the defendant to pay the plaintiff SIX HUNDRED TWENTY-FIVE DOLLARS (\$625.00) per month plus make the house payment on the dwelling of the parties for child support effective March 12, 1982;


(2) The Final Decree entered herein on February 5, 1982 be modified to require the defendant to pay plaintiff ONE HUNDRED TWENTY-FIVE DOLLARS (\$125.00) per month for her maintenance and support.

And this cause is continued on the docket for such further action as may be necessary.

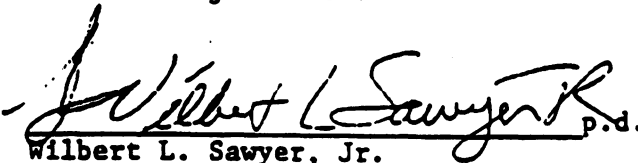
ENTER: March 12, 1982 Nunc Pro Tunc


Judge

Seen:


G. Warthen Downs p.c.

Seen and objected to:


Wilbert L. Sawyer, Jr. p.d.

VIRGINIA:

IN THE CIRCUIT COURT OF THE COUNTY OF CHARLOTTE

* * * * *

MARJORIE HAGOOD WESTON DIXON,)

Plaintiff,)

vs.)

O R D E R

DWIGHT ALEXANDER DIXON,)

Defendant.)

- - - - -)

On the 3rd day of February, 1983, this cause came to be heard upon order for the defendant to show cause why he should not be held in contempt, and fined or imprisoned or both, for failure to comply with this Court's oral order entered on March 12, 1982; upon a Notice wherein the plaintiff requests that the defendant give an adequate recognizance to insure that the defendant comply with this Court's orders and that support orders of this Court shall constitute a lien on the defendant's real estate; and upon a petition of defendant praying that the divorce decree dated February 5, 1982 and entered herein be modified to decrease the payments defendant is required to make for the maintenance and support of the plaintiff and for child support, on proof of service of the show cause order, the notice and the petition to modify, upon a hearing ore tenus, where plaintiff and her counsel and defendant and his counsel appeared, and was argued by counsel.

UPON CONSIDERATION WHEREOF, it appearing to the Court that the defendant failed to comply with the Court's Final Decree dated February 5, 1982 and the oral order entered March 12, 1982 that a recognizance from the defendant is appropriate; and that

the claims set forth in the defendant's petition have some merit but that most of the defendant's problem stems from the fact that the defendant had ill health and was unable to obtain employment it is therefore

ADJUDGED, ORDERED and DECREED that the defendant shall post a FIVE THOUSAND (\$5,000.00) DOLLAR cash recognizance bond to the Clerk of this Court to insure future compliance with the orders of this Court concerning child support and spousal support, and that since the defendant has, this date, paid the plaintiff the sum of SEVEN THOUSAND FIVE HUNDRED FIFTY (\$7,550.00) DOLLARS, as shown by the attached statement marked Exhibit "A", bringing him up-to-date through February 12, 1983, for all the Court orders for maintenance and support and costs in this matter and that support orders of this Court shall not constitute a lien on the defendant's real estate; and it is further

ADJUDGED, ORDERED and DECREED that

(1) The final decree entered herein on February 5, 1982 and the oral order entered on March 12, 1982 be modified to require the defendant to pay the plaintiff the sum of FOUR HUNDRED (\$400.00) DOLLARS per month for child support effective February 12, 1983; this modification is to expire on February 12, 1984 and shall revert back to the oral order entered on March 12, 1982;

(2) The final decree entered herein on February 5, 1982 and the oral order entered March 12, 1982 be modified to require the defendant to pay plaintiff the sum of ONE ^{HUNDRED} (\$100.00) DOLLARS per month for her maintenance and support; this modification is to expire on February 12, 1984 and shall revert back to the oral order entered on March 12, 1982.

And this cause is continued on the docket for such further action as may be necessary.

ENTER: 3 / 4 / 83

I ASK FOR THIS:

Harry L. Gurnea

Received and admitted to record
this 27 day of March 1983

SEEN:

Charles Davis

p.q.

82

SUPPORT PAYMENTS

February 5, 1982 Order

\$1,000.00 per month child support

200.00 per month spousal support

500.00 Legal fee

200.00 Cost

200.00 Hospital Insurance

5 weeks at \$1,200. per mo. \$1,500.00

Legal Fee 500.00

Cost 200.00

Hospital Insurance 200.00

\$2,400.00

March 12, 1982 Order

625.00 child support

125.00 Spousal support

156.27 House Payments

11 months to February 12, 1983
at \$750.00

\$8,250.00

8 House payments from June 1, 1982

1,250.00

\$9,500.16

Less House payments paid

1,250.16

\$8,250.00

Less paid to Court

3,100.00

Owed under March 12, 1982 Order

\$5,150.00

Owed under February 5, 1982 Order

2,400.00

TOTAL AMOUNT OWED

\$7,550.00

26

EXHIBIT "A"

25- 200

VIRGINIA: IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON

Plaintiff

v.

ORDER FOR PRESERVATION OF
ESTATE OF DEFENDANT

DWIGHT ALEXANDER DIXON

Defendant

This day, the 4th day of February, 1985, came the parties hereto, in person, and by counsel, upon the Motion of the Plaintiff to Preserve the Estate of Defendant Pursuant to Section 20-103 of the Code of Virginia, 1950, as amended, upon evidence heard ore tenus; and it was argued by counsel.

Upon due consideration whereof, and for good cause shown by the evidence, the Defendant is hereby ORDERED and DIRECTED, effective February 4, 1985, to preserve his estate, both personal and corporate, so that it may be forthcoming to meet any decree which may be made by the Court in this suit; and to this end, the Defendant is further ORDERED and RESTRAINED from selling, giving, transferring, conveying, or encumbering in any manner his real and personal property, tangible or intangible, wheresoever located and from whatever source derived, or that of Charlotte Builders, Inc. and Texon, Inc. until further Order of this Court; Except and Provided, however, that Defendant may buy and sell and trade within his margin account at Wheat First Securities, Richmond, Virginia, so long as his equity therein does not fall in value at any time below Ten Thousand Dollars (\$10,000.00).

ENTER: This 13th day of February, 1985.


Judge

25-201

I ASK FOR THIS:

10th - 13-4 p.q.

SEEN AND OBJECTED TO:

Harry L. Lawton p.d.

Received and admitted to record

this 14th day of February 1985

25-265

VIRGINIA: In the Circuit Court of Charlotte County:

MARJORIE HAGOOD WESTON DIXON,

Complainant

Vs. IN CHANCERY - DOCKET NO. C-1649

DWIGHT ALEXANDER DIXON,


Defendant.

DECREE OF REFERENCE

This cause came on this day to be heard upon the bill of complaint duly filed, the process duly served upon the defendant, the defendant having answered said process, and was argued by counsel.

Upon consideration whereof, it is adjudged, ordered and decreed that this cause be and the same is hereby referred to James R. Ennis, one of the Commissioners of this Court, who is directed to take testimony and report his findings to the Court pursuant to the provisions of the order entered by this Court relative to the procedure in divorce suits.

ENTER: Apr. 26, 1985


JUDGE

Received and admitted to record

this 29th day of April, 1985

VIRGINIA: IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON,

Complainant

vs IN CHANCERY NO. C-1649

DWIGHT ALEXANDER DIXON,

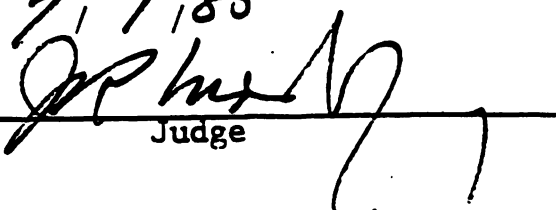
Defendant

DECREE OF REFERENCE

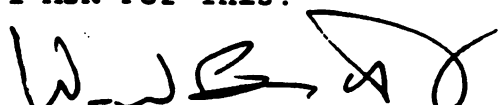
This cause came on this day to be heard upon the motion of the counsel for the complainant to set a hearing for the determination of a lump sum award of spousal support to the complainant from the defendant pursuant to §20-107 of the Code of Virginia, now repealed, and it appearing to the Court that this matter has never been considered but was left open for future consideration by the decree of this Court entered February 10, 1982, this matter is hereby referred to James R. Ennis, one of the Commissioners of this Court, who is directed to take testimony, make findings of fact and report his findings to the Court regarding same and any and all such other matters as he may deem proper and/or relevant thereto.

ENTER

7/1/85


Judge

I Ask For This:



p.g.

Seen and Objected To:

Harry A. Lawson p.d.

Seen & Objected To:

DOX

26-119

VIRGINIA: IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON

Plaintiff

In Chancery No. C-1649
Order

v.

DWIGHT ALEXANDER DIXON

Defendant

This matter came on to be heard on October 13, 1986, upon motion of the defendant to dismiss this cause for lack of jurisdiction to consider a lump sum award and permanent alimony on the grounds that the Court did not explicitly reserve jurisdiction in its "Final Decree" of divorce entered on February 5, 1982; upon memorandum of law by defendant and plaintiff; and oral argument of counsel; and the transcript of the hearing held on February 5, 1982, filed as an exhibit herein, and upon the papers formerly read herein.

Upon consideration whereof, the Court doth find that from the record of this cause, including the transcript of the proceeding held herein on February 5, 1982, this Court did intend to and did in fact reserve for future consideration all matters pertaining to a decision on permanent alimony and lump sum award to plaintiff following the entry of the divorce decree at the conclusion of the hearing, but by omission and oversight, failed explicitly to so reserve the same in the said decree of February 5, 1982, and that therefore, in order to avoid a substantial injustice to plaintiff, the Court doth decide as follows:

26-120

a. That the motion of the defendant to dismiss this cause on the grounds of lack of jurisdiction to consider a lump sum award or permanent alimony on the grounds that the Court did not explicitly reserve jurisdiction in its final decree of divorce entered on February 5, 1982, ought to be and is hereby ORDERED overruled.

b. That the Order of this Court entered on February 5, 1982, ought to be, and it hereby is, ORDERED AMENDED NUNC PRO TUNC, to include the following paragraph, to-wit:

It is further ORDERED that the matters of permanent alimony and award of lump sum for plaintiff, if any, are hereby expressly and explicitly reserved by this Court for future consideration by the Court; and that this cause be and hereby is continued for such purposes.

ENTER: This 9th day of Jan., 1986



Judge

I ASK FOR THIS:



William W. Bennett, Jr.

p.q.

SEEN AND OBJECTED TO:



Warren D. Harless

P¹ of
Of
Charles
November

VIRGINIA:

IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON,
Complainant

v.

DWIGHT ALEXANDER DIXON,
Defendant

IN CHANCERY NO. C-1649

REPORT OF COMMISSIONER

TO THE HONORABLE JOHN R. SNODDY, JR., JUDGE

Now comes James R. Ennis, Commissioner in Chancery in and for the Circuit Court of Charlotte County, Virginia and prays leave to file his report in the above-styled matter, duly referred to you Commissioner by Order of the Honorable John R. Snoddy, Jr., duly entered on the 1st day of July, 1985,; and by said Order was directed as herein set forth:

(1) Is the complainant due an award of lump sum spousal support from the defendant pursuant to Section 20-107 of the Code of Virginia, now repealed, and if so, in what amount?

Your Commissioner respectfully reports that from the evidence before him that the complainant, Marjorie Hagood Weston Dixon is entitled to a lump sum award of alimony from the defendant, Dwight Alexander Dixon. The Court record, pleadings and depositions clearly show that the complainant was awarded a divorce from the defendant based upon the grounds of desertion. Complainant was awarded periodic spousal support in the amount of \$ 200.00 per month by the decree of divorce entered on February 5, 1982; said decree having been amended by Order dated October 13, 1986 wherein the decree of February 5, 1982 was specifically amended, nunc pro

tunc, to allow consideration of the question of an award of lump sum spousal support. Although the decree of February 5, 1982 was originally silent with respect to a specific reservation to the Court to decide this matter after the entry of the decree of divorce, the transcript of the hearing clearly states that the question of lump sum spousal support is to be decided at a later date. It appears that the decree prepared by counsel did not reflect this reservation and that said decree was entered by the Court. Upon review of the jurisdictional question raised by the failure of the decree of February 5, 1982 to specifically reserve the question of lump sum spousal support, the Court reviewed the record of the earlier proceedings and based upon the specific statements contained in said record which evidenced the clear intent to reserve the question, the Court amended the decree of February 5, 1982 to reflect the reservation.

The evidence presented to your Commissioner indicates that the parties were married for a period of 15 years, during which time the complainant was a homemaker with the exception of some limited income from teaching school. Plaintiff was basically self employed or employed by corporations which he owned or controlled and engaged in the construction business. The defendant showed on various tax returns and financial statements annual gross income which exceeded \$ 85,000.00 in 1980. (See Plaintiff's Exhibit 7) This same Exhibit shows defendant's net worth to be \$ 1,248,954.40 as of December 15, 1980. Corporate tax returns for the same year (Plaintiff's Exhibit No. 11) show gross sales of \$ 407,378.37 with

assets of \$ 199,478.00 in the corporation. It appears from the evidence that a very comfortable, if not high, standard of living was obtained during the marriage. Though possessed of a college degree, Mrs. Dixon was primarily engaged in raising the three children of the marriage and homemaking. Mr. Dixon did not have the benefit of a higher education but has exhibited a high degree of understanding of complex tax laws, corporate law and trading in the stock market. It should be noted that Plaintiff's Exhibit No. 7 referred to above is a financial statement which was prepared by the defendant and bears the defendant's signature as does Plaintiff's Exhibit No. 1.

The record reflects that the plaintiff and defendant separated on October 16, 1979 and that the plaintiff instituted a suit for divorce in June of 1981. During the period prior to the plaintiff's institution of her suit for divorce, the defendant's personal financial statement showed a net worth of \$ 1,248,954.00 (See Plaintiff's Exhibit No. 7). Within seven months of the institution of the plaintiff's suit for divorce, the defendant's personal financial statement, dated January 31, 1982, (Plaintiff's Exhibit No. 7) reflects a net worth of \$ 0.00. There is no evidence which indicates that the defendant submitted this financial statement to any lender but it does bear his signature and is dated February 3, 1982. On March 8, 1982, defendant prepared a financial statement which purports to be for the Federal Land Bank of Baltimore wherein defendant represents his net worth as \$ 166,396.00 (See Plaintiff's Exhibit No. 9). At no time during

his testimony does the defendant offer a satisfactory explanation as to the whereabouts of the more than one million dollars in net worth which seems to have disappeared between December 31, 1980 and March 8, 1982. In addition, defendant's Exhibit No. 24 is a financial statement submitted by the defendant which is dated June 26, 1985 and which purports to show a net worth of \$ 29,501.00 for an additional loss of another \$ 137,000.00. Defendant's sole explanation for the loss of these funds is that the order entered by the Court for the preservation of his estate has prevented him from transacting his business and has caused him to incur great losses. The corporate tax returns for Charlotte Builders Inc. and Texon, Inc., two corporations owned and operated by the defendant, show that Charlotte Builders Inc. for tax year 1980, fiscal year end June 30, 1981, had total assets of \$ 199,478.60 and total gross income of \$ 243,131.96 (Plaintiff's Exhibit No. 1). The corporate tax return of Charlotte Builders Inc. for the 1981, fiscal year end June 30, 1982, shows total assets of \$ 149,504.39 with the total gross income of \$ 50,361.60 (Plaintiff's Exhibit No. 2). The corporate return of Texon, Inc., parent corporation of Charlotte Builders Inc., for the year 1982, fiscal year ending June 30, 1982, (Plaintiff's Exhibit No. 4) and U. S. Corporation Income Tax Return for fiscal year ending June 30, 1983 for Texon Inc. shows total assets of \$ 481,033.30 with gross income of \$ 16,644.57 (Plaintiff's Exhibit No. 5). The order preserving the estate of the defendant was not entered by the Court until February 13, 1985. It is the opinion of your Commissioner that the testimony and

exhibits presented clearly evidence the fact that the defendant Dwight Alexander Dixon, was not prohibited from transacting his business or the business of his corporations in the years preceding the entry of the preservation order yet his personal assets and the income and assets of his corporations declined severely from the period of December, 1980 until February, 1985. In the opinion of your Commissioner, it is more than mere coincidence that the unexplained loss of income, assets and net worth of the defendant coincided with the filing of the plaintiff's suit for divorce and request for spousal support, both periodic and lump sum. The testimony and the exhibits evidence a maize of dealings between the defendant and the two corporate entities which he controlled. These dealings consisted of real estate transfers, loans from the corporations to the defendant, assignments and pledges from the defendant to the corporate entities which appear to encumber the personal assets of the defendant, use of corporate assets as collateral for personal obligations and the purchase of real estate owned personally by the defendant at a foreclosure sale by a corporation of which the defendant was the sole stockholder. The evidence further shows that the defendant violated the order for preservation of his estate by establishing a new corporation called Texxon Company to which the assets of Texon, Inc. were transferred. As an example, defendant used the assets of Texxon Company and Texon, Inc. as collateral for loans with First National Bank of Farmville, now First Virginia Bank-Southside. These loans were taken out by the defendant to prevent the collection of a judgment.

obtained by First National Bank of Farmville against the plaintiff and the defendant in the amount of \$ 105,000.00. The result of the defendant's actions were to keep in existence the judgment against himself and the plaintiff. First National Bank of Farmville, although fully collateralized by Kynite Mining Corporation stock, took no action to liquidate the collateral and thus satisfy the judgment. The notes signed by Texxon Company resulted in the payment of interest at the rate of 15.97% rather than a judgment rate of interest of 8.00%. Obviously, the additional interest said could have been applied to the judgment principal.

This example shows clearly that the defendant used corporate assets as collateral for a personal obligation and further shows that the defendant preferred to pay a higher rate of interest to the bank rather than satisfy the judgment. Your Commissioner can only speculate as to the motivation of the defendant and the reasons why the bank would not take action to satisfy a judgment in excess of \$ 100,000.00 when the collateral held by the bank exceeded \$ 275,000.00 in value by the most conservative estimate. Your Commissioner will not engage in such speculation but will state that the actions of Mr. Dixon and First National Bank of Farmville in this regard were to the detriment of the plaintiff and resulted in the plaintiff's credit history being scarred by an unsatisfied judgment for a period of approximately five years.

