Form 11	20-FSC	U.S. Incom										OMB N	o. 1545-09
Department of	f the Treasury	-	and endin	g				- 1				10	999
Internal Reven	ue Service		► See	e separate ins	struction	s. Ple	ase typ	e or pri	nt.	6	Emerilayor idar	tification	
possessi	country or U.S. on of incorporation 8 of the instrs.)	Name									Employer iden		
B Check typ	pe of election made:	Number, street, and	room or s	uite no. (See pa	ge 7 of th	e instru	ctions.)						
Enter the the election	e effective date of	City or town, state,	and ZIP co	de						E \$	Total assets (See	page 8 of	the instructio
F Check ap	oplicable boxes:	(1) 🗌 Initial return	(2)	Final return	(3)	Change	of addr	ess (4	<b>1)</b> Am	enc	led return		
				FSC In	format	ion							
1 Principa	al shareholder. Cor ow	mplete for the shareho n equal amounts of st	older that v ock, comp	vas the principa lete for the sha	I shareho reholder t	lder at hat has	the begi s the sar	nning of ne tax ye	the FSC's ar as the l	FSC	C. (See page 8	of the ins	areholders structions.
a Name										b	Identification	number	
c Address	s (number, street, ar	nd room or suite no., c	ity or town	, state, ZIP code	e, or coun	try)				d \$	Total assets (c	orporatio	ons only)
	tage of voting stock al shareholder		ends (mon	th and year) g	Service (	Center v	where ta	x return i	s filed	h	Foreign owner	? (check	one)
		%									Ves		No
2 Parent-s	subsidiary control	led group. Is the FS		liary in a paren rincipal shareh					 not the co	omn	► ∐ Yes		No In comple
				below for the						ictio	ons.)	0	
a Name o	of common parent									b	Identification	number	
c Address	s (number, street, ar	nd room or suite no., c	ity or town	, state, ZIP code	e, or coun	try)				d \$	Total assets (co	nsolidated	1, if applicat
e Percent	tage of voting stock	of the common paren	t %	f Tax year e	ends (mon	th and	year)			g	Service Center	where tax	< return is fi
	trative pricing rul			1					I				
a Check		(es) to show the pric	•										ss receipts
		of foreign trading gro n 482 method	oss receip		23% of a Transact				•	3) ed	Marginal of supplier(s)	costing	
b If the F	•••	d supplier(s) meet the	e payment	••							• •	se the a	dministrat
pricing	rules, check here	<u></u> Tay	<u></u>	<u></u> yments (Se	<u></u>							<u> </u>	🕨
1 Total 1	tax (Schedule J			yments (30	e paye		11500		.)		1		
2 Payme	•	, inte oy	•••			•	• • •	• •					
	1 5	edited to 1999.	2a										
	estimated tax p	5	2b				- T				-		
Form		applied for on	2c (		) d	Bal 🕨	2d						
	eposited with Fo	orm 7004					2e						
		paid on fuels (att					2f				_		
•	•	or withheld at so	•		•		2g				2h		
		2g								. [	3		
		smaller than the t									4		
5 Overp	ayment. If line	2h is larger than t	the total	of lines 1 an	id 3, ent						5		
6 Enter a		ou want: Credited f es of perjury, I declare				ncludin	accom	panving	Refunded schedules			and to th	e best of
Sign	knowledge an any knowledg	d belief, it is true, corre	ect, and co	mplete. Declarat	ion of pre	parer (c	ther that	n taxpaye	er) is based	d on	all information	of which	preparer ł
Here													
	Signature of	fofficer				ate		Ti	itle		Dremon i C	CN - 5	
Paid Preparer's	Preparer's signature				Da	ate			k if self- oyed ► [		Preparer's S	SIN OF P	TIN
Use Only									EIN ► ZIP cod	de I	•		

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Form **1120-FSC** (1999)