There is no evidence presented by the defendant which adequately explains why the defendant did not continue to operate his corporations and thus continue to earn at the level which was

established prior to the filing of the suit for divorce in June of 1981. The defendant has effectively reduced his income by transferring 3,254 shares of the common stock of Kynite Mining Corporation which had produced dividend income in excess of \$ 20,000.00 annually, to Texon, Inc. and Texxon Company, two corporations wholly owned and controlled by the defendant. Construction equipment such as bulldozers, backhoes, trucks and trailers which the defendant has shown on various tax returns as having total values in excess of \$ 100,000.00 are largely unaccounted for by the defendant. The defendant, by his testimony, would ask the Court to believe that he does not know the location or condition of his equipment in many cases. The defendant, when ordered by your Commissioner, provided a list of the equipment and the supposed location of the equipment. Defendant refused to supply keys to the various pieces of motorized equipment so that accurate appraisals could be performed. It seems reasonable to assume that the defendant could have produced income from the leasing of this equipment if he were unable to operate the equipment himself. Your Commissioner does not believe that the defendant is unable to locate this equipment nor does your Commissioner believe that the defendant does not know its whereabouts and condition.

The items of equipment which were located have been appraised as follows:

D 6 Caterpillar (10K12740)	\$ 32,500.00
International Road Tractor	2,500.00

Fruehauf Trailer (FWZ2356001)	7,500.00
John Deere Backhoe (5205957)	16,000.00
Van Trailer	1,700.00
1961 Mack Tractor	600.00
D 8	800.00
Pan	2,000.00
1968 Ford 2-ton Truck with tandem	2,500.00
1973 Chevrolet 60 series Truck with utility body (2-ton)	3,500.00
1951 Pontiac Bonneville	<u>1,000.00</u>
TOTAL	\$ 70,600.00

These items were appraised by Mr. Linwood Francis Scruggs and by William Walker Barksdale. (See transcripts dated April 16, 1987 pages 15 - 37 and February 18, 1987 pages 4 - 7 respectively) list of the equipment owned by the defendant and/or his corporation which was provided by the defendant (See Plaintiff's Exhibit 60) is far more extensive than the items listed above. These additional items were not available to be appraised due to the fact that many of them were not in the locations indicated in the list or had been sold by the defendant or plaintiff.

Mr. Dixon absented himself from the hearings in the latter stages of the proceedings. The result of these absences were to frustrate the attempts of the plaintiff, her counsel and you, Commissioner to obtain ignition keys to certain pieces of equipment. These keys were essential to an accurate appraisal to ascertain the fair market value of this equipment. In several cases, equipment has been valued for salvage purposes only due

the fact that it was not possible for the appraiser to ascertain whether the equipment was operable. Your Commissioner attributes any loss of value sustained as a result of the inability to operate the equipment directly to the conduct of the defendant. Your Commissioner does not feel that the defendant should be allowed to profit from his own misconduct. In addition, it does not appear that the defendant at any time took any steps to preserve these assets and was content to allow them to be not only unproductive but to in fact deteriorate. This equipment has been shown on the defendant's United States Income Tax Corporate return as having a value of approximately \$ 176,000.00 in 1981. It is the opinion that a substantially higher value should be attached to the equipment than is reflected by the testimony of Mr. Scruggs and Mr. Barksdale. To accept their appraisals at face value would allow the defendant to profit by his conduct in refusing to allow more accurate appraisals, in neglecting to maintain the equipment and thus decrease the value and would give credence to the defendant's testimony that he did not know the location or condition of the equipment worth at least \$ 176,000.00 at a point in time immediately prior to the divorce. Your Commissioner finds this testimony to be inherently incredible.

It is the opinion of your Commissioner that to accept the fair market value of the defendant's property and estate as of the date of these proceedings would be an injustice to the plaintiff. It would give credence to incredible testimony by the defendant and would ratify the defendant's acts of waste and indicate approval of

his methods. If justice is to be served and equity done, your Commissioner feels that the property and estate of the defendant should be valued as of the date of the decree of divorce. ✓

Your Commissioner finds from the evidence presented that the defendant was possessed of the following assets at the time of the decree of divorce which would be subject to consideration with respect to an award of lump sum spousal support:

3,250 shares of common stock of Kynite Mining Corporation	\$ 333,125.00
Business equipment and machinery	176,000.00
1/2 interest in the marital home	15,000.00
Equity in real estate	<u>362,100.00</u>
TOTAL	\$ 886,225.00

With respect to the 3,250 shares of the common stock of Kynite Mining Corporation, Defendant's Exhibits 7 and 10 show that the book value of said stock ranged from \$ 209.92 in 1979 to \$ 260.70 in 1984. Sales of said stock during that same time have ranged from \$ 80.00 per share to \$ 125.00 per share or an average of \$ 102.50 per share. Thus, a value of \$ 333,125.00 has been assigned to the stock of Kynite Mining Corporation.

Your Commissioner has already discussed at length the business equipment and machinery and the value attached thereto of \$ 176,000.00.

The marital home of the parties, has been appraised at various times as having a value of \$ 35,000,000 while occupied by the plaintiff and defendant. The appraisal value of \$ 25,000.00 reflects the fact that the property has been abandoned with the

exception of the fact that building materials are stored in the home. The testimony shows that the plaintiff was forced from the home by the defendant and that the defendant made the marital home uninhabitable thereafter. Any decrease in value of the marital home should be attributed to the defendant. The case of Wilson v. Wilson, 195 Va. 1060, 1954, wherein Mr. Wilson deprived Mrs. Wilson and her children of the use of the marital home appears to be controlling. The Court in the Wilson case stated "He will gain no financial advantage by denying his family use of the home. His only compensation will be his imaginary satisfaction in seeing his family suffer further indignities." In the Wilson case, the Court allowed additional spousal support in order to obtain a suitable place to live.

With regard to the valuation of the real estate owned by the defendant and/or the corporate entities which he owned or controlled, your Commissioner reports that the values used reflect the equity in the real estate owned by the defendant. Fair market values have been ascertained by using Plaintiff's Exhibit No. 7, 8 and 9 which are financial statements bearing the defendant's signature wherein the real estate holdings have been listed. Had this been a request for equitable distribution, your Commissioner would have been compelled to take into account the liens and encumbrances against the real estate in arriving at a valuation. The majority of the properties owned by the defendant were either sold to third parties or transferred to his closely held corporations between the date of the final decree of divorce and

the date of these hearings. Neither the plaintiff nor the defendant were able to produce independent appraisals which reflected the value of the properties at the time of the decree of divorce on February 5, 1982. The record shows a series of dealings between the defendant and his corporations whereby the defendant transferred parcels of real estate to his corporations in exchange for reductions in debts due to the corporation from the defendant. Although the tax consequences may have been severe, the defendant was able to borrow money from his corporations rather than be employed by them. By selling the property to the corporation in exchange for debt reduction, he was able to transfer title to his own corporation while at the same time control his earnings and income. In one particular case the defendant allowed a parcel referred to as the Gaulding Tract to be foreclosed upon. The defendant then had his corporation purchase the property at the foreclosure sale for \$ 65,000.00. At no time during this proceeding has the defendant shown that the source of title to any of the subject real estate was from a gift or an inheritance which was received during the marriage. Again, the defendant has created a web of transfers and debts between himself and the corporate entities which he controls in order to create a scenario whereby he appears without assets or income. With each successive transfer and each new corporate entity, it appears that more and more value or equity is lost. As stated hereinabove, to allow the defendant to prosper and profit as a direct result of his attempts to conceal his assets and confuse his creditors would be to deny equity. T

allow him to prosper from his acts at the expense of his family would reward his cunning, applaud his attempts to avoid an accurate assessment of his estate and affirm his oppressive conduct and malingering.

Based upon the evidence before your Commissioner, it appears that the above valuation of the defendant's property and estate is reasonable in light of all of the circumstances. Your Commissioner would recommend that the plaintiff, Marjorie Hagood Weston Dixon be awarded lump sum spousal support in the amount of \$ 130,000.00 plus attorney's fees in the amount of \$ 20,000.00. The actions of the defendant have gone far beyond asserting a vigorous defense. He has caused great delay and expense to these proceedings by absenting himself from the State of Virginia; the filing of numerous repetitive motions; attempting to represent himself while represented by counsel and the pursuit of a defense and motions filed in furtherance thereof which he knew to be spurious and without merit. The plaintiff has been forced to expend \$ 4,814.85 for court reporters, \$ 449.00 for service fees to private individuals in an attempt to serve the defendant, \$ 640.00 in accounting fees and \$ 219.00 in costs for subpoena and recording fees for a total of \$ 6,122.85. Your Commissioner has spent in excess of 160.6 hours hearing testimony, traveling, reviewing the record and exhibits filed therewith and in preparation of this report to the Court. Your Commissioner has attached hereto an accounting of this time. It is the recommendation of your Commissioner that the costs of this proceeding be assessed against

the defendant in the amount of 80 % and against the plaintiff in the amount of 20 %. Though the defendant's conduct resulted in additional costs to this proceeding, your Commissioner is of the opinion that the plaintiff is not entirely blameless with respect to added costs and should therefore bear a portion of the costs and expenses of the proceeding. The plaintiff had available to her certain remedies which she did not exercise which could have perhaps saved time and money. Although forced into a very difficult financial position by having to bear all of the cost of pursuing the defendant, your Commissioner feels that the plaintiff should bear a portion of the costs which she would normally have incurred had this matter not been made more difficult by the defendant.

(2) Is the plaintiff entitled to an increase in the amount of monthly spousal support?

Your Commissioner respectfully reports that this question has become moot since the plaintiff has now remarried and is no longer entitled to receive monthly spousal support from the defendant.

(3) Is the plaintiff entitled to receive an increase in the amount of child support ordered by the Court or is the defendant entitled to a reduction in the amount of child support?

Your Commissioner respectfully reports that from the evidence before him, the amount of child support currently being paid by the defendant to the plaintiff should remain at the sum of \$ 500.00 per month, even though one of the three children has now reached majority. The defendant failed to present any evidence which would

entitle him to a reduction in the amount currently being paid.

There being no further matter specially stated or requested by any party which your Commissioner deems pertinent, your Commissioner hereby submits this report to your Honor's Court.

Reference should be hereby made to the pleadings, decree of reference, and the depositions and all exhibits filed herein.

This report is rendered unto his Honorable Court on the 3rd day of March, 1989.

Respectfully submitted,

James R. Ennis
James R. Ennis
Commissioner in Chancery

James R. Ennis
P. O. Box 266
Farmville, Virginia 23901

CERTIFICATE

I do hereby certify that a true copy of the foregoing Report of Commissioner was mailed to Warren D. Harless, Esquire, Counsel for Defendant, 1200 Mutual Building, 909 East Main Street, Richmond, Virginia 23219-3095, and William W. Bennett, Jr., Esquire, Counsel for Plaintiff, 45 North Main Street, P. O. Box 456, Halifax, Virginia 24558 this 3rd day of March, 1989.

James R. Ennis

filed: March 3, 1989
state: Stuart B. Fuller, Clerk
By: Annette F. Cloudis, D.C.

ACCOUNTING OF COMMISSIONER'S TIME

DATE	WORK	TIME
5-28-85	Telephone conference with Ted Bennett	0.1
7-2-85	Review of Court file and motions; hearing	10.0
7-2-85	Telephone conference with Ted Bennett	0.2
7-3-85	Hearing	6.5
7-3-85	Telephone conference with E. M. Wright	0.5
7-5-85	Hearing and travel to hearing	8.5
7-8-85	Hearing; review of motions filed, research; telephone conference with Greg Farmer	9.0
7-10-85	Telephone conference with E. M. Wright; hearing and travel to and from hearing	10.0
7-11-85	Preparation for hearing and hearing	7.5
7-15-85	Hearing; telephone conference with Ted Bennett	2.0
7-29-85	Telephone conference with Ted Bennett	0.1
8-2-85	Telephone conference with Ted Bennett	0.5
8-5-85	Hearing	6.0
8-6-85	Telephone conference with Ted Bennett	0.4
8-8-85	Telephone conference with Ted Bennett	0.2
8-9-85	Preparation for hearing and hearing	7.0
8-19-85	Telephone conference with Ted Bennett	0.1
8-26-85	Telephone conference with Ted Bennett	0.1
9-10-85	Telephone conference with Ted Bennett	0.1
9-26-85	Telephone conference with Ted Bennett	0.1
10-3,7,8-85	Telephone conferences with Ted Bennett	.25
11-18,20,21,22-85	Telephone conferences with Ted Bennett	0.4
12-4-85	Telephone conferences with Ted Bennett	0.3

DATE	WORK	TIME
12-9-85	Telephone conference with Ted Bennett	0.1
12-18-85	Telephone conference with Ted Bennett	0.1
1-2,8,9-86	Telephone conference with Ted Bennett	1.0
2-10-86	Preparation for hearing; review of notes and hearing	8.0
2-18-87	Preparation for hearing and hearing	6.0
4-16-87	Hearing	2.5
?	Conference with Judge Snoddy regarding necessity for transcript and cost involved	1.0
?	Hearing and travel to hearing for award of costs and attorney's fees in Charlotte County	3.0
12-27-88	Review of transcript	5.0
12-29-88	Review of transcript	4.0
1-9-89	Review of exhibits (tax returns)	6.5
1-10-89	Review of tax returns	4.3
1-20-89	Review of transcripts and exhibits	2.5
1-26-89	Review of court files, transcripts and exhibits	6.5
2-5-89	Review of memorandum from plaintiff's counsel and review of transcripts	2.75
2-15-89	Preparation of report and review of transcripts	5.5
2-24-89	Preparation of report	1.5
2-27-89	Preparation of report	2.3
2-28-89	Preparation of report	4.4
3-1-89	Preparation of report	3.5
3-2-89	Preparation of report	3.3
3-3-89	Completion of report and delivery to Circuit Court of Charlotte County	<u>5.0</u>
TOTAL HOURS		160.0
Hourly rate 75.00 x 160.0		\$ 12,045.00

VIRGINIA:

IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON PUGH,)
Complainant)

v.)

DWIGHT ALEXANDER DIXON,)
Defendant)

IN CHANCERY NO. C-1649

DEFENDANT'S EXCEPTIONS TO REPORT OF COMMISSIONER

1. Page 1. Court does not have jurisdiction to award a lump sum pursuant to Section 20-107 of the Code of Virginia, now repealed.
2. Page 1. Court was without jurisdiction and consent to amend Final Divorce Decree entered on February 5, 1982 with the amended Order dated October 13, 1986.
3. Page 2. It appeared the trial Judge Snoddy purposely changed the Decree of February 5, 1982 to conform to his specific written Order.
4. Page 2 and 3. Show gross income without regard to expenses, payments, and other costs in regard to produce this income.
5. Page 2. Statements show excessive net worth for lending and bonding purposes only, using approximate book value, not cash price of Kyanite Mining Corporation stock.
6. Page 3, 4, 5, 6 and 7. The answer to the whereabouts of the more than one million dollars in net worth is in the evidence and the commissioners Report. There were 4 to 8 expert witnesses, which some testified one half a day or more, who fully explain the bank foreclosures, judgments, refinancing, and hundreds of thousands of dollars debts owed by Dwight Alexander Dixon, and the decline in value of the assets of Dwight Alexander Dixon.

The Commissioners Report at page 20 states a high book value of Kyanite Mining Corporation stock at \$260.74 a share, and a cash price of \$80.00, leaving a difference of \$160.74 per share or \$587,405.00 on the 3250 shares attributed to Dwight Alexander Dixon. Also, the same occurred with land holdings where the evidence showed land purchased at \$550.00 to \$1000.00 per acre was now sold at \$300.00 per acre. Equipment purchased at a total of \$107,000.00 being sold in almost new condition at \$52,000.00. All transactions, independent to third parties.

Having to sell nearly all the assets at the cash prices as per evidence will account for the difference in any evaluation and answer the Commissioner with his own findings and the evidence which he disregarded.

7. Page 8. John Deere Backhoe (5205957). Sold to North Carolina contractor about 1981.

1968 Ford, 2-ton truck with tandem - purchased 1984, not available February 5, 1982.

1951 Pontiac Bonneville - Do not own car that old.

8. Page 8. Evidence clearly shows assets sold by Plaintiff.
9. Page 8. Keys not essential to start equipment. Many start without keys, and any appraiser familiar with equipment would possess the 4 or 5 standard production keys necessary to start these machines, if necessary. There are many other things necessary to operate this equipment, including the replacement of several blown and dismantled diesel engines.

10. Page 5. Evidence shows defendant was not the sole Stockholder.
11. Page 5 and 6. The Defendant had no control over First National Bank of Farmville or it's judgment against the Defendant, or Plaintiff. The Bank can do very well as it pleases. A higher interest was paid to the Bank in lieu of loss of the stock asset at a reduced value. The new notes had been negotiated as per evidence, thus the judgment had, in fact, been paid without the Plaintiff's assistance, regardless of what the judgment record may have displayed. I had no reason to check the releases personally.
12. Page 9. To use a \$176,000.00 value in 1981 for equipment of the Defendant, without adjustments for depreciation, obsolescence, normal wear and tear and without accounting adjustments of testimony and Commissioners Report showing that some of this same equipment being sold by the Plaintiff. Also, with further testimony showing that the Internal Revenue Service required this value to be displayed, regardless of condition, value, location or existence of these assets, this \$176,000.00 would be completely unacceptable and is arbitrary and capricious, with some of these same assets expended and used during 1981 and 1982 to support Plaintiff.

To expect the Defendant to know, with absolute certainty, the location and the absolute value of this equipment immediately prior to the divorce, during a 1985 trial, when the Plaintiff was in complete possession of these assets for five of the seven months prior to divorce as per testimony, is completely impossible. Also, the Defendant tried to establish a current

- value as of the date of the hearings, not knowing the Commissioner would choose a February 5, 1982 value date until March 10, 1989.
13. Page 7. Evidence shows Defendant not to own any shares, or part of Texxon Company. Texon, Inc. is not wholly owned by Defendant.
 14. Page 7. This assumption of the Commissioner, that the equipment could be leased or rented, would have placed the Defendant in an entire new business in which he had no experience, with extremely used and obsolete equipment, and further requiring establishing a service organization, extensive prepaid insurance requirements, new business license, collection and payment of sales taxes, and would have further been in disregard of the Freeze Order, as this would have been a sale.
 15. Page 9 and 10. The Commissioner's choice of date of the decree of divorce as valuation date, does an injustice to the Defendant in disallowing many days of testimony regarding values, and is a further disregard for the Defendant's rights as outlined in 20-107 et. seq.
 16. Page 10. Evidence shows Kyanite Mining Corporation stock given to Defendant by his Father and Brother prior to marriage. All blocks of 200 shares or more sold for \$80.00 per share.

Evidence and Commissioner's Report shows equipment sold by Plaintiff, and/or Defendant between the 1981 date and February 5, 1982 date of value of assets, therefore was not available, or in existence, at valuation date.

Evidence shows the home tract to have been received by Deed of Gift from Claire L. Dixon (Defendant's Mother) and Guy A. Dixon (Defendant's Father) to both the Defendant and Plaintiff during the marriage.

The Commissioner acknowledges, and evidence shows, that the majority of real estate represented as value in the Report has been sold.

17. Page 11. Testimony shows the Defendant offered the use of the home tract to the Plaintiff if she chose to return.
18. Page 12. The marital home and real estate could have easily been valued and established as of the date of divorce; however the Commissioner and the Plaintiff chose not to have this provided or accomplished.
19. The misspelling of Kyanite on page 6 and several times on page 10 may indicate the time and care spent on the valuable subject.
20. Page 12. The foreclosure was the choice of the Bank of Charlotte County, not Dwight Alexander Dixon, as testimony shows, and only purchased by Texon, Inc. because of the low price in regards to the \$80,000.00 debt shown on the property in the February 5, 1982 hearing.
21. Page 13. Commissioner ignores 20-107; 20-109; 20-110, et. seq. Testimony complete with continuous financial obligation of Dwight Alexander Dixon from four to eight witnesses.

In 20-107 - Wife's (Plaintiff) estate must be considered. Evidence clearly shows she owns one half interest in the marital home and one seventh interest in 200 acres of real estate.

The Commissioner ignores the following requirements of 20-107, repealed.

(1) Evidence shows substantial decrease in earning capacity of Dwight Alexander Dixon without being able to use assets. This has been and is his only method to make a fair living. Obligation needs and financial resources of Dwight

Alexander Dixon not considered.

(2) Limited opportunity without assets and almost a \$160,000.00 judgment for lump sum and other costs.

(3) The standard of living inflated because no deductions allowed from gross receipts of actual and normal expenses.

(5) Testimony shows Dwight Alexander Dixon unable to do physical manual work.

(5a) The contribution of Dwight Alexander Dixon to his family over the years.

(5b) Property interests of both parties which would show Plaintiff's interest in real estate as described in testimony and before in this report, and in the Commissioner's Report.

In addition, the lump sum award is to be based on the "property interests of the parties" which is only to "equitably apportion marital property" or "simply being an alternative method of awarding support which would otherwise be paid periodically". The Commissioner has erred to do otherwise.

The language of section 20-107, "The Court, in it's discretion may decree that support and maintenance of a spouse be made in periodic payments, or in a lump sum award or both". The intent of this language is to provide for lump sum awards which are merely variants of spousal support subject to the same statutory factors as periodic support.

22. The Commissioner's Report is inconsistent in his review of the Defendant showing contempt for him at page 13, while at

page 3 showing praise for the Defendants work and support of his family.

The problems of which the Commissioner complain only occur after the Plaintiff interferred, through the Courts, with the Defendant, jailing the Defendant, forcing the sale of assets and property to meet the Orders of the Court, and executing a Freeze Order causing the complete distruction of the Defendant's estate, ending in Bankruptcy Court today.

The Commissioner's reasoning that the Defendant is solely responsible for the Plaintiff's mishandling, the delay, the Plaintiff's Freeze Order, and the results of such, is extremely bazaar and is only reminiscent to the Defendant of Hitler's German Peoples Court in the 1930's and the 1940's, where equality and justice for all were meaningless words.

23. Page 14, item 2. The commissioner has apparently accepted evidence since the closing of the hearing regarding the remarriage of Plaintiff, without the Defendant being able to have an opportunity to cross examine or put on evidence regarding same. The Commissioner has acknowledged that the Plaintiff (now Pugh) is not entitled to receive monthly spousal support from the Defendant; However, has ignored 20-109 and 10-110 with respect to lump sum.
24. Page 14, item 3. The Commissioner again makes reference to one child reaching majority after the hearings were closed, which is a substantial change, but, the Commissioner has not allowed the Defendant an opportunity to present any current information as required by 20-108, et. seq and 20-107.2. This is clearly an erroneous conclusion, and without jurisdiction.

25. Accounting of Commissioner's Time. It is apparent from the statement on page 1 and 2 that the Commissioner was working by and for Ted Bennett, the Plaintiff's attorney, and not interested in working with the Defendant.

IN SUMMARY


1. The Real estate asset values could have easily been established as of the date of divorce.
2. The Commissioner determined assets without allowing for the liabilities of the Defendant which would, therefore, show the true "property interests" of the Defendant when there was ample testimony by four to eight expert witnesses.
3. The award was based on the Defendants individual property and not on joint property as per Law 20-107.
4. Kyanite Mining Corporation stock was gift by Father and Brother before marriage.
5. The Commissioner has ignored completely the current Bankruptcy proceedings and present assets.
6. The Commissioner has ignored the value of the Plaintiff's assets (Former wife, now remarried) which the testimony shows one half interest in marital home and one seventh interest in 200 acres.
7. The Court does not have jurisdiction to award lump sum or to amend Final Decree to allow an award of lump sum.
8. The Commissioner used gross sale figures without adjustment of cost to establish standard of living and award.
9. The Commissioner failed to show from where lump sum award and cost would be paid.

10. The Commissioner and the Court did not find the Plaintiff clearly and explicitly free from fault and without a finding cannot award a lump sum.

11. The transcript of the divorce trial shows limited financial assets and the bad financial condition of the Defendant and the Plaintiff as of the date of the divorce.

This exception to report is rendered unto his Honorable Court on the 11th day of MARCH, 1989.

Respectfully submitted,

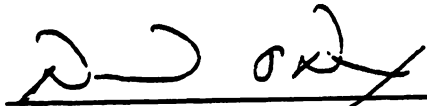

Dwight Alexander Dixon

Dwight Alexander Dixon
c/o Forest Motel
10021 Baltimore National Pike
Ellicott City, Maryland 21043
(Should return here the evening of March 15th
1989 or March 16th 1989)

Michael W. Smith, Warren D. Harless
Christian, Barton, Epps
1200 Mutual Building
909 East Main Street
Richmond, Virginia 23219-3095

CERTIFICATE

I do hereby certify that a true copy of the foregoing Defendant's Exceptions To Report of Commissioner was mailed to William W. Bennett, Jr., Esquire, Counsel for Plaintiff, 45 North Main Street, P. O. Box 456, Halifax, Virginia 24558 this 11th day of March, 1989.


DWIGHT ALEXANDER DIXON

per Linda Chappman

Filed: MARCH 13, 1989
Date: [Signature]
59

U.S. Corporation Income Tax Return

For calendar year 1980 or other tax year beginning

1980, ending **JUNE 30 1982**

Check if a—

- A. Consolidated return ☐
B. Personal Holding Co. ☐
C. Business Code No. (See page 8 of instructions)

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

Name

CHARLOTTE BUILDERS, INC

Number and street

City or town, State, and ZIP code

CULLEN VA

23934

D. Employer identification number

54-0912178

E. Date incorporated

F. Total assets (see Specific Instructions)

\$ 199,478 60

Gross Income

- 1 (a) Gross receipts or sales \$..... (b) Less returns and allowances \$..... Balance ▶
- 2 Cost of goods sold (Schedule A) and/or operations (attach schedule)
- 3 Gross profit (subtract line 2 from line 1(c))
- 4 Dividends (Schedule C)
- 5 Interest on obligations of the United States and U.S. instrumentalities
- 6 Other interest
- 7 Gross rents
- 8 Gross royalties
- 9 (a) Capital gain net income (attach separate Schedule D)
- (b) Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)
- 10 Other income (see instructions—attach schedule)
- 11 TOTAL income—Add lines 3 through 10

1(c)	407 378	37
2	168 329	99
3	239 048	38
4		
5		
6		
7		
8		
9(a)		
9(b)		
10	4 083	58
11	243 131	96

Deductions

- 12 Compensation of officers (Schedule E)
- 13 (a) Salaries and wages 13(b) Less WIN and jobs credit(s) Balance ▶
- 14 Repairs (see instructions)
- 15 Bad debts (Schedule F if reserve method is used)
- 16 Rents
- 17 Taxes
- 18 Interest
- 19 Contributions (not over 5% of line 30 adjusted per instructions—attach schedule)
- 20 Amortization (attach schedule)
- 21 Depreciation from Form 4562 (attach Form 4562), less depreciation claimed in Schedule A and elsewhere on return, Balance ▶
- 22 Depletion
- 23 Advertising
- 24 Pension, profit-sharing, etc. plans (see instructions)
- 25 Employee benefit programs (see instructions)
- 26 Other deductions (attach schedule)
- 27 TOTAL deductions—Add lines 12 through 26
- 28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)
- 29 Less: (a) Net operating loss deduction (see instructions—attach schedule) 29(a) **28 519 87**
- (b) Special deductions (Schedule I) 29(b)
- 30 Taxable income (subtract line 29 from line 28)

12	5 835	00
13(c)	26 624	01
14		
15		
16	102 040	60
17	4 657	01
18		
19		
20		
21	15 808	39
22		
23		
24		
25		
26	61 793	67
27	216 758	62
28	26 373	34

Tax

- 31 TOTAL TAX (Schedule J)
- 32 Credits: (a) Overpayment from 1979 allowed as a credit
- (b) 1980 estimated tax payments
- (c) Less refund of 1980 estimated tax applied for on Form 4466
- (d) Tax deposited: Form 7004..... Form 7005 (attach)..... Total ▶
- (e) Credit from regulated investment companies (attach Form 2439)
- (f) Federal tax on special fuels and oils (attach Form 4136 or 4136-T)
- 33 TAX DUE (subtract line 32 from line 31). See instruction C3 for depositary method of payment
- (Check ☐ if Form 2220 is attached. See instruction D.) ▶ \$.....
- 34 OVERPAYMENT (subtract line 31 from line 32)
- 35 Enter amount of line 34 you want: Credited to 1981 estimated tax ▶ Refunded ▶

31		
32		
33		
34		
35		

Please Sign Here

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

[Signature]
Signature of officer

8-6-82
Date

[Signature]
Title

Paid Preparer's Use Only

Preparer's signature and date

Firm's name (or yours, if self-employed) and address

Check if self-employed ☐

Preparer's social security no.

E.I. No. ▶

ZIP code ▶

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Schedule J Tax Computation (See instructions for Schedule J on pages 6 and 7)

- 1 Taxable income (line 30, page 1)
- 2 (a) Are you a member of a controlled group? ☐ Yes ☒ No
 (b) If "Yes," see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
 (i) \$..... (ii) \$..... (iii) \$..... (iv) \$.....
- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐
- 4 (a) Foreign tax credit (attach Form 1118)
 (b) Investment credit (attach Form 3468)
 (c) Work incentive (WIN) credit (attach Form 4874)
 (d) Jobs credit (attach Form 5884)
- 5 Total—Add lines 4(a) through 4(d)
- 6 Subtract line 5 from line 3
- 7 Personal holding company tax (attach Schedule PH (Form 1120))
- 8 Tax from recomputing prior-year investment credit (attach Form 4255)
- 9 Minimum tax on tax preference items (see instructions—attach Form 4626)
- 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

6 853 45

1,165.09

1,165.09

1,165.09

Schedule K Record of Federal Tax Deposit Forms 503

(List deposits in order of date made—See instruction C3)

Date of deposit		Amount		Date of deposit		Amount	

Additional Information (See page 7 of instructions)**G (1) Did you claim a deduction for expenses connected with:**

- (a) Entertainment facility (boat, resort, ranch, etc.)? ☒ Yes ☐ No
 (b) Living accommodations (except employees on business)? ☒ Yes ☐ No
 (c) Employees attending conventions or meetings outside the U.S. or its possessions? ☒ Yes ☐ No
 (d) Employees' families at conventions or meetings? ☒ Yes ☐ No
 If "Yes," were any of these conventions or meetings outside the United States or its possessions? ☐ Yes ☒ No
 (e) Employee or family vacations not reported on Form W-2? ☒ Yes ☐ No

- (2) Enter total amount claimed on Form 1120 for entertainment, entertainment facilities, gifts, travel, and conventions that requires substantiation under section 274(d). (See instructions.)

H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)

If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.

- (2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e)

- (a) Attach a schedule showing name, address, and identifying number; (b) Enter percentage owned ☒
 (c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) ☒ Yes ☐ No
 If "Yes," enter owner's country ☐

- (d) Enter highest amount owed by you to such owner during the year ☐

- (e) Enter highest amount owed to you by such owner during the year ☐

(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)

I Did you ever declare a stock dividend?

- J** Taxable income or (loss) from Form 1120, line 28, page 1, for your tax year beginning in: 1977
 1978 1979

K If you were a member of a controlled group subject to the provisions of section 1561, check the type of relationship:

- (1) ☐ parent-subsidiary (2) ☐ brother-sister
 (3) ☐ combination of (1) and (2) (See section 1563.)

L Refer to page 8 of instructions and state the principal:

Business activity

Product or service

M Did you file all required Forms 1087, 1096, and 1099?**N Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation****O At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?****P Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?**

If "Yes," you may have to file Forms 3520, 3520-A or 926.

Q During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316.)

If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

R During this tax year was any part of your tax accounting records maintained on a computerized system?**S (1) Did you elect to claim amortization (under section 191) or depreciation (under section 167(e)) for a rehabilitated certified historic structure (see instructions for line 20)?**

- (2) Amortizable basis (see instructions for line 20):

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Schedule L Balance Sheets

	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash				4,358
2 Trade notes and accounts receivable			61,345.67	61,345
(a) Less allowance for bad debts				15,000
3 Inventories				4,877
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				12,573
12 Intangible assets (amortizable only)			176,723.32	82,635
(a) Less accumulated amortization			94,084.49	27,677
13 Other assets (attach schedule)				205,478
14 Total assets				
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				3,815
16 Mtges., notes, bonds payable in less than 1 year				40,000
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 year or more				140,157
20 Other liabilities (attach schedule)				2,652
21 Capital stock: (a) Preferred stock				
(b) Common stock			15,000.00	15,000
22 Paid-in or capital surplus				6,855
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock		()		()
26 Total liabilities and stockholders' equity				205,477

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

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

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

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

AMERND

1980

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash				4,358.04
2 Trade notes and accounts receivable			52,345.67	52,345.67
(a) Less allowance for bad debts				15,007.00
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				4,877.86
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				12,573.93
12 Intangible assets (amortizable only)			176,723.32	176,723.32
(a) Less accumulated amortization			94,084.47	82,638.83
13 Other assets (attach schedule)				27,677.07
14 Total assets				199,478.60
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				3,815.66
16 Mtges., notes, bonds payable in less than 1 year				40,000.00
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 year or more				140,167.45
20 Other liabilities (attach schedule)				2,652.04
21 Capital stock: (a) Preferred stock				
(b) Common stock			15,000.00	15,000.00
22 Paid-in or capital surplus				(2,146.55)
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock				
26 Total liabilities and stockholders' equity				199,478.60

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

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)		
1 Balance at beginning of year		5 Distributions: (a) Cash
2 Net income per books		(b) Stock
3 Other increases (itemize)		(c) Property
		6 Other decreases (itemize)
4 Total of lines 1, 2, and 3		7 Total of lines 5 and 6
		8 Balance at end of year (line 4 less 7)

AMENDED

1980

Schedule J Tax Computation (See instructions for Schedule J on pages 6 and 7)

- 1 Taxable income (line 30, page 1)
- 2 (a) Are you a member of a controlled group? ☐ Yes ☐ No
- (b) If "Yes," see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
- (i) \$ (ii) \$ (iii) \$ (iv) \$
- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐
- 4 (a) Foreign tax credit (attach Form 1118)
- (b) Investment credit (attach Form 3468)
- (c) Work incentive (WIN) credit (attach Form 4874)
- (d) Jobs credit (attach Form 5884)
- 5 Total—Add lines 4(a) through 4(d)
- 6 Subtract line 5 from line 3
- 7 Personal holding company tax (attach Schedule PH (Form 1120))
- 8 Tax from recomputing prior-year investment credit (attach Form 4255)
- 9 Minimum tax on tax preference items (see instructions—attach Form 4626)
- 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

Schedule K Record of Federal Tax Deposit Forms 503
(List deposits in order of date made—See instruction C3)

Date of deposit		Amount		Date of deposit		Amount	

Additional Information (See page 7 of instructions)

- G (1)** Did you claim a deduction for expenses connected with:
- (a) Entertainment facility (boat, resort, ranch, etc.)? ☒
- (b) Living accommodations (except employees on business)? ☒
- (c) Employees attending conventions or meetings outside the U.S. or its possessions? ☒
- (d) Employees' families at conventions or meetings? ☒
- If "Yes," were any of these conventions or meetings outside the United States or its possessions? ☒
- (e) Employee or family vacations not reported on Form W-2? ☒
- (2)** Enter total amount claimed on Form 1120 for entertainment, entertainment facilities, gifts, travel, and conventions that requires substantiation under section 274(d). (See instructions.)
- ▶
- H (1)** Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) ☒
- If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.
- (2)** Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e) ☒
- (a) Attach a schedule showing name, address, and identifying number; (b) Enter percentage owned ▶
- (c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) ☒
- If "Yes," enter owner's country ▶
- (d) Enter highest amount owed by you to such owner during the year ▶
- (e) Enter highest amount owed to you by such owner during the year ▶

- I** Did you ever declare a stock dividend?
- J** Taxable income or (loss) from Form 1120, line 28, page 1, for your tax year beginning in: 1977 1978 1979
- K** If you were a member of a controlled group subject to the provisions of section 1561, check the type of relationship:
- (1) ☐ parent-subsidiary (2) ☐ brother-sister
- (3) ☐ combination of (1) and (2) (See section 1563.)
- L** Refer to page 8 of instructions and state the principal:
- Business activity
- Product or service
- M** Did you file all required Forms 1087, 1096, and 1099?
- N** Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation
- O** At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?
- P** Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?
- If "Yes," you may have to file Forms 3520, 3520-A or 926.
- Q** During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316.)
- If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.
- R** During this tax year was any part of your tax accounting records maintained on a computerized system?
- S (1)** Did you elect to claim amortization (under section 191) or depreciation (under section 167(o)) for a rehabilitated certified historic structure (see instructions for line 20)?
- (2) Amortizable basis (see instructions for line 20):

65

(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)

AMENDED Virginia Corporation Income Tax Return

For calendar year 1980 or taxable year beginning

, 1980 and ending

JUNE 30, 1981

19

Check if — A Consolidated return <input type="checkbox"/> B Final return (withdrawal or dissolution) <input type="checkbox"/> C Amended return <input type="checkbox"/> Federal Business Code No.	Name CHARLOTTE BUILDERS INC	Official use only Federal Employer Identification Number 54-09121
	Number and street 15 EESSEL	
	City or town, state, and ZIP Code CULLEN VA 23934	
	Date incorporated PRC LMD State or Country CHARLOTTE	
	Principal business activity CONSTRUCTION	

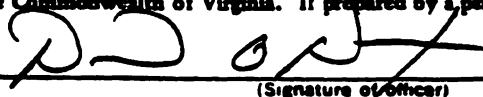
IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN

	Amount
1 Federal taxable income (from attached Federal return)	1 — 0 —
2 Additions (from line 26)	2
3 Total (add lines 1 and 2)	3 — 0 —
4 Subtractions (from line 34)	4
5 Total (line 3 minus line 4)	5 — 0 —
6 Savings and loan assoc.'s bad debt deduction—Federal allowable percent times line 5	6
7 Virginia taxable income (line 5 minus line 6)	7 — 0 —
8 Income of a multistate corporation subject to Virginia tax (Schedule A)	8
9 Income tax (6% of line 7 or line 8)	9 — 0 —
10 Litter control tax — (\$5 per business establishment. Attach list)	10 5
11 Total tax (add lines 9 and 10)	11 5
12 Credits:	
(a) 1980 estimated Virginia income tax payments	416 21
(b) Prior year's overpayment	
(c) Payments with extension request and other payments	
Total credits (add lines (a), (b), and (c))	12 416
13 Tax due (subtract line 12 from line 11)	13
14 Penalty (see instructions)	14 5
15 Interest (see instructions)	15
16 Addition to the tax (attach Form 500-C)	16
17 Total due (add lines 13, 14, 15 and 16). This amount must be paid with return	17
18 Overpayment (if line 12 is larger than line 11 enter overpayment)	18 411
19 Amount to be credited on 1981 estimated tax	19 — 0 —
20 Amount to be refunded (subtract line 19 from line 18)	20 411

Mail this return to the Department of Taxation, P. O. Box 1500, Richmond, Virginia 23212 on or before the fifteenth day of the fourth following the close of the taxable year. Checks should be made payable to the Department of Taxation.