Form	1120-FSC (1999)						Pa	ge <b>2</b>
Sch	nedule A Cost of Goods Sold Related to Foreign Tra	ading	j Gross R	eceipts	(See	page 8 of the ins	tructio	ns.)
			Using administ	trative pricing	rules	(b) Not using administrati	ve pricing	g rules
1	Inventory at beginning of year	1						
2	Purchases	2						
3	Cost of labor	3						
4	Additional section 263A costs (attach schedule)	4						
5	Other costs (attach schedule)	5						
6	Total. Add lines 1 through 5	6						
7	Inventory at end of year	7						
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on line 7 of Schedule B. Small FSCs, see instructions for Schedule A.	8						
9a	Check all methods used for valuing closing inventory: (1) $\Box$			bed in Re	gulati	ons section 1.471-3	3	
	(2) $\Box$ Lower of cost or market as described in Regulations se							
	(3) $\Box$ Other (Specify method used and attach explanation.) $\blacktriangleright$							
b C	Check if there was a writedown of subnormal goods as descril Check if the LIFO inventory method was adopted this tax year							
d	If the LIFO inventory method was used for this tax year, enter p inventory computed under LIFO							
e f	If property is produced or acquired for resale, do the rules of s Was there any change in determining quantities, cost, or valuat If "Yes," attach explanation.	tions I	between of	bening and	d clos	sing inventory?		] No
Add	litional Information (See page 9 of the instructions.) Note	e: Sn	nall ESCs	complet	te lin	<u>es 1 through 7f or</u>	nlv	
1	See the instructions on page 16 and enter the FSC's: <b>a</b> Busine			•		0	Yes	No
b	Business activity ►		•				100	
2	Enter the amount of tax-exempt interest received or accrued durin							
3	At any time during the tax year was the FSC engaged in a trade or business in the United States?							
4	Is the FSC a foreign personal holding company or a personal ho							
5	If the FSC has an NOL for the tax year and is electing to forego the	-						
6	Enter the available NOL carryover from prior tax years. (Do not							
	II, line 19a.)				-			
7	FSC qualification rules (See page 2 of the instructions.):							
а	Enter the largest number of FSC shareholders at any time duri	ing th	e tax year	▶				
b	Did the FSC have any preferred stock outstanding at any time	durin	ig the tax y	/ear?				
с	During the tax year, did the FSC maintain an office in a qualify a complete set of books and records was maintained? (See pa							
d e	During the tax year did the FSC maintain the records required u At all times during the tax year, did the FSC have at least one							
f	<b>Small FSCs only:</b> Check the applicable box if during the tax ye group of corporations that included a $\square$ DISC or a $\square$ FSC.							
g	Check the applicable box if during the tax year the FSC was a that included a $\square$ DISC or a $\square$ small FSC.	a mei	mber of a	controlled	grou	p of corporations		
8	Foreign management rules (does not apply to small FSCs):							
а	Did all formally convened meetings of the board of directors an	nd of	the shareh	olders oc	cur o	utside the U.S.?.		
b	(1) Were all cash dividends, legal and accounting fees, salarie the board of directors disbursed from bank accounts maint	tained	l outside th	ne United	States	s? (If "Yes," these		
	<ul><li>accounts are considered to be the FSC's principal bank ac</li><li>(2) At all times during the tax year, did the FSC maintain its</li></ul>	s prind	cipal bank	accounts	in a	qualifying foreign		
	country or U.S. possession? (See page 3 of the instruction							
0	Name of bank(s) ►       Acco         Foreign economic process rules (does not apply to small FS		umber(s)					
9	Check the applicable box if the FSC is electing to group transaction		om its cales	activition	(Dogr	lations soction 1 02	1(d) 1(a	۰)/۲)).
b	Customer grouping Contract grouping Product or product the applicable box(es) to indicate how the FSC met the fore	oroduc eign d	t line group irect costs	oing 🗌 F requireme	Produ nt: (S	ct or product line su ee page 3 of the instr	bgroup	ings
	□ The FSC (or any person under contract with the FSC) met th □ The FSC (or any person under contract with the FSC) met the	e alter	native 85%	test of se	ection	924(d)(2). Check to		
с	subparagraph of section 924(e) for which this alternative test w. If box (e)(5) on line 9b is checked, enter which of the five meth- describes how the FSC bears the economic risk of nonpaymer	nods li	sted in Reg	gulations :			(e)(5) throug	
d	Check the applicable box if the FSC is electing to group its foreign dir Customer grouping Contract grouping Product or p	rect co	osts on one	of the follow	wing (	Regulations section 1.	924(d)-1	1(e)):

Sch	Schedule B Taxable Income or (Loss) (See page 9 of the instructions.)						
	Part I—Net Income Attributable to Nonexempt F				(b) Not using		
		(a	) Using administra pricing rules	tive	(b) Not using administrative pricing rules	е	
1	Sale, exchange, or other disposition of export property. (Enter 50% of military property sales. Include the other 50% on Schedule F, line 1.)	1					
2	Lease or rental of export property for use outside the United States	2					
3	Services related and subsidiary to:						
а	Sale, exchange, or other disposition of export property. (Enter 50% of services related to the sale or other disposition of military property. Include the other 50% on Schedule F, line 1.).	3a					
b	Lease or rental of export property	3b					
4	Engineering or architectural services for construction projects outside the U.S.	4					
5	Managerial services for an unrelated FSC or IC-DISC	5					
6a	Total foreign trading gross receipts. Add lines 1 through 5         Small FSCs: Complete lines 6b through 6h.	<u>6a</u>					
b	Small FSC limitation (section 924(b)(2)(B)) 6b \$5,000,000	00					
С	Controlled group member's share of line 6b 6c						
e	Enter 1. (Short tax year: Divide the number of days in the short tax year by the number of days in the full tax year. Enter as a decimal less than 1.00000.)6dMultiply line 6b or line 6c (whichever applies) by line 6d Total of line 6a, columns (a) and (b)6eNote: See the instructions for line 6f if commission						
	income is included on line 6a.						
g	Enter the smaller of line 6e or line 6f. <b>Note:</b> <i>If line 6f</i> exceeds line 6e, enter the excess on line 7 of Schedule F						
h	Allocate the amount from line 6g to columns (a) and (b) (see instructions)	6h					
7	Cost of goods sold (Schedule A, line 8). (Small FSCs, enter only the part of cost of goods sold from the receipts on line 6h above. See instructions for Schedule A on page 8.)	7					
8	Foreign trade income. Subtract line 7 from line 6a or line 6h (whichever applies)	8					
9a	Exemption percentage from Schedule E, line 3d	9a		00			
b	Exemption percentage from Schedule E, line 2d	9b		1		~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	
10	Exempt foreign trade