DECLARATION

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act, of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

8-5-82
(Date)

(Signature of officer)
PRESIDENT 66
(Title)

(Date)

(Individual or firm signature of preparer)

(Address)

AMENDED

PART I – Additions to Federal taxable income (attach schedules):

- | | | | |
|----|--|----|--|
| 21 | Income taxes and other taxes which are based on, measured by, or computed with reference to net income | 21 | |
| 22 | Interest on state obligations other than Virginia..... | 22 | |
| 23 | Savings and loan association's Federal bad debt deduction..... | 23 | |
| 24 | The amount of any income of a foreign corporation (as defined by section 7701(a)(5) of the IRC) not effectively connected with the trade or business in the United States..... | 24 | |
| 25 | Other | 25 | |
| 26 | Total - Enter this amount on Line 2 | 26 | |

PART II – Subtractions from Federal taxable income (attach schedules):

- | | | | |
|----|--|----|--|
| 27 | Interest or dividends on obligations or securities of the United States exempt from state income taxes but not from Federal income taxes..... | 27 | |
| 28 | Foreign dividend gross-up (Section 78 IRC)..... | 28 | |
| 29 | Refund or credit of income taxes included in Federal taxable income..... | 29 | |
| 30 | Adjustment in sale or exchange of nondepreciable property..... | 30 | |
| 31 | The amount that would have been allowable as a deduction but for the election of the additional investment tax credit under Section 46(a)(2)(B) of the IRC | 31 | |
| 32 | The amount of salaries or wages eligible for the federal targeted jobs credit under Section 280C(b) of the IRC..... | 32 | |
| 33 | Other | 33 | |
| 34 | Total - Enter this amount on Line 4 | 34 | |

PART III – Questions

- 35 The corporation's books are in care of CORPORATION Located at CULLEN VA
- 36 Check if the corporation is a farmers' marketing or a farmers' purchasing cooperative association _____, a consumers' cooperative association _____, or other cooperative association _____.
- 37 Has your federal income tax liability been redetermined for any prior year(s) which has not previously been reported Department of Taxation? Yes___ No X. If "yes", state years _____. Report changes under separate cover and Department of Taxation, P. O. Box 6-L, Richmond, Virginia 23282.

Virginia Corporation Income Tax Return

For calendar year 1980 or taxable year beginning

1980 and ending JUNE 30, 1981

1980

Check if —

A Consolidated return ☐

B Final return ☐

(withdrawal or dissolution)

C Amended return ☐

Federal Business Code No.

CHARLOTTE BUILDERS INC
CULLEN VA 23936 540912178

Date incorporated

State or Country CHARLOTTE

Principal business activity CONSTRUCTION

Official use only

Federal Employer
Identification Number

54-0912178

IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN

	Amount
1 Federal taxable income (from attached Federal return)	1 6 853 45
2 Additions (from line 26)	2
3 Total (add lines 1 and 2)	3 6 853 45
4 Subtractions (from line 34)	4
5 Total (line 3 minus line 4)	5 6 853 45
6 Savings and loan assoc.'s bad debt deduction—Federal allowable percent times line 5	6
7 Virginia taxable income (line 5 minus line 6)	7 6 853 45
8 Income of a multistate corporation subject to Virginia tax (Schedule A)	8
9 Income tax (6% of line 7 or line 8)	9 411 21
10 Litter control tax — (\$5 per business establishment. Attach list)	10 5 00
11 Total tax (add lines 9 and 10)	11 416 21
12 Credits:	
(a) 1980 estimated Virginia income tax payments	
(b) Prior year's overpayment	
(c) Payments with extension request and other payments	
Total credits (add lines (a), (b), and (c))	12
13 Tax due (subtract line 12 from line 11)	13 416 21
14 Penalty (see instructions)	14
15 Interest (see instructions)	15
16 Addition to the tax (attach Form 500-C)	16
17 Total due (add lines 13, 14, 15 and 16). This amount must be paid with return	17 416 21
18 Overpayment (if line 12 is larger than line 11 enter overpayment)	18
19 Amount to be credited on 1981 estimated tax	19
20 Amount to be refunded (subtract line 19 from line 18)	20

Mail this return to the Department of Taxation, P. O. Box 1500, Richmond, Virginia 23212 on or before the fifteenth day of the fourth month following the close of the taxable year. Checks should be made payable to the Department of Taxation.

DECLARATION

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act, of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, pursuant to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

12-31-81
(Date)

(Signature of officer)

PRESIDENT
(Title)

(Date)

(Individual or firm signature of preparer)

(Address)

PART I - Additions to Federal taxable income (attach schedules):

- | | | |
|----|--|----|
| 21 | Income taxes and other taxes which are based on, measured by, or computed with reference to net income | 21 |
| 22 | Interest on state obligations other than Virginia..... | 22 |
| 23 | Savings and loan association's Federal bad debt deduction..... | 23 |
| 24 | The amount of any income of a foreign corporation (as defined by section 7701(a)(5) of the IRC) not effectively connected with the trade or business in the United States..... | 24 |
| 25 | Other | 25 |
| 26 | Total - Enter this amount on Line 2 | 26 |

PART II - Subtractions from Federal taxable income (attach schedules):

- | | | |
|----|--|----|
| 27 | Interest or dividends on obligations or securities of the United States exempt from state income taxes but not from Federal income taxes..... | 27 |
| 28 | Foreign dividend gross-up (Section 78 IRC)..... | 28 |
| 29 | Refund or credit of income taxes included in Federal taxable income..... | 29 |
| 30 | Adjustment in sale or exchange of nondepreciable property..... | 30 |
| 31 | The amount that would have been allowable as a deduction but for the election of the additional investment tax credit under Section 46(a)(2)(B) of the IRC | 31 |
| 32 | The amount of salaries or wages eligible for the federal targeted jobs credit under Section 280C(b) of the IRC..... | 32 |
| 33 | Other | 33 |
| 34 | Total - Enter this amount on Line 4 | 34 |

PART III - Questions

- 35 The corporation's books are in care of CCAPCORP Located at COLUMBIA VA
- 36 Check if the corporation is a farmers' marketing or a farmers' purchasing cooperative association _____, a consumer cooperative association _____, or other cooperative association _____.
- 37 Has your federal income tax liability been redetermined for any prior year(s) which has not previously been reported to the Department of Taxation? Yes _____ No X If "yes", state years _____. Report changes under separate cover at Department of Taxation, P. O. Box 6-L, Richmond, Virginia 23282.

THIS RETURN WAS APPROVED 6-5-82

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

U.S. Corporation Income Tax Return

For calendar year 1980 or other tax year beginning

1980, ending JUNE 30, 1981

1980

- Check if ☒ **A. Consolidated return**
☐ **B. Personal Holding Co.**
☐ **C. Business Code No.** (See page 8 of instructions)

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

BH 54-0912178 JUN 30, 1981 054 M
CHARLOTTE BUILDERS INC.
CULLEN VA 23934

D. Employer identification number
(see Specific Instructions)
54-0912178
E. Date incorporated

F. Total assets (see Specific Instructions)
\$ 208 478 60

Gross Income		Deductions		Tax	
1 (a) Gross receipts or sales \$.....	(b) Less returns and allowances \$.....	Balance ▶	1(c)	416 378 37	
2 Cost of goods sold (Schedule A) and/or operations (attach schedule)			2	168 329 99	
3 Gross profit (subtract line 2 from line 1(c))			3	248 048 38	
4 Dividends (Schedule C)			4		
5 Interest on obligations of the United States and U.S. instrumentalities			5		
6 Other interest			6		
7 Gross rents			7		
8 Gross royalties			8		
9 (a) Capital gain net income (attach separate Schedule D)			9(a)		
(b) Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)			9(b)		
10 Other income (see instructions—attach schedule)			10	4 053 58	
11 TOTAL income—Add lines 3 through 10			11	252 131 96	
12 Compensation of officers (Schedule E)			12	5 835 00	
13 (a) Salaries and wages	13(b) Less WIN and jobs credit(s)	Balance ▶	13(c)	26 624 01	
14 Repairs (see instructions)			14		
15 Bad debts (Schedule F if reserve method is used)			15		
16 Rents			16	102 040 60	
17 Taxes			17	4 657 01	
18 Interest			18		
19 Contributions (not over 5% of line 30 adjusted per instructions—attach schedule)			19		
20 Amortization (attach schedule)			20		
21 Depreciation from Form 4562 (attach Form 4562), less depreciation claimed in Schedule A and elsewhere on return		Balance ▶	21	15 808 39	
22 Depletion			22		
23 Advertising			23		
24 Pension, profit-sharing, etc. plans (see instructions)			24		
25 Employee benefit programs (see instructions)			25		
26 Other deductions (attach schedule)			26	61 773 61	
27 TOTAL deductions—Add lines 12 through 26			27	216 758 62	
28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)			28	35 373 34	
29 Less: (a) Net operating loss deduction (see instructions—attach schedule)	29(a) 28 519 89		29		
(b) Special deductions (Schedule I)	29(b)		29		
30 Taxable income (subtract line 29 from line 28)			30	6 853 45	
31 TOTAL TAX (Schedule J)			31		
32 Credits: (a) Overpayment from 1979 allowed as a credit					
(b) 1980 estimated tax payments					
(c) Less refund of 1980 estimated tax applied for on Form 4466					
(d) Tax deposited: Form 7004 Form 7005 (attach)		Total ▶			
(e) Credit from regulated investment companies (attach Form 2439)					
(f) Federal tax on special fuels and oils (attach Form 4136 or 4136-T)			32		
33 TAX DUE (subtract line 32 from line 31). See instruction C3 for depository method of payment			33		
(Check <input type="checkbox"/> if Form 2220 is attached. See instruction D.) ▶ \$.....			34		
34 OVERPAYMENT (subtract line 31 from line 32)			34		
35 Enter amount of line 34 you want: Credited to 1981 estimated tax ▶		Refunded ▶	35		

Please
Sign
Here

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

[Signature]
Signature of officer

12-31-81 Date PRESIDENT Title

Paid
Preparer's
Use Only

Preparer's
signature
and date
Firm's name (or
yours, if self-employed)
and address

Check if
self-em-
ployed ☐

Preparer's social security no.
70

E.I. No.
ZIP code

- 1 Inventory at beginning of year
- 2 Merchandise bought for manufacture or sale
- 3 Salaries and wages
- 4 Other costs (attach schedule)
- 5 Total—Add lines 1 through 4
- 6 Inventory at end of year
- 7 Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1
- 8 (a) Check all methods used for valuing closing inventory: (i) ☐ Cost (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions) (iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)
- (b) Did you use any other method of inventory valuation not described above? ☐ Yes ☐ No
If "Yes," specify method used and attach explanation ▶
- (c) Check if this is the first year LIFO inventory method was adopted and used. (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) Is the corporation engaged in manufacturing activities? ☐ Yes ☐ No
If "Yes," are inventories valued under Regulations section 1.471-11 (full absorption accounting method)? ☐ Yes ☐ No
- (f) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule C Dividends (See instructions for Schedule C)

- 1 Domestic corporations subject to 85% deduction
- 2 Certain preferred stock of public utilities
- 3 Foreign corporations subject to 85% deduction
- 4 Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))
- 5 Other dividends from foreign corporations
- 6 Includible income from controlled foreign corporations under subpart F (attach Forms 3646)
- 7 Foreign dividend gross-up (section 78)
- 8 Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3))
- 9 Taxable dividends from a DISC or former DISC not included in line 1 (section 246(d))
- 10 Other dividends
- 11 Total dividends—Add lines 1 through 10. Enter here and on line 4, page 1

Schedule E Compensation of Officers (See instruction for line 12)

1. Name of officer	2. Social security number	3. Time devoted to business	Percent of corporation stock owned		6. Amount of compensation	7. Expense account allowances
			4. Common	5. Preferred		
Dwight A. Dixon	231-54-1997	100%	100		5835.00	

Total compensation of officers—Enter here and on line 12, page 1

Schedule F Bad Debts—Reserve Method (See instruction for line 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1975						
1976						
1977						
1978						
1979						
1980						

Schedule I Special Deductions (See instructions for Schedule I)

- 1 (a) 85% of Schedule C, line 1
- (b) 59.13% of Schedule C, line 2
- (c) 85% of Schedule C, line 3
- (d) 100% of Schedule C, line 4
- 2 Total—Add lines 1(a) through 1(d). See instructions for limitation
- 3 100% of Schedule C, line 8
- 4 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)
- 5 Total special deductions—Add lines 2 through 4. Enter here and on line 29(b), page 1

Computation of Investment Credit

1980
28

▶ Attach to your tax return.

Name **CHARLOTTE BUILDERS, INC**
CULLEN VIRGINIA

Identifying number as shown on page 1
of your tax return
54-0912178

Check the box(es) below that apply to you:

- A The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1) ☐
B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6) ☐
C I elect to increase my qualified investment by all qualified progress expenditures made this tax year and all later years ☐
D I claim full credit on certain ships under section 46(g)(3). (See the General Instructions for details.) ☐

1 Use the format below to list your qualified investment in new or used property acquired or constructed and placed in service during the tax year. Also list qualified progress expenditures made during the tax year and qualified rehabilitation expenditures for the year. See the instructions for lines 1(a) through 1(i).

Note: Include your share of investment in property made by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
New property	(a)	3 or more but less than 5	9,382.25	33 1/3	9,382.28
	(b)	5 or more but less than 7	1,136.60	66 2/3	1,136.60
	(c)	7 or more	29,250.00	100	29,250.00
New commuter highway vehicle	(d)	3 or more		100	
Qualified progress expenditures	(e)	7 or more		100	
Used property (See instructions for dollar limits)	(f)	3 or more but less than 5		33 1/3	
	(g)	5 or more but less than 7		66 2/3	
	(h)	7 or more		100	
Used commuter highway vehicle	(i)	3 or more		100	

2 Qualified investment—Add lines 1(a) through (i) (see General Instructions for special limits)

3 10% of line 2 (see instruction for line 3 for special limits)

4 Corporations electing the basic or basic and matching employee plan percentage for contributions to tax credit employee stock ownership plans—Check election box A above (see instruction or line 4).

(a) Basic 1% credit—Enter 1% of line 2

(b) Matching credit (not more than 0.5%)—Enter allowable percentage times adjusted line 2 (attach schedule)

5 Regular investment credit from cooperative

6 Total—Add lines 3 through 5

→ 7 Carryover of unused credit(s) **LAST YEAR'S TAX RETURN LOST**
WILL ADJUST AT LATTER DATE

8 Carryback of unused credit(s)

9 Tentative regular investment credit—Add lines 6, 7, and 8

10 (a) Individuals—Enter amount from Form 1040, line 37, page 2

(b) Estates and trusts—Enter amount from Form 1041, line 26, page 1

(c) Corporations—Enter amount from Schedule J (Form 1120), line 3, page 3

(d) Others—Enter tax before credits from your return

11 (a) Credit for the elderly (individuals only)

(b) Foreign tax credit

(c) Tax on lump-sum distribution from Form 4972 or Form 5544

(d) Possessions corporation tax credit (corporations only)

(e) Section 72(m)(5) penalty tax (individuals only)

12 Total—Add lines 11(a) through (e)

13 Subtract line 12 from line 10

14 (a) Enter smaller of line 13 or \$25,000. See instruction for line 14

(b) If line 13 is more than line 14(a) and you are a 1980 calendar year taxpayer, enter 70% of the excess (if your tax year ends in 1981, enter 80% of the excess). (Railroads, and airlines see instruction for line 14.)

15 Regular investment credit limitation—Add lines 14(a) and (b)

16 Allowed regular investment credit—Enter the smaller of line 9 or line 15

17 Business energy investment credit limitation—subtract line 16 from line 13

18 Business energy investment credit (from line 11, Schedule B on page 2)

19 Allowed business energy investment credit—Enter smaller of line 17 or line 18

20 Total allowed regular and business energy investment credit—Add lines 16 and 19. Enter here and on Form 1040, line 41; Schedule J (Form 1120), line 4(b), page 3; or the proper line on other returns

Tax Liability Limitations

Schedule A

If any part of your investment in line 1, page 1, or Schedule B below was made by a partnership, estate, trust, small business corporation, or lesser, complete the following schedule and identify property qualifying for the regular or energy investment credit.

Name (Partnership, estate, trust, etc.)	Address	Property			Life years
		Progress expenditures	New	Used	
		\$	\$	\$	

Schedule B Business Energy Investment Credit (See Instructions for line 18.)

List your qualified investment in new energy property acquired or constructed and placed in service during the tax year. Also list qualified progress expenditures made during the tax year.

Type of Property	(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) Qualified investment (Column 2 x column 3)
1 (a) Alternative energy property	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(b) Specially defined energy property	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(c) Recycling equipment	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(d) Shale oil equipment	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(e) Equipment for producing natural gas from geopressured brine	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(f) Cogeneration equipment	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(g) Qualified intercity buses	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(h) Total 10% energy investment property (add lines 1(a) through (g))				
2 (a) Qualified hydroelectric generating equipment Nameplate KWH ▶	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(b) Total 11% energy investment property (add line 2(a))				
3 (a) Solar and wind equipment	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(b) Ocean thermal equipment	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(c) Geothermal equipment	3 or more but less than 5		33 1/3	
	5 or more but less than 7		66 2/3	
	7 or more		100	
(d) Total 15% energy investment property (add lines 3(a) through 3(c))				
4 Enter 10% of line 1(h) column (4)				
5 Enter 11% of line 2(b) column (4)				
6 Enter 15% of line 3(d) column (4)				
7 Business energy investment credit from cooperative				
8 Current year business energy investment credit—Add lines 4 through 7				
9 Carryover of unused credit(s)				
10 Carryback of unused credit(s)				
11 Tentative business energy investment credit—Add lines 8 through 10. Enter here and on line 18 on page 1				

Application for Automatic Extension of Time to File Corporation Income Tax Return

(Under section 6081(b) of the Internal Revenue Code)

Name of corporation

Charlotte **YOUR COPY**

Employer identification number

54-0912176

Number and street

City or town, State, and ZIP code

Cullen, Va. 23934

Check type of return to be filed:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120S |
| <input type="checkbox"/> Form 1120L | <input type="checkbox"/> Form 1120-H |
| <input type="checkbox"/> Form 1120M | <input type="checkbox"/> Form 990-C |
| <input type="checkbox"/> Form 1120-POL | <input type="checkbox"/> Form 990-T |
| <input type="checkbox"/> Form 1120F | <input type="checkbox"/> Check here if you do not have an office or place of business in the U.S. |

1 I request an automatic 3-month extension of time until Dec. 31 1981 to file the income tax return of the corporation named above for the tax year beginning July 1 1980 and ending June 30 1981

2 Does this application also cover subsidiaries to be included in a consolidated return? ☐ Yes ☒ No
If "Yes," complete the following:

Name and address of each member of the affiliated group

Employer identification number

Please note: Our president resigned in July and we need an extension to put things in order.

3 (a) Tentative amount of income tax for the tax year. Include any—

Minimum tax on tax preference items	
Personal holding company tax	
Tax from recomputing a prior year investment credit	
Foreign tax credit	
Possession tax credit	
Investment credit	
WIN credit	
Jobs credit	
Alcohol fuel credit	
Nonconventional source fuel credit	

Unknown

(b) Credits:

(i) Overpayment from prior year allowed as a credit	
(ii) Estimated tax payments (deposits) for the tax year	
(iii) Less refund of estimated tax for the tax year applied for on Form 4466	
(iv) Credit from regulated investment companies; and credit for overpaid windfall profit tax	
(v) Credit for Federal tax on special fuels and oils	
(vi) Total—Add lines 3(b)(i) through 3(b)(v)	

(c) Balance due—Subtract line 3(b)(vi) from line 3(a)
(d) Amount required to be deposited—50% of line 3(c)

Signature.—Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application and that to the best of my knowledge and belief the statements made are true, correct, and complete.

Vice-President

9-24-81

(Signature of officer or agent)

(Title)

Date

Capital Gains and Losses

▶ Attach to your income tax return.

1980

Name

YOUR COPY

Employer identification number

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1					

2 Unused capital loss carryover (attach computation)

3 Net short-term capital gain or (loss)

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

4 Enter section 1231 gain from Form 4797, line 5(a)(1)	
5	

6 Net long-term capital gain or (loss)

Part III Summary of Schedule D Gains and Losses

7 Enter excess of net short-term capital gain (line 3) over net long-term capital loss (line 6)

8 Net capital gain. Enter excess of net long-term capital gain (line 6) over net short-term capital loss (line 3)

9 Total of lines 7 and 8. Enter here and on Form 1120, line 9(a), page 1

Notes: If there is no entry on line 9, see instructions on capital losses for explanation of capital loss carrybacks.

Part IV Alternative Tax Computation

10 Taxable income (Form 1120, line 30, page 1)

11 Net capital gain from line 8

12 Subtract line 11 from line 10

13 Partial tax. Compute the tax on line 12 in accordance with the instructions for Form 1120, Schedule J

14 28% of line 11

75 15 Alternative tax—total of lines 13 and 14. If less than amount of tax figured by regular method, enter here and on Form 1120, line 3, Schedule J, and check box for Schedule D

COMMONWEALTH OF VIRGINIA

APPLICATION FOR EXTENSION OF TIME TO FILE
CORPORATION INCOME TAX RETURN

For taxable year beginning July 1, 19 80, and ending June 30, 19 81

Name <u>Charlotte Builders, Inc.</u>	Federal Employer Identification Number <u>54-0912173</u>
Street Address	
City, State and Zip Code <u>Cullen, Va. 23934</u>	Check Type of Return <input type="checkbox"/> 500 <input type="checkbox"/> 500S

If a Virginia consolidated return will be filed, list below corporations to be included.

Name	Identification Number

Must check one: *Our president resigned in July and we need time to get things back in order.*
December 31, 1981

☒ Federal automatic 90 day extension to _____ Date

☐ Federal additional extension requested to _____ Date

☐ No federal extension requested. Virginia extension requested to _____ Date
(If this block checked, state reason for request below).

Tentative Tax Return if Form 500 to be Filed

1. Tentative Tax for Taxable Year	\$ <u>Unknown</u>
2. Less: (A) Estimated Tax Credits	_____
(B) Payments with Prior Extension Request	_____
3. Balance due with this Application	\$ _____

_____	<u>Vice-President</u>	<u>9-24-81</u>
(Signature of Officer or Agent)	(Title)	(Date)

Note: No reply will be made unless application is denied.

A copy of this application and approved federal extension(s) must be attached to the Corporation Income Tax Return when filed.

If a copy of this application is to be returned to the taxpayer at an address other than that shown on the front of the form, or to an agent acting for the taxpayer, please complete the section below:

Please Print or Type	Name
	Number and street
	City or town, State and ZIP code

Notice to Applicant: Your request has been denied.

- ☐ Did not file tentative return and pay estimated tax as required.
- ☐ The application was filed after the due date of the return. The corporation should file its return without further delay.
- ☐ Careful consideration has been given to the reasons and other data given in the corporation's application, and it has been determined that the extension is not warranted. The corporation should file its return by the regular due date.

(Date)

(Supervisor, Taxpayer Assistance)

INSTRUCTIONS

1. Complete this form in duplicate. File the original with the Department of Taxation, P. O. Box 6—L, Richmond, Virginia 23282 before the due date of the return. Attach the duplicate to the corporation's income tax return when it is filed. An approved copy of the application will not be returned to the taxpayer.
2. An extension of time to file a corporation income tax return will be granted provided that either of the requirements have been met:
 - (a) The corporation has been allowed or granted a federal extension and files this application before the due date of the return along with the required payment of the tentative tax, or
 - (b) A federal extension of time has not been requested but the corporation files this application, along with the payment of the tentative tax before the due date of the return and shows cause why such extension is necessary.
3. If a federal extension of time is allowed or granted and the other requirements are met, the corporation is granted an additional 30 days after the extended date for filing the federal return. The maximum extension of time allowable for filing a return may not exceed six months, whether granted because of the federal extension or for good cause shown.
4. If any amount of the tax is underestimated, interest accrues at the rate established pursuant to Section 6601 of the Internal Revenue Code. In addition, if the underestimation of the balance of tax due exceeds 10% of the actual tax liability, there shall be added as a penalty an amount equal to 1/2 of 1% per month for each month or fraction thereof from the original due date of the return to the date of payment, as provided by Section 6602 of the Code of Virginia.

**PLAINTIFFS
EXHIBIT**

2

U.S. Corporation Income Tax Return

OMB No. 1545-0123

1981

Form
Department
Internal

For year 1981 or other tax year beginning _____, 1981, ending JUNE 30 1982
For Paperwork Reduction Act Notice, see page 1 of the instructions

A. Consolidated return ☐ IRS label.
B. Personal Holding Co. ☐ Other-
C. Business Code No. (See please
page 9 of instructions) wise
print
or type.

SH 54-0912178 JUN 82 D54-8980 M *
CHARLOTTE BUILDERS INC. VA 23934
CULLEN

D. Employer identification number
54-0912178
E. Date incorporated
149,504 39
F. Total assets (see Specific
instructions)
8

Gross Income	1 (a) Gross receipts or sales \$	(b) Less returns and allowances \$	Balance ▶	1(c)	14 338	37
	2 Cost of goods sold (Schedule A) and/or operations (attach schedule)			2	13 591	02
	3 Gross profit (subtract line 2 from line 1(c))			3	747	35
	4 Dividends (Schedule C)			4		
	5 Interest on obligations of the United States and U.S. instrumentalities			5		
	6 Other interest			6		
	7 Gross rents			7		
	8 Gross royalties			8		
	9 (a) Capital gain net income (attach separate Schedule D)			9(a)		
	(b) Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)			9(b)		
	10 Other income (see instructions—attach schedule)			10	49 614	25
11 TOTAL income—Add lines 3 through 10			11	50 361	60	
Deductions	12 Compensation of officers (Schedule E)			12	540	61
	13 (a) Salaries and wages	13(b) Less WIN and jobs credit(s)	Balance ▶	13(c)	962	50
	14 Repairs (see instructions)			14		
	15 Bad debts (Schedule F if reserve method is used)			15		
	16 Rents			16	6 700	00
	17 Taxes			17	1 055	29
	18 Interest			18	14 262	54
	19 Contributions (not over 5% of line 30 adjusted per instructions)			19		
	20 Amortization (attach schedule)			20		
	21 Depreciation from Form 4562 (attach Form 4562) less depreciation claimed in Schedule A and elsewhere on return		Balance ▶	21	12 292	98
	22 Depletion			22		
	23 Advertising			23		
	24 Pension, profit-sharing, etc. plans (see instructions)			24		
	25 Employee benefit programs (see instructions)			25		
	26 Other deductions (attach schedule)			26	11 240	48
	27 TOTAL deductions—Add lines 12 through 26			27	50 154	37
	28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)			28	207	23
	29 Less: (a) Net operating loss deduction (see instructions—attach schedule)	29(a)	2 146 59	29		
	(b) Special deductions (Schedule C)	29(b)		29		
	30 Taxable income (subtract line 29 from line 28)			30	0	
Tax	31 TOTAL TAX (Schedule J)			31		
	32 Credits: (a) Overpayment from 1980 allowed as a credit					
	(b) 1981 estimated tax payments					
	(c) Less refund of 1981 estimated tax applied for on Form 4466					
	(d) Tax deposited: Form 7004 Form 7005 (attach) Total ▶					
	(e) Credit from regulated investment companies (attach Form 2439)					
33 TAX DUE (subtract line 32 from line 31). See instruction C3 for depository method of payment. (Check <input type="checkbox"/> if Form 2220 is attached. See instruction D.) ▶ \$			33			
34 OVERPAYMENT (subtract line 31 from line 32)			34			
35 Enter amount of line 34 you want: Credited to 1982 estimated tax ▶			35			

Please
Sign
Here

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

Signature of officer [Signature] Date 8-1-82 Title PRESIDENT

Paid
Preparer's
Use Only

Preparer's signature [Signature] Date 8-1-82 Check if self-employed ☐ Preparer's social security no. 78
Firm's name (or yours, if self-employed) and address [Address] E.I. No. [Number] ZIP code [Code]

Schedule J Tax Computation (See instructions for Schedule J on pages 7 and 8)

Notes: Fiscal year corporations, see instructions on pages 10 and 11. Omit line 1, complete line 2(a) and, if applicable, line 2(b), and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.

- 1 Taxable income (line 36, page 1)
- 2 (a) Are you a member of a controlled group? ☐ Yes ☐ No
- (b) If "Yes," see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
(i) \$ (ii) \$ (iii) \$ (iv) \$
- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐
- 4 (a) Foreign tax credit (attach Form 1118)
- (b) Investment credit (attach Form 3468)
- (c) Work incentive (WIN) credit (attach Form 4874)
- (d) Jobs credit (attach Form 5884)
- (e) Other credits (see instructions—attach forms and schedule)
- 5 Total—Add lines 4(a) through 4(e)
- 6 Subtract line 5 from line 3
- 7 Personal holding company tax (attach Schedule PH (Form 1120))
- 8 Tax from recomputing prior-year investment credit (attach Form 4255)
- 9 Minimum tax on tax preference items (see instructions—attach Form 4626)
- 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

Additional Information (See page 8 of instructions)**G** Did you claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)?
- (2) Living accommodations (except employees on business)?
- (3) Employees attending conventions or meetings outside the North American area? (See section 274(h))
- (4) Employees' families at conventions or meetings?
- If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))
- (5) Employee or family vacations not reported on Form W-2?

H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)

If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120; from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.

- (2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e)

(a) Attach a schedule showing name, address, and identifying number.

(b) Enter percentage owned ☐

(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions)

If "Yes," enter owner's country ☐

(d) Enter highest amount owed by you to such owner during the year ☐

(e) Enter highest amount owed to you by such owner during the year ☐

(Notes: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)

I If you were a member of a controlled group subject to the provisions of section 1561, check the type of relationship:

- (1) ☐ parent-subsidiary (2) ☐ brother-sister
(3) ☐ combination of (1) and (2) (See section 1563.)

J Refer to page 9 of instructions and state the principal:

Business activity

Product or service

K Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation

L At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?

M Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?

If "Yes," you may have to file Forms 3520, 3520-A or 926.

N During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316)

If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

O During this tax year was any part of your tax accounting records maintained on a computerized system?

1981

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash		4 358		137
2 Trade notes and accounts receivable	52 345		69 560	
(a) Less allowance for bad debts		52 345		69 560
3 Inventories		16 007		2 864
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)		4 877		
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)		12 573		12 573
12 Intangible assets (amortizable only)	176 423		129 638	
(a) Less accumulated amortization	94 084	82 638	92 948	36 690
13 Other assets (attach schedule)		27 677		27 677
14 Total assets		199 415		149 507
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable		3 815		1 196
16 Mtges, notes, bonds payable in less than 1 year		40 000		40 950
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				
19 Mtges, notes, bonds payable in 1 year or more		140 157		1 819
20 Other liabilities (attach schedule)		2 652		92 478
21 Capital stock: (a) Preferred stock				
(b) Common stock	15 000	15 000	15 000	15 000
22 Paid-in or capital surplus		(2 146)		(1,939)
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock				
26 Total liabilities and stockholders' equity		199 415		149 504

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

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

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

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

BROCKMAN, DRINKARD, PENNINGTON & BURCH,

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 201, CO-OPERATIVE BUILDING
LYNCHBURG, VIRGINIA 24504

(804) 846-8488

(804) 846-4669

H. CLARKE BROCKMAN, C.P.A.
J. S. DRINKARD, C.P.A.
S. KEITH PENNINGTON, C.P.A.

JOHN P. BURCH, JR., C.P.A.
ERNEST M. WOOD, III, C.P.A.
GARRETT T. FORD, C.P.A.

TAXPAYER:

Texon, Inc.

DATE:

January 7, 1984

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
THE VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

We are enclosing the tax returns indicated below with instructions for filing. The copies stapled to this letter are for your files. If you have any questions or need further assistance, please do not hesitate to contact our office.

BROCKMAN, DRINKARD, PENNINGTON & BURCH, P.C.

☒ 1. U.S. CORPORATION INCOME TAX RETURN - FORM 1120 - 1981

This return should be signed and dated by an officer of the Corporation. Mail to Internal Revenue Service, Memphis, TN 37501, no later than immediately.

The tax due is \$ _____. Deposit this amount with your bank accompanied by Form 503 (Federal Tax Deposit, Corporation Income Taxes) dated _____ by the due date of the return.

☒ No payment is necessary.

☐ You have an overpayment of \$ _____ which will be:

☐ Applied to your account _____; Refunded to You _____

☐ 2. FEDERAL ESTIMATED CORPORATION INCOME TAX - FORM 1120-W - _____

The estimated Federal Income tax for the next year is \$ _____.

The required payments are to be made to your bank, along with Federal Tax Deposit cards. The cards should be marked 1120 and the quarter will correspond to the dates below:

1st _____	\$ _____	2nd _____	\$ _____
3rd _____	\$ _____	4th _____	\$ _____
Overpayment _____	\$ _____	Total _____	\$ _____

☒ 3. VIRGINIA CORPORATION INCOME TAX RETURN - FORM 500 - 1981

This return should be signed and dated by an officer of the Corporation. Mail to the Department of Taxation, P.O. Box 1500, Richmond, VA 23212, no later than immediately.

The tax is payable by drawing a check to the Department of Taxation in the amount of \$ _____. The check must be attached to the return.

☒ No payment is necessary.

☐ You have an overpayment of \$ _____ which will be:

☐ Applied to your account _____; Refunded to You _____

☐ 4. VIRGINIA ESTIMATED INCOME TAX DECLARATION - FORM 500 ES - _____

The estimated Virginia Income Tax for the next year is \$ _____.

The required payments are to be submitted to the Department of Taxation, P. O. Box 1500, Richmond, VA 23212, along with form 500 ES, per the following schedule:

1st _____	\$ _____	2nd _____	\$ _____
3rd _____	\$ _____	4th _____	\$ _____
Overpayment _____	\$ _____	Total _____	\$ _____

1981

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

U.S. Corporation Income Tax Return

For calendar year 1981 or other tax year beginning 12/3 1981, ending 6/30 19 82
▶ For Paperwork Reduction Act Notice, see page 1 of the instructions

Check if a—

- A. Consolidated return ☐
 B. Personal Holding Co. ☐
 C. Business Code No. (See page 9 of instructions)
1510

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

Name

TEXON, INC

Number and street

RT. 47 & 660

City or town, State, and ZIP code

CULLEN, VA. 23934

D. Employer identification number

54-1212694

E. Date incorporated

12-3-81

F. Total assets (see Specific instructions)

\$ 154,06

Gross Income

- 1 (a) Gross receipts or sales \$ (b) Less returns and allowances \$ Balance ▶
 2 Cost of goods sold (Schedule A) and/or operations (attach schedule)
 3 Gross profit (subtract line 2 from line 1(c))
 4 Dividends (Schedule C)
 5 Interest on obligations of the United States and U.S. instrumentalities
 6 Other interest
 7 Gross rents
 8 Gross royalties
 9 (a) Capital gain net income (attach separate Schedule D)
 (b) Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)
 10 Other income (see instructions—attach schedule)
 11 TOTAL income—Add lines 3 through 10

1(c) _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____
 7 _____
 8 _____
 9(a) _____
 9(b) _____
 10 _____
 11 _____

Deductions

- 12 Compensation of officers (Schedule E)
 13 (a) Salaries and wages 13(b) Less WIN and jobs credit(s) Balance ▶
 14 Repairs (see instructions)
 15 Bad debts (Schedule F if reserve method is used)
 16 Rents
 17 Taxes
 18 Interest
 19 Contributions (not over 5% of line 30 adjusted per instructions)
 20 Amortization (attach schedule)
 21 Depreciation from Form 4562 (attach Form 4562), less depreciation
 claimed in Schedule A and elsewhere on return Balance ▶
 22 Depletion
 23 Advertising
 24 Pension, profit-sharing, etc. plans (see instructions)
 25 Employee benefit programs (see instructions)
 26 Other deductions (attach schedule) *M. McELANEOS*
 27 TOTAL deductions—Add lines 12 through 26
 28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)
 29 Less: (a) Net operating loss deduction (see instructions—attach schedule) 29(a) _____
 (b) Special deductions (Schedule C) 29(b) _____
 30 Taxable income (subtract line 29 from line 28)

12 _____
 13(c) _____
 14 _____
 15 _____
 16 _____
 17 _____
 18 _____
 19 _____
 20 _____
 21 _____
 22 _____
 23 _____
 24 _____
 25 _____
 26 _____
 27 _____
 28 _____
 29 _____
 30 _____

Tax

- 31 TOTAL TAX (Schedule J)
 32 Credits: (a) Overpayment from 1980 allowed as a credit
 (b) 1981 estimated tax payments
 (c) Less refund of 1981 estimated tax applied for on Form 4466
 (d) Tax deposited: Form 7004 Form 7005 (attach) Total ▶
 (e) Credit from regulated investment companies (attach Form 2439)
 (f) Federal tax on special fuels and oils (attach Form 4136 or 4136-T)
 33 TAX DUE (subtract line 32 from line 31). See instruction C3 for depository method of payment.
 (Check ☐ if Form 2220 is attached. See instruction D.) ▶ \$
 34 OVERPAYMENT (subtract line 31 from line 32)
 35 Enter amount of line 34 you want: Credited to 1982 estimated tax ▶ Refunded ▶

31 _____
 32 _____
 33 _____
 34 _____
 35 _____

Please
Sign
Here

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

Signature of officer

Date

Title

Paid
Preparer's
Use OnlyPreparer's
signature

Date

Check if
Self-emp-
loyed ☐

Preparer's social secur

Firm's name (or
yours, if self-employed)
and address

BROCKMAN, DRINKARD, PENNINGTON & BURCH, P.C.

No.

54-1247957

LYNCHBURG VIRGINIA

ZIP code

74505

1 Inventory at beginning of year

2 Merchandise bought for manufacture or sale

3 Salaries and wages

4 Other costs (attach schedule)

5 Total—Add lines 1 through 4

6 Inventory at end of year

7 Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1

8 (a) Check all methods used for valuing closing inventory: (i) ☐ Cost (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions) (iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)

(b) Did you use any other method of inventory valuation not described above? ☐ Yes ☐ No

If "Yes," specify method used and attach explanation ►

(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 you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? ☐ Yes ☐ No

(f) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? . . . ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule C Dividends and Special Deductions (See instructions for Schedule C)

	(A) Dividends received	(B) %	(C) Special deductions: multiply (A) × (B)
1 Domestic corporations subject to 85% deduction		85	
2 Certain preferred stock of public utilities		59.13	
3 Foreign corporations subject to 85% deduction		85	
4 Wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))		100	
5 Total—Add lines 1 through 4. See instructions for limitation			
6 Affiliated groups subject to the 100% deduction (section 243(a)(3))		100	
7 Other dividends from foreign corporations not included in lines 3 and 4			
8 Income from controlled foreign corporations under subpart F (attach Forms 3646)			
9 Foreign dividend gross-up (section 78)			
10 DISC or former DISC not included in line 1 (section 246(d))			
11 Other dividends			
12 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
13 Total dividends—Add lines 1 through 11. Enter here and on line 4, page 1 →			
14 Total deductions—Add lines 5 through 12. Enter here and on line 29(b), page 1 →			

Schedule E Compensation of Officers (See instruction for line 12)[illegible]**Schedule E** **Bad Debts—Reserve Method (See instruction for line 15)**

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1976						
1977						
1978						
1979						-
1980						84

NAME

TEXON, INC

To be filed with Forms 1120, 1120-DISC, 1120F, 1120-H, 1120L, 1120M, 1120-POL, 990-C, and certain Forms 990-T

OMD No. 1545-0123

1981

Employer identification number

54-1212694

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

CARRY OVER TO 6/30

Part III Summary of Schedule D Gains and Losses (Form 1120L filers omit line 11)

Part III Summary of Schedule D Gains and Losses (Form 1120L filers omit line 11)

Note: If there is no entry on line 11, see instructions on capital losses for explanation of capital loss carrybacks.

(Fiscal year filers, do not complete Part IV, but instead see the instructions for the applicable return to figure the tax for fiscal year 1981-82)

	(a) Form 1120, line 30, page 1		
	(b) Form 1120-POL, line 19, page 1		
12 Taxable income. Enter the amount from	(c) Others—Enter amount from the proper line of other returns	12	
13 Net capital gain from line 10		13	
14 Subtract line 13 from line 12		14	
	(a) Form 1120—In accordance with the instructions for Form 1120, Schedule J		
15 Partial tax. Compute the tax on line 14 as follows	(b) Form 1120-POL—46% of line 14	15	
	(c) Others—In accordance with the tax computation instructions for applicable return		
16 28% of line 13		16	
17 Alternative tax—total of lines 15 and 16. If less than amount of tax figured by regular method, enter here and on Form 1120, Schedule J, line 3; Form 1120-POL, page 1, line 21; or the proper line on other returns. Also check box for Schedule D		17	

Virginia Corporation Income Tax Return

INITIAL
RETURN

19

For calendar year 1981 or taxable year beginning 12/31, 1981 and ending 6/30, 1982

Check if - A Consolidated return <input type="checkbox"/> B Combined return <input type="checkbox"/> C Final return (withdrawal or dissolution) <input type="checkbox"/> D Amended return <input type="checkbox"/> Federal Business Code No. <u>1510</u>	Name <u>TERON, INC</u>	Official use only
	Number and street <u>RT. 47 S. 660</u>	
	City or town, state, and ZIP Code <u>CULLEN, VA. 23934</u>	
	Date incorporated <u>12-2-81</u> State or Country <u>VIRGINIA</u>	Federal Employee Identification Number <u>54-121269</u>
	Principal business activity <u>BUILDING</u>	

IMPORTANT: ATTACH A COPY OF YOUR FEDERAL RETURN TO THIS RETURN

	Amount
1 Federal taxable income (from attached Federal return)	1 (7)
2 Additions (from line 24)	2
3 Total (add lines 1 and 2)	3 (7)
4 Subtractions (from line 34)	4
5 Total (line 3 minus line 4)	5 (2)
6 Savings and loan assoc.'s bad debt deduction—Federal allowable percent times line 5	6
7 Virginia taxable income (line 5 minus line 6)	7 (2)
8 Income of a multistate corporation subject to Virginia tax (Schedule A)	8
9 Income tax (6% of line 7 or line 8)	9
10 Credits:	
(a) 1981 estimated Virginia income tax payments	
(b) Prior year's overpayment	
(c) Payments with extension request and other payments	
Total credits (add lines (a), (b), and (c))	10
11 Tax due (subtract line 10 from line 9)	11
12 Penalty (see instructions)	12
13 Interest (see instructions)	13
14 Addition to the tax (attach Form 500-C)	14
15 Total due (add lines 11, 12, 13, and 14). This amount must be paid with return	15
16 Overpayment (if line 10 is larger than line 9 enter overpayment)	16
17 Amount to be credited on 1982 estimated tax	17
18 Amount to be refunded (subtract line 17 from line 16)	18

Mail this return to the Department of Taxation, P. O. Box 1500, Richmond, Virginia 23212 on or before the fifteenth day of the fourth month following the close of the taxable year. Checks should be made payable to the Department of Taxation.

DECLARATION

I, the undersigned president, vice-president, treasurer, assistant treasurer, chief accounting officer, or other officer duly authorized to act, of the corporation for which this return is made, declare under the penalties provided by law that this return (including any accompanying schedules and statements) has been examined by me and is, to the best of my knowledge and belief, a true, correct, and complete return, made in good faith, for the taxable year stated, and to the income tax laws of the Commonwealth of Virginia. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

(Date)	(Signature of officer)	(Title)
	<u>BRADMAN, BENJAMIN, FERRINGTON & BURCH, P.C.</u>	<u>86</u>
(Date)	(Individual or firm signature of preparer)	(Address)
		<u>LYNCHBURG, VA. 24504</u>

PART I - Additions to Federal taxable income (attach schedules):

- 19 Net income taxes and other taxes which are based on, measured by or computed with reference to net income..... 19
- 20 Interest on state obligations other than Virginia 20
- 21 Savings and loan association's Federal bad debt deduction..... 21
- 22 Unrelated business taxable income as defined by Section 512 of the IRC (to the extent excluded from Line 1, Page 1)..... 22
- 23 Other..... 23
- 24 Total - Enter this amount on Line 2..... 24

PART II - Subtractions from Federal taxable income (attach schedules):

- 25 Interest or dividends on obligations or securities of the United States exempt from state income taxes but not from Federal income taxes 25
- 26 Foreign dividend gross-up (Section 78 IRC) 26
- 27 Refund or credit of income taxes included in Federal taxable income 27
- 28 Subpart F income (Section 951 IRC) 28
- 29 The amount that would have been allowable as a deduction but for the election of the additional investment tax credit under Section 46(a)(2)(B) of the IRC..... 29
- 30 The amount of expenses and/or salaries and wages not deducted due to the provisions of Section 280C(a) & (b) of the IRC 30
- 31 Foreign source income as defined by Virginia Code Section 58-151.013(c)(9) (See instructions for limitations)..... 31
- 32 Dividends received from corporations in which the recipient owns fifty percent or more of the voting stock and to the extent remaining in federal taxable income..... 32
- 33 Other 33
- 34 Total - Enter this amount on Line 4 34

PART III - Questions

- 35 The corporation's books are in care of D.A. DIXON Located at CULLEN, VA.
Telephone Number _____
- 36 Check if the corporation is a farmers' marketing or a farmers' purchasing cooperative association _____, a consumers' cooperative association _____, or other cooperative association _____.
- 37 Has your federal income tax liability been redetermined for any prior year(s) which has not previously been reported to Department of Taxation? Yes _____ No ☒. If "yes", state years _____. Report changes under separate statement to Department of Taxation, P.O. Box 6-L, Richmond, Virginia 23282.

Schedule J Tax Computation (See instructions for Schedule J on pages 7 and 8)

Note: Fiscal year corporations, see instructions on pages 10 and 11. Omit line 1, complete line 2(a) and, if applicable, line 2(b), and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.

- 1 Taxable income (line 30, page 1)
- 2 (a) Are you a member of a controlled group? ☐ Yes ☒ No
 (b) If "Yes," see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
 (i) \$..... (ii) \$..... (iii) \$..... (iv) \$.....
- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐
- 4 (a) Foreign tax credit (attach Form 1118)
 (b) Investment credit (attach Form 3468)
 (c) Work incentive (WIN) credit (attach Form 4874)
 (d) Jobs credit (attach Form 5884)
 (e) Other credits (see instructions—attach forms and schedule)
- 5 Total—Add lines 4(a) through 4(e)
- 6 Subtract line 5 from line 3
- 7 Personal holding company tax (attach Schedule PH (Form 1120))
- 8 Tax from recomputing prior-year investment credit (attach Form 4255)
- 9 Minimum tax on tax preference items (see instructions—attach Form 4626)
- 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

Additional Information (See page 8 of instructions)

	Yes	No		Yes	No
G Did you claim a deduction for expenses connected with:			(e) Enter highest amount owed to you by such owner during the year ▶		
(1) Entertainment facility (boat, resort, ranch, etc.)?		X	(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)		
(2) Living accommodations (except employees on business)?		X	I If you were a member of a controlled group subject to the provisions of section 1561, check the type of relationship:		
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h))		X	(1) <input type="checkbox"/> parent-subsidiary (2) <input type="checkbox"/> brother-sister		
(4) Employees' families at conventions or meetings?		X	(3) <input type="checkbox"/> combination of (1) and (2) (See section 1563.)		
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))			J Refer to page 9 of instructions and state the principal:		
(5) Employee or family vacations not reported on Form W-2?		X	Business activity <u>CONSTRUCTION</u>		
H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)		X	Product or service <u>GENERAL CONT.</u>		
If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.			K Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation		X
(2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e).	X		L At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?		X
(a) Attach a schedule showing name, address, and identifying number. <u>SCH. E</u>			M Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?		X
(b) Enter percentage owned ▶ <u>100%</u>			If "Yes," you may have to file Forms 3520, 3520-A or 926.		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions).		X	N During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316).		X
If "Yes," enter owner's country ▶			If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
(d) Enter highest amount owed by you to such owner during the year ▶ <u>2,000</u>			O During this tax year was any part of your tax accounting records maintained on a computerized system?		X

Schedule L Balance Sheets

	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash				84.06
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other depreciable assets				
(a) Less accumulated depreciation				
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		N/A		184.06
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				
16 Mtges, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 Loans from stockholders				2,000.00
19 Mtges, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Capital stock: (a) Preferred stock				
(b) Common stock			500.00	500.00
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated				(2,315.94)
25 Less cost of treasury stock				
26 Total liabilities and stockholders' equity		N/A		184.06

Schedule M-1 Reconciliation of Income Per Books With Income Per Return

1 Net income per books	(2,315.94)	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	2,242.58	(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize)			
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
(a) Depreciation \$		(a) Depreciation \$	
(b) Contributions carryover \$		(b) Contributions carryover \$	
6 Total of lines 1 through 5	(73.36)	9 Total of lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less 9	(73.36)

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above)

1 Balance at beginning of year		5 Distributions: (a) Cash	
2 Net income per books	(2,315.94)	(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize)	
		7 Total of lines 5 and 6	

BROCKMAN, DRINKARD, PENNINGTON & BURCH

CERTIFIED PUBLIC ACCOUNTANTS

SUITE 501, CO-OPERATIVE BUILDING

LYNCHBURG, VIRGINIA 24504

(804) 846-8458

(804) 846-4668

PLAINTIFF'S
EXHIBIT

MEMBERS:

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
THE VIRGINIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

H. CLARKE BROCKMAN, C.P.A.
J. B. DRINKARD, C.P.A.
B. KEITH PENNINGTON, C.P.A.

JOHN P. BURCH, JR., C.P.A.
ERNEST M. WOOD, III, C.P.A.
GARRETT T. FORD, C.P.A.

TAXPAYER: Texon, Inc.

DATE: January 7, 1984

We are enclosing the tax returns indicated below with instructions for filing. The copies stapled to this letter are for your files. If you have any questions or need further assistance, please do not hesitate to contact our office.

BROCKMAN, DRINKARD, PENNINGTON & BURCH, P.C.

1. U.S. CORPORATION INCOME TAX RETURN - FORM 1120 - 1982

This return should be signed and dated by an officer of the Corporation. Mail to Internal Revenue Service, Memphis, TN 37501, no later than immediately.

The tax due is \$ _____. Deposit this amount with your bank accompanied by Form 503 (Federal Tax Deposit, Corporation Income Taxes) dated _____ by the due date of the return.

☒ No payment is necessary.

You have an overpayment of \$ _____ which will be:

Applied to your account _____; Refunded to You _____

2. FEDERAL ESTIMATED CORPORATION INCOME TAX - FORM 1120-W - _____

The estimated Federal Income tax for the next year is \$ _____.

The required payments are to be made to your bank, along with Federal Tax Deposit cards. The cards should be marked 1120 and the quarter will correspond to the dates below:

1st _____	\$ _____	2nd _____	\$ _____
3rd _____	\$ _____	4th _____	\$ _____
Overpayment _____	\$ _____	Total _____	\$ _____

3. VIRGINIA CORPORATION INCOME TAX RETURN - FORM 500 - 1982

This return should be signed and dated by an officer of the Corporation. Mail to the Department of Taxation, P.O. Box 1500, Richmond, VA 23212, no later than immediately.

The tax is payable by drawing a check to the Department of Taxation in the amount of \$ _____. The check must be attached to the return.

☒ No payment is necessary.

You have an overpayment of \$ _____ which will be:

Applied to your account _____; Refunded to You _____

4. VIRGINIA ESTIMATED INCOME TAX DECLARATION - FORM 500 ES - _____

The estimated Virginia Income Tax for the next year is \$ _____.

The required payments are to be submitted to the Department of Taxation, P. O. Box 1500, Richmond, VA 23212, along with form 500 ES, per the following schedule:

1st _____	\$ _____	2nd _____	\$ _____
3rd _____	\$ _____	4th _____	\$ _____
Overpayment _____	\$ _____	Total _____	\$ _____

Included in the tax returns are forms 851 (Affiliations Schedule) and 1122 (Authorization and Consent of Subsidiary to be Included in A Consolidated Income Tax Return). Both of these forms need to be signed and dated by an officer of the Corporation.

1982

Check if ☐—

- A. Consolidated return ☒
B. Personal Holding Co. ☐
C. Business Code No. (See page 9 of instructions)

1570

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

NO 54-1212694 NOV83 D54 9999 M *
TEXON INC
RT 47 & 660
CULLEN VA 23934

033

D. Employer identification number

54-1212694

E. Date incorporated

12-3-81

F. Total assets (see Specific instructions)

\$ 481,033.50

Gross Income	1 (a) Gross receipts or sales \$	(b) Less returns and allowances \$	Balance ▶	1(c)	<u>13,265.49</u>
	2 Cost of goods sold (Schedule A) and/or operations (attach schedule)			2	<u>5,511.25</u>
	3 Gross profit (subtract line 2 from line 1(c))			3	<u>7,754.24</u>
	4 Dividends (Schedule C)			4	<u>9,762.00</u>
	5 Interest			5	
	6 Gross rents			6	<u>1,450.00</u>
	7 Gross royalties			7	
	8 Capital gain net income (attach separate Schedule D)			8	<u>-</u>
	9 Net gain or (loss) from Form 4797, line 11(a), Part II (attach Form 4797)			9	<u>1,000.00</u>
	10 Other income (see instructions—attach schedule)			10	<u>475.33</u>
	11 TOTAL income—Add lines 3 through 10			11	<u>16,644.57</u>
Deductions	12 Compensation of officers (Schedule E)			12	
	13 (a) Salaries and wages	13(b) Less jobs credit	Balance ▶	13(c)	
	14 Repairs (see instructions)			14	<u>396.43</u>
	15 Bad debts (Schedule F if reserve method is used)			15	
	16 Rents			16	
	17 Taxes			17	<u>1,015.17</u>
	18 Interest			18	<u>25,548.35</u>
	19 Contributions (not over 10% of line 30 adjusted per instructions)			19	
	20 Depreciation (attach Form 4562)	<u>20</u>	<u>7,806.92</u>		
	21 Less depreciation claimed in Schedule A and elsewhere on return	<u>21(a)</u>	<u>-</u>	21(b)	<u>7,806.92</u>
	22 Depletion			22	
23 Advertising			23		
24 Pension, profit-sharing, etc. plans (see instructions)			24		
25 Employee benefit programs (see instructions)			25		
26 Other deductions (attach schedule)			26	<u>5,041.43</u>	
27 TOTAL deductions—Add lines 12 through 26			27	<u>39,808.30</u>	
28 Taxable income before net operating loss deduction and special deductions (subtract line 27 from line 11)			28	<u>(23,163.73)</u>	
29 Less: (a) Net operating loss deduction (see instructions—attach schedule)	<u>29(a)</u>				
(b) Special deductions (Schedule C)	<u>29(b)</u>	<u>8,297.70</u>			
30 Taxable income (subtract line 29 from line 28)			30	<u>(31,461.43)</u>	
Tax	31 TOTAL TAX (Schedule J)			31	
	32 Credits: (a) Overpayment from 1981 allowed as a credit				
	(b) 1982 estimated tax payments				
	(c) Less refund of 1982 estimated tax applied for on Form 4466				
	(d) Tax deposited: Form 7004				
	(e) Credit from regulated investment companies (attach Form 2439)				
	(f) Federal tax on special fuels and oils (attach Form 4136)				
	33 TAX DUE (subtract line 32 from line 31—If line 32 is greater than line 31, skip line 33 and go to line 34). See instruction C3 for depository method of payment.			33	<u>-</u>
	(Check <input type="checkbox"/> if Form 2220 is attached. See instruction D.) ▶ \$				
	34 OVERPAYMENT (subtract line 31 from line 32)			34	
	35 Enter amount of line 34 you want: Credited to 1983 estimated tax ▶			35	

Please
Sign
Here

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

Signature of officer [Signature] Date 1-3-83 Title Preparer

Paid
Preparer's
Use Only

Preparer's signature [Signature] Date 1-3-83 Check if self-employed ☐ Preparer's social security no. 54-1247987
Firm's name (or yours, if self-employed) and address BROCKMAN, DRINKARD, PENNINGTON & BURCH, P.C. E.I. No. 24504
LYNCHBURG, VIRGINIA ZIP code

1 Inventory at beginning of year	2,864.00
2 Merchandise bought for manufacture or sale	6,447.25
3 Salaries and wages	-
4 Other costs (attach schedule)	-
5 Total—Add lines 1 through 4	9,311.25
6 Inventory at end of year	-
7 Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1	9,311.25

8 (a) Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)

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

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

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

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

(d) If you are engaged in manufacturing, did you value your inventory using the full absorption method (Regulations section 1.471-11)? ☐ Yes ☐ No

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

Part III Dividends and Special Deductions (See instructions for Schedule C)

	(A) Dividends received	(B) %	(C) Special deductions: multiply (A) X (B)
1 Domestic corporations subject to 85% deduction	9,762.00	85	8,297.70
2 Certain preferred stock of public utilities		59.13	
3 Foreign corporations subject to 85% deduction		85	
4 Wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))		100	
5 Total—Add lines 1 through 4. See instructions for limitation,			
6 Affiliated groups subject to the 100% deduction (section 243(a)(3))		100	
7 Other dividends from foreign corporations not included in lines 3 and 4			
8 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
9 Foreign dividend gross-up (section 78)			
10 DISC or former DISC dividends not included in line 1 (section 246(d))			
11 Other dividends			
12 Deduction for dividends paid on certain preferred stock of public utilities (see instructions)			
13 Total dividends—Add lines 1 through 11. Enter here and on line 4, page 1 →	9,762.00		
14 Total deductions—Add lines 5, 6 and 12. Enter here and on line 29(b), page 1 →			8,297.70

SCHEDULE E Compensation of Officers (See instruction for line 12) Complete Schedule E only if your total receipts (line 1(a), plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

1. Name of officer	2. Social security number	3. Time devoted to business	Percent of corporation stock owned		6. Amount of compensation	7. Expense account allowances
			4. Common	5. Preferred		
D. A. DIXON	231-54-1997	PART	578	-	-	-
Total compensation of officers—Enter here and on line 12, page 1.					-	

Schedule B **Bad Debts—Reserve Method (See instruction for line 15)**

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	Amount added to reserve		6. Amount charged against reserve	7. Reserve for bad debts at end of year
			4. Current year's provision	5. Recoveries		
1977						
1978						
1979						
1980						
1981						
1982						

Tax Computation (See instructions for Schedule J on page 7)

Note: Fiscal year corporations, see instructions on page 10. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.

Calendar year corporations, see instructions for Schedule J on page 7. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and start with line 3.

- 1 Check if you are a member of a controlled group (see sections 1561 and 1563) ☐
- 2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
- (i) \$..... (ii) \$..... (iii) \$..... (iv) \$.....
- 3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D ☐
- 4 (a) Foreign tax credit (attach Form 1118)
- (b) Investment credit (attach Form 3468)
- (c) Jobs credit (attach Form 5884)
- (d) Employee stock ownership credit (applies only to fiscal year 1982-83 corporations—see instructions)
- (e) Research credit (attach Form 6765)
- (f) Possessions tax credit (attach Form 5735)
- (g) Alcohol fuel credit (attach Form 6478)
- (h) Credit for fuel produced from a nonconventional source (see instructions)
- 5 Total—Add lines 4(a) through 4(h)
- 6 Subtract line 5 from line 3
- 7 Personal holding company tax (attach Schedule PH (Form 1120))
- 8 Tax from recomputing prior-year investment credit (attach Form 4255)
- 9 Minimum tax on tax preference items (see instructions—attach Form 4626)
- 10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1

Additional Information (See page 8 of instructions)

G Did you claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)?
- (2) Living accommodations (except employees on business)?
- (3) Employees attending conventions or meetings outside the North American area? (See section 274(h))
- (4) Employees' families at conventions or meetings?
- If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h))
- (5) Employee or family vacations not reported on Form W-27

H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)

If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.

- (2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (e)

(a) Attach a schedule showing name, address, and identifying number. **SCHEDULE E**

(b) Enter percentage owned **57.2**

(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions)

If "Yes," enter owner's country **Form 851**

(d) Enter highest amount owed by you to such owner during the year **25,355.25**

(e) Enter highest amount owed to you by such owner during the year **-**

(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)

I Refer to page 9 of instructions and state the principal:

Business activity **CONSTRUCTION**

Product or service **GENERAL CONT.**

J Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation

K At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions)?

L Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it?

If "Yes," you may have to file Forms 3520, 3520-A or 926.

M During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316)

If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

N During this tax year was any part of your tax accounting records maintained on a computerized system?

Schedule B-1 Balance Sheets

	Beginning of tax year		End of tax year	
	(A)	(B)	(C)	(D)
ASSETS				
1 Cash		154.06		732.23
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Federal and State government obligations				
5 Other current assets (attach schedule)				68,229.88
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				282,300.00
9 Buildings and other depreciable assets			59,666.32	
(a) Less accumulated depreciation			86,476.06	13,190.26
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				116,276.93
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)				300.00
14 Total assets		154.06		481,033.30
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				
16 Mtges, notes, bonds payable in less than 1 year				302,021.04
17 Other current liabilities (attach schedule)				
18 Loans from stockholders		2,000.00		91,776.91
19 Mtges, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				113,060.19
21 Capital stock: (a) Preferred stock				
(b) Common stock	500.00	500.00	700.00	900.00
22 Paid-in or capital surplus				
23 Retained earnings—Appropriated (attach sch.)				
24 Retained earnings—Unappropriated		(2,315.94)		(26,526.83)
25 Less cost of treasury stock				(200.00)
26 Total liabilities and stockholders' equity		154.06		481,033.30

Schedule M-1 Reconciliation of Income Per Books With Income Per Return Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

1 Net income per books	(24,210.89)	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax		(a) Tax-exempt interest \$	
3 Excess of capital losses over capital gains	1,047.16		
4 Income subject to tax not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation . . . \$	
(a) Depreciation \$		(b) Contributions carryover . \$	
(b) Contributions carryover . . . \$			
6 Total of lines 1 through 5	(23,163.73)	9 Total of lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less 9	(23,163.73)

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above) Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

1 Balance at beginning of year	(2,315.94)	5 Distributions: (a) Cash	
2 Net income per books	(24,210.89)	(b) Stock	
3 Other increases (itemize)		(c) Property	
		6 Other decreases (itemize)	
4 Total of lines 1, 2, and 3	(26,526.83)	7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less 7)	(26,526.83)

SCHEDULE D
(Form 1120)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

To be filed with Forms 1120, 1120-DISC, 1120F, 1120-H,
1120L, 1120M, 1120-POL, 990-C, and certain Forms 990-T

OMB No. 1545-0123

1982

Name

TEXON, INC

Employer identification number

54-1212694

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

a. Kind of property and description (Example, 100 shares of "Z" Co.)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price less expense of sale	e. Cost or other basis	f. Gain or (loss) (d less e)
1 100 SH. KYANITE MINING	12/30/82	1983	9,000.00	7,500.00	1,500.00
REAL ESTATE	4/30/83	1983	37,309.45	45,400.00	(8,090.55)
2 Short-term capital gain from installment sales from Form 6252, line 21 or 29				2	
3 Unused capital loss carryover (attach computation)				3	(2,242.58)
4 Net short-term capital gain or (loss)				4	(8,833.13)

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

5 Enter gain from Form 4797, line 5(a)(1)	5	5,543.39
6		
7 Long-term capital gain from installment sales from Form 6252, line 21 or 29	7	
8 Net long-term capital gain or (loss)	8	5,543.39

Part III Summary of Schedule D Gains and Losses (Form 1120L filers omit line 11) *NET CARRYOVER TO 6/30/84 (3,289.74)*

9 Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)	9	—
10 Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)	10	—
11 Total of lines 9 and 10. Enter here and on Form 1120, line 8, page 1; Form 1120-H, line 5, page 1; Form 1120-POL, line 5, page 1; or the proper line on other returns.	11	—

Note: If there is no entry on line 11, see instructions on capital losses for explanation of capital loss carrybacks.

Part IV Alternative Tax Computation (Forms 1120-H and 1120-DISC filers omit Part IV)
(Fiscal year filers, do not complete Part IV, but instead see the instructions for the applicable return to figure the tax for fiscal year 1982-83)

12 Taxable income. Enter the amount from	(a) Form 1120, line 30, page 1 (b) Form 1120-POL, line 19, page 1 (c) Others—Enter amount from the proper line of other returns	12	
13 Net capital gain from line 10		13	
14 Subtract line 13 from line 12		14	
15 Partial tax. Compute the tax on line 14 as follows	(a) Form 1120—In accordance with the instructions for Form 1120, Schedule J (b) In accordance with the instructions for Form 1120-POL, General Instruction B (c) Others—In accordance with the tax computation instructions for applicable return	15	
16 28% of line 13		16	
17 Alternative tax—total of lines 15 and 16. If less than amount of tax figured by regular method, enter here and on Form 1120, Schedule J, line 3; Form 1120-POL, page 1, line 21; or the proper line on other returns. Also check box for Schedule D		17	

Common parent corporation

TEXON, INC.

Employer identification number

54-1212694

Number and street

RT 47 J 660

City or town, State, and ZIP code

CULLEN, VA. 23934

No.	Name and Address of Corporation	Employer Identification Number	Prepayment Credits	
			Portion of Forms 7004 and 7005 tax deposits	Portion of estimated tax credits and deposits
1	Common parent corporation		—	—
	Subsidiary corporation:			
2	<i>CHARLOTTE BUILDERS, INC CULLEN, VA.</i>	<i>54-0912178</i>	—	—
3				
4				
5				
6				
7				
8				
9				
10				
Totals (Must equal amounts shown on Form 1120)			—	—

No.	Principal Business Activity	Did the subsidiary make distributions of the type described in Question M, Form 1120?		Capital Stock Outstanding at Beginning of Year		Stock Holdings at Beginning of Year				
		Yes	No	Number of shares		Number of shares	Percent voting power	Nonvoting		Owned by corporation number—
				Voting	Nonvoting			Number of shares	Percent	
1	Common parent corporation									
	Subsidiary corporation:									
2	CONSTRUCTION 1		X	150	-	150	-	-	-	
3										
4										
5										
6										
7										
8										
9										
10										

Nonvoting stock which is limited and preferred as to dividends should not be shown, but information relative to the nature of the limitation and preference as to dividends should be furnished on back under "Remarks" regarding all classes of nonvoting stock not shown.
If more than one class of nonvoting stock is outstanding, the number of shares of each class should be shown.
List all corporations which at any time during the tax year were members of the affiliated group. If any corporation was not in existence the beginning of the year, show the stock outstanding at date issued.

Internal Revenue Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to make sure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Changes in Stock Holdings During the Year

Corporation		Stockholder (Corporation No.) ^a	Changes in Stock Holdings During the Year						
No.	Name		Date	Changes				Shares held at end of year	
				Shares acquired		Shares disposed of		Voting	Nonvoting
				Voting	Nonvoting	Voting	Nonvoting	Percent voting power	Percent of shares
2	CHARLOTTE BUILDERS, INC	1	10/82	150	-	-	-	100%	100%

^aThe numbers used must agree with the corporation number on front.

In case additional stock was issued, or if any stock was retired during the year, dates and amounts of such transactions should be shown.

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

Remarks: _____

Signature

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

Signature of officer _____ Date 12/28/82 Title _____

For information regarding affiliated groups, see Internal Revenue Code sections 1501-1504 and related regulations.

**Authorization and Consent of Subsidiary
Corporation to be Included in a
Consolidated Income Tax Return**
(Please type or print)

OMB No. 1545-0133

Expires 11-30-84

▶ For the first year a consolidated return is filed, this form must be attached for each subsidiary.

For the calendar year 19 1982, or other tax year beginning JULY 1, 19 82 and ending JUNE 30, 19 82

Name

CHARLOTTE BUILDERS, INC

Number and street

City or town, State, and ZIP code

CULLEN, VA. 23934

1 Date incorporated

3-12-72

Employer identification number

54-0912178

2 Place incorporated

VIRGINIA

3 Capital stock outstanding at beginning of tax year:

(a) Common

\$ 15,000

(b) Preferred

\$ N/A

4 Kind of business

GENERAL CONSTRUCTION

☒ Active

☐ Inactive

5 Name of common parent corporation

TEXON, INC

Employer identification number

54-1212694

Paperwork Reduction Act Notice.—The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

The subsidiary corporation named above authorizes its common parent corporation to include it in a consolidated return for the tax year indicated and for each later year the group must make a consolidated return under the regulations. If the parent corporation does not make a consolidated return on behalf of the subsidiary, the subsidiary authorizes the Commissioner or District Director of Internal Revenue to do so.

The subsidiary consents to be bound by the provisions of the consolidated return regulations.

Signature

Under penalties of perjury, I declare that the subsidiary named above has authorized me to sign this form on its behalf, that I have examined this form, and the information contained herein, and to the best of my knowledge and belief, it is true, correct, and complete.

[Signature]
Signature of officer

[Signature]
Date Title

Depreciation and Amortization

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

Expires 8/31/85

67

Name(s) as shown on return

TEXON, INC

Identifying number

54-1212694

Business or activity to which this form relates

☒ Depreciation

Section A Election to expense recovery property (Section 179)

A. Class of property	B. Cost	C. Expense deduction

1 Total (not more than \$5,000). Enter here and on line 8 (Partnerships—enter this amount on Schedule K (Form 1065))

Section B Depreciation of recovery property

A. Class of property	B. Date placed in service	C. Cost or other basis	D. Recovery period	E. Method of figuring depreciation	F. Percentage	G. Deduction for this year
2 Accelerated Cost Recovery System (ACRS) (See instructions):						
(a) 3-year property						
(b) 5-year property						
(c) 10-year property						
(d) 15-year public utility property						
(e) 15-year real property—low-income housing						
(f) 15-year real property other than low-income housing						
3 Property subject to section 168(e)(2) election (See instructions):						

4 Total column G. Enter here and on line 9

- 0 -

See Paperwork Reduction Act Notice on page 1 of the separate instructions.

[illegible]

7 Total column G, Section C	7806.92
---------------------------------------	---------

8 Enter amount from Section A, line 1 (Partnerships enter zero)

9 Enter amount from Section B, line 4

10 Total—Add lines 7, 8, and 9. Enter here and on the Depreciation line of your return **7,806.92**

[illegible]

Total column G. Enter here and on Other deduction or expense line of your return **100**

Supplemental Schedule of Gains and Losses

(Includes Gains and Losses From Sales or Exchanges of Assets
Used in a Trade or Business and Involuntary Conversions)
To be filed with Form 1040, 1041, 1065, 1120, etc.—See Separate Instructions

OMB No. 1545-0184

1982

31

Name(s) as shown on return

TEXON, INC

Identifying number

54-1212694

Part I Sales or Exchanges of Property Used in a Trade or Business, and Involuntary Conversions From Other Than Casualty and Theft—Property Held More Than 1 Year (Except for Certain Livestock)

Note: Use Form 4684 to report involuntary conversions from casualty and theft.

Caution: If you sold property on which you claimed the investment credit, you may be liable for recapture of that credit. See Form 4255 for additional information.

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
1							
2 (a) Gain, if any, from Form 4684, line 25							
(b) Section 1231 gain from installment sales from Form 6252, line 21 or 29							
3 Gain, if any, from line 26, Part III, on back of this form from other than casualty and theft							5,543.39
4 Add lines 1 through 3 in column g and column h						()	5,543.39
5 Combine line 4, column g and line 4, column h. Enter gain or (loss) here, and on the appropriate line as follows:							5,543.39
(a) For all except partnership returns:							
(1) If line 5 is a gain, enter the gain as a long-term capital gain on Schedule D. See instruction E.							
(2) If line 5 is zero or a loss, enter that amount on line 6.							
(b) For partnership returns: Enter the amount from line 5 above, on Schedule K (Form 1065), line 8.							

Part II Ordinary Gains and Losses

a. Kind of property and description	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price minus expense of sale	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, plus improvements	g. LOSS (f minus the sum of d and e)	h. GAIN (d plus e minus f)
6 Loss, if any, from line 5(a)(2)							
7 Gain, if any, from line 25, Part III on back of this form							1,000.00
8 (a) Net gain or (loss) from Form 4684, lines 17 and 24a							
(b) Ordinary gain from installment sales from Form 6252, line 20 or 28							
9 Other ordinary gains and losses (include property held 1 year or less):							
10 Add lines 6 through 9 in column g and column h						()	1,000.00
11 Combine line 10, column g and line 10, column h. Enter gain or (loss) here, and on the appropriate line as follows:							1,000.00
(a) For all except individual returns: Enter the gain or (loss) from line 11, on the return being filed. See instruction F for specific line reference.							
(b) For individual returns:							
(1) If the loss on line 6 includes a loss from Form 4684, Part II, column B(ii), enter that part of the loss here and on line 24 of Schedule A (Form 1040). Identify as from "Form 4797, line 11(b)(1)"							
(2) Redetermine the gain or (loss) on line 11, excluding the loss (if any) on line 11(b)(1). Enter here and on Form 1040, line 15							

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1251, 1252, 1254, 1255

Skip lines 20 and 21 if you did not dispose of farm property or farmland, or if a partnership files this form.

12 Description of sections 1245, 1250, 1251, 1252, 1254, and 1255 property:	Date acquired (mo., day, yr.)	Date sold (mo., day, yr.)
(A) 1975 PICKUP	7/75	7/83
(B) BUILDINGS & LAND	4/74	7/83
(C)		
(D)		

Relate lines 12(A) through 12(D) to these columns ▶ ▶ ▶	Property (A)	Property (B)	Property (C)	Property (D)
13 Gross sales price minus expense of sale	1,000.00	22,236.40		
14 Cost or other basis	3,524.00	27,448.00		
15 Depreciation (or depletion) allowed (or allowable)	3,524.00	10,254.99		
16 Adjusted basis, subtract line 15 from line 14	—	16,693.01		
17 Total gain, subtract line 16 from line 13	1,000.00	5,543.39		
18 If section 1245 property:				
(a) Depreciation allowed (or allowable) after applicable date (see instructions)	3,524.00			
(b) Enter smaller of line 17 or 18(a)	1,000.00			
19 If section 1250 property: (If straight line depreciation used, enter zero on line 19(f).)				
(a) Additional depreciation after 12/31/75				
(b) Applicable percentage times the smaller of line 17 or line 19(a) (see instruction G.4)				
(c) Subtract line 19(a) from line 17. If line 17 is not more than line 19(a), skip lines 19(d) and 19(e)				
(d) Additional depreciation after 12/31/69 and before 1/1/76				
(e) Applicable percentage times the smaller of line 19(c) or 19(d) (see instruction G.4)				
(f) Add lines 19(b), and 19(e)		-0-		
20 If section 1251 property:				
(a) If farmland, enter soil, water, and land clearing expenses for current year and the four preceding years				
(b) If farm property other than land, subtract line 18(b) from line 17; if farmland, enter smaller of line 17 or 20(a)				
(c) Excess deductions account (see instruction G.5)				
(d) Enter smaller of line 20(b) or 20(c)				
21 If section 1252 property:				
(a) Soil, water, and land clearing expenses				
(b) Amount from line 20(d), if none enter zero				
(c) Subtract line 21(b) from line 21(a). If line 21(b) is more than line 21(a), enter zero				
(d) Line 21(c) times applicable percentage (see instruction G.5)				
(e) Subtract line 21(b) from line 17				
(f) Enter smaller of line 21(d) or 21(e)				
22 If section 1254 property:				
(a) Intangible drilling and development costs deducted after 12/31/75 (see instruction G.6)				
(b) Enter smaller of line 17 or 22(a)				
23 If section 1255 property:				
(a) Applicable percentage of payments excluded from income under section 126 (see instruction G.7)				
(b) Enter the smaller of line 17 or 23(a)				
Summary of Part III Gains (Complete Property columns (A) through (D) through line 23(b) before going to line 24)				
24 Total gains for all properties (add columns (A) through (D), line 17)				6,543.39
25 Add columns (A) through (D), lines 18(b), 19(f), 20(d), 21(f), 22(b) and 23(b). Enter here and on Part II, line 7				1,000.00
26 Subtract line 25 from line 24. Enter the portion from casualty and theft on Form 4684, line 19; enter the portion from other than casualty and theft on Form 4797, Part I, line 3				5,543.39

Part IV Complete this Part Only if You Elect Out of the Installment Method And Report a Note or Other Obligation at Less Than Full Face Value☐ Check here if you elect out of the installment method.

Enter the face amount of the note or other obligation ▶

Enter the percentage of valuation of the note or other obligation ▶

TEXCN, INC
CONSOLIDATING SCHEDULE
6/30/63

Prepared By: _____
Reviewed By: _____

LINE # FORM 1120		TEXCN, INC UNCONSOLIDATED	CHARLOTTE BUILDERS, INC UNCONSOLIDATED	ELIMINATIONS	TOTAL
	<u>GROSS INCOME</u>				
1	GROSS RECEIPTS / SALES	959781	366768	-	1326549
2	COST OF SALES	(921968)	(9217)	-	(931185)
3	GROSS PROFIT	37873	359551	-	397424
4	DIVIDENDS	976200	-	-	976200
6	RENTS	-	145000	-	145000
8	CAPITAL GAIN NET INCOME	-	-	-	-
9	NET GAIN (LOSS) FORM 4797	-	100000	-	100000
10	OTHER INCOME- MISCELLANEOUS	-	47833	-	47833
11	TOTAL INCOME	1014073	650384	-	1664457
	<u>DEDUCTIONS</u>				
14	REPAIRS & MAINTENANCE	39643	-	-	39643
17	TAXES	31120	70397	-	101517
18	INTEREST	1108700	1446135	-	2554835
20	DEPRECIATION	-	780692	-	780692
26	OTHER DEDUCTIONS	83061	421082	-	504143
27	TOTAL DEDUCTIONS	1262524	2718306	-	3980830
	<u>OTHER DEDUCTIONS</u>				
	AUTO & TRUCK EXPENSES	62561	124958	-	187519
	Hauling	13000	-	-	13000
	AMORTIZATION	2500	-	-	2500
	OFFICE EXPENSES	-	33092	-	33092
	INSURANCE	-	44630	-	44630
	TELEPHONE	-	35220	-	35220
	LEGAL & ACCOUNTING	-	50000	-	50000
	MISCELLANEOUS	-	133242	-	133242
26	TOTAL OTHER DEDUCTIONS	83061	421082	-	504143

TEXON, INC
CONSOLIDATING BALANCE SHEET
6/30/83

LINE# SCHEDULE L		TEXON, INC UNCONSOLIDATED	CHARLOTTE BUILDERS, INC UNCONSOLIDATED	ELIMINATIONS	TOTAL
	<u>ASSETS</u>				
1	CASH	86527	17196	-	73723
5	OTHER CURRENT ASSETS:				
	AIR-SUBSIDIARY	80000	-	(80000)	-
	NOTES RECEIVABLE	180622	6642366	-	682298
	TOTAL OTHER CURRENT ASSETS	260622	6642366	(80000)	682298
6	LOANS TO STOCKHOLDERS	-	2767727	(2767727)	-
8	INVESTMENT IN Kyanite MINING	28230000	-	-	28230000
9	DEPRECIABLE ASSETS	-	9966632	-	9966632
9(a)	ACCUMULATED DEPRECIATION	-	(8647606)	-	(8647606)
		-	1319026	-	1319026
11	LAND	10470200	1157393	-	11627593
13	ORGANIZATION COSTS	300000	-	-	300000
14	TOTAL ASSETS	39047349	11903708	(2847727)	48103330
	<u>LIABILITIES & EQUITY</u>				
16	NOTES PAYABLE	18170831	12031273	-	30202104
17	OTHER CURRENT LIABILITIES:				
	A/P-PARENT	-	80000	(80000)	-
18	LOANS FROM STOCKHOLDERS	9177891	-	-	9177891
20	OTHER LIABILITIES:				
	LOANS FROM SUBSIDIARY	2767727	-	(2767727)	-
	INVESTMENT IN SUBSIDIARY	11513583	-	(207565)	11306018
	TOTAL OTHER LIABILITIES	14281310	-	(2975292)	11306018
21	COMMON STOCK	90000	15000000	(15000000)	90000
24	UNAPPORTIONED RETAINED EARNINGS	(2652683)	(1707565)	1707565	(2652683)
25	TREASURY STOCK	(20000)	-	-	(20000)
		39047349	11903708	(2847727)	48103330

VIRGINIA:

IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON PUGH,)	
Complainant)	
)	
v.)	IN CHANCERY NO. <u>C-1649</u>
)	
DWIGHT ALEXANDER DIXON,)	
Defendant)	

DEFENDANT'S SECOND EXCEPTIONS TO REPORT OF COMMISSIONER

101. That Dwight A. Dixon takes further exception to all the acts of the Commissioner. The Commissioner did not fulfill the letter, spirit and the intent of the law, by not applying all the Code of Virginia divorce law, including 20-107, 20-108, 20-109, 20-110, 20-111 and other related statutes.
102. The Commissioner, in total disregard for the statutes above, has failed to show any need whatsoever of Marjorie Hagood Weston Dixon Pugh, complainant (now remarried), for the nearly \$160,000.00 award. The Commissioner has not shown complainants assets, or whether, in fact, she is able to support herself through her teaching career, as per evidence.
103. Whether, complainant is at all in need of any additional support ~~above the~~ monthly amount she was entitled to receive. He never considered all the factors outlined in 20-107, including complainants needs.
104. The Commissioners acts are so negligent and capricious as to render his decision worthless. He did not conduct the trial in a manner which would eliminate unnecessary testimony, conserve time, costs, and expense. He has not only done an injustice to the defendant, complainant and their family, but has caused much added expense and testimony to the trial for no reason. He should be discharged

completely without pay. I object to any payment whatsoever to the Commissioner, to the complainants attorney and any lump sum payment to Marjorie Hagood Weston Dixon Pugh.

I further object to the whole report as being of no value.

This second exception to report is rendered unto his Honorable Court on the 11TH day of March, 1989,

Respectfully submitted,



Dwight Alexander Dixon

Dwight Alexander Dixon
c/o Forest Motel
10021 Baltimore National Pike
Ellicott City, Maryland 21043
(Should return here the evening of March 15th
1989 or March 16th 1989)

Michael W. Smith, Warren D. Harless
Christian, Barton, Epps
1200 Mutual Building
202 East Main Street
Richmond, Virginia 23219-3095

CERTIFICATE

I do hereby certify that a true copy of the foregoing Defendant's Second Exceptions To Report of Commissioner was mailed to William W. Bennett, Jr., Esquire, Counsel for Complainant, 45 North Main Street, P. O. Box 456, Halifax, Virginia 24558 this 11TH day of March, 1989.


DWIGHT ALEXANDER DIXON

Filed: March 13, 1989
Date: [Signature]
for Linda Daffin

VIRGINIA: IN THE CIRCUIT COURT OF CHARLOTTE COUNTY

MARJORIE HAGOOD WESTON DIXON (PUGH)

V.

DECREE

DWIGHT A. DIXON

This cause came on to be heard upon the papers formerly read, upon the Report of the Commissioner in Chancery and exceptions filed thereto by the defendant and plaintiff with memorandum in support of their exceptions.

Upon consideration whereof, the Court adopts the findings of fact of the Commissioner in Chancery in toto.

Following the completion of the taking of the evidence before the Commissioner in Chancery and prior to his Report to this Court, the plaintiff re-married on July 30, 1988, a factor taken into consideration by the Commissioner.

Defendant argues that such re-marriage by the plaintiff nullifies her right to a lump sum award.

The Court is of the opinion that such re-marriage does not prevent the Court from making a lump sum award to plaintiff in lieu of support and maintenance under 20-107 of the Code of Virginia of 1950, as amended (1979), the applicable statute in effect at the time of the separation of the parties, which occurred on October 16, 1979.

Further, this Court has already overruled defendant's exception to the Court's decision that it had in fact explicitly reserved to itself jurisdiction to consider support and maintenance

and order a lump sum award to plaintiff following the decree of divorce which argument defendant now renews. The Court again rejects that argument which he renews in his exceptions to the Report of the Commissioner in Chancery.

Under 20-107 this Court is explicitly given the discretion to "... award a lump sum payment, based upon consideration of the property interests of the parties except those acquired by gift or inheritance during the marriage". The only limitation thereupon is if there exists in defendant's favor a ground of divorce under any provision of Sections 20-91 (1) through (8) or 20-95 as the law relative thereto existed in 1979. This Court awarded plaintiff a divorce on the grounds of desertion of her by the defendant by Decree entered February 5, 1982, and as amended by Decree dated October 13, 1986. Thus, this Court has already found that no such ground of divorce existed in defendant's favor.

The decision to award a lump sum payment is founded upon considerations fundamentally different than the decision to award permanent support and maintenance. An award of lump sum payment is restricted to a consideration of the property interests of the parties other than those acquired by gift or inheritance. Even defendant's counsel during the evidentiary hearings acknowledged this fundamental difference. (See Transcript dated February 10, 1986, page 59, lines 9 - 14.)

Additionally, Section 20-110 (1979) is not applicable or relevant here. The legislature expressly undertook to prohibit an award of support and maintenance and lump sum under 20-107 in the event of the defendant having a grounds of divorce against the

plaintiff. However, similar reference to a lump sum award is simply not found in 20-110 (1979). Such a forfeiture of plaintiff's statutory rights under 20-107 as defendant seeks under Section 20-110 is a harsh one of the highest magnitude and, absent an express prohibition or directive, this Court concludes that the legislature did not so intend to restrict this Court's ability or discretion to make a lump sum award under Section 20-107 and the facts of this case.

Furthermore in clear equity, as the Commissioner found, these proceedings would have been concluded months, if not years before, but for the delays caused in these proceedings by the defendant's intentional actions to conceal and waste his assets, to obfuscate the value of his property interests, to fail to attend certain of the hearings personally, to unexplainedly absent himself from the State of Virginia and effectively remove himself from service of process for long periods of time, the filing of countless, repetitive and spurious motions, all of which caused enormous delay and additional expense in arriving at the true financial facts of this case.

In fact this Court itself has been delayed by nearly a year in issuing this opinion by virtue of defendant's unwarranted delaying tactics in endeavoring to remove this cause to the federal courts, a matter not resolved until August 22, 1990, by order of the Honorable Jackson L. Kiser, Judge of the United State Federal Court for the Western District of Virginia, in Danville, Virginia, and an effort seemingly in clear violation and frustration of the order of the United States Bankruptcy Court for the Eastern

District of Tennessee, Northern Division, dated December 12, 1988, by which that court, in which the defendant had filed for relief in a Chapter 13 proceeding, lifted the automatic stay attendant to such petition so as to allow this Court to proceed with the completion of the evidence before the Commissioner and to otherwise enter findings of fact and conclusions of law as may be necessary and appropriate to conclude the issues pending in this court relating to property settlement, alimony and child support related fees, and costs.

But more importantly, the Court finds unequivocally that the defendant's actions from the time of his separation from the plaintiff and through the hearings before the Commissioner as outlined above, and as found by the Commissioner, caused serious and irreparable financial deterioration, loss and stress to plaintiff and the party's property interests from which plaintiff can never recover or be recompensed but by a lump sum award that is founded solely in the property interests of the parties and that equities of the parties therein.

Accordingly, this Court doth ADJUDGE, ORDER and DECREE that the property interests of the parties hereto excepting those acquired by gift or inheritance during marriage consist of a net, current value of One Hundred Forty-Nine Thousand Eight Hundred and Sixty-Five and 00/100 Dollars (\$149,865.00) in real property and One Hundred and Seventy-Six Thousand Dollars and 00/100 Dollars (\$176,000.00) in personal property.

For example, the Court has not taken into consideration in reaching these valuations any of defendant's property which was

shown to be inherited property or property received by him by gift, including the value of defendant's Kyanite Corporation Mining stock which was found by the Commissioner to have a value of some Three Hundred and Thirty-Three Thousand One Hundred and Twenty-Five and 00/100 Dollars (\$333,125.00) since the same was acquired by gift or inheritance, or his debts of approximately Three Hundred and Thirty Thousand and 00/100 Dollars (\$330,000.00), which debt the evidence before the Commissioner indicated is or was secured in whole or in part by said stock.

The Court doth further ADJUDGE, ORDER and DECREE that Marjorie Hagood Weston Dixon Pugh be and she hereby is awarded a lump sum payment to be made to her by the defendant of One Hundred and Thirty Thousand and 00/100 Dollars (\$130,000.00) plus attorney's fees of Twenty Thousand and 00/100 Dollars (\$20,000.00) as recommended by the Commissioner.

The Court doth further ADJUDGE, ORDER and DECREE that Six Thousand One Hundred and Twenty-Two and 85/100 Dollars (\$6,122.85) be, and hereby is, awarded to the plaintiff for court costs and fees, also as recommended by the Commissioner.

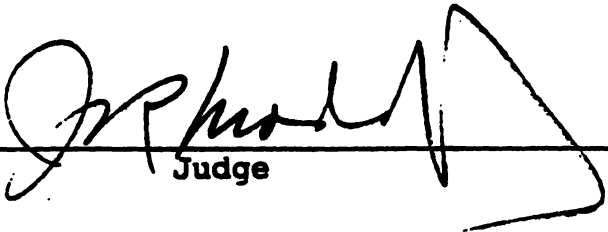
The Court, under all equities of this case ADJUDGES, ORDERS and DECREES the defendant should pay, and that he is hereby so ordered to pay, ninety percent (90%) of the fee of the Commissioner in Chancery in the amount of Twelve Thousand Forty-Five and 00/100 Dollars (\$12,045.00), and the plaintiff ten percent (10%) thereof.

The Court doth further ADJUDGE, ORDER and DECREE that the amount of child support currently being paid by the defendant to the plaintiff should remain the sum of Five Hundred and 00/100

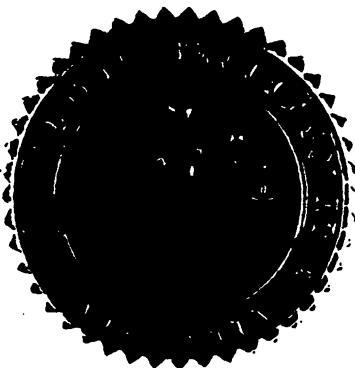
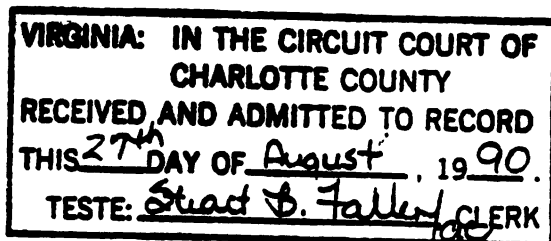
Dollars (\$500.00) per month.

The Clerk is ordered to transmit forthwith an attested copy of this Decree to the Clerk of the United States Bankruptcy Court for filing with the Eastern District of Tennessee, Northern Division, Knoxville, Tennessee, IN RE: Dwight A. Dixon, Debtor, Case Number 88-02200RS, Chapter 13, and to Marcia P. Parsons, Chapter 13 Trustee, 16th Floor, Plaza Tower, Knoxville, Tennessee 37929 and to Dwight A. Dixon, C/O Smiley's Motel, 419 Hurricane Creek Road, Hurricane, West Virginia 25526 and to William W. Bennett, Jr., counsel for plaintiff.

ENTER this 24th day of August, 1990.



Judge



A. Copy, Tester:

Stuart B. Faller ^{clerk}
Recorded in 00 Book # 28 Page 103

Assignment of Error

- I. **WHETHER THE TRIAL COURT HAD JURISDICTION TO MAKE A LUMP
SUM SPOUSAL SUPPORT AWARD?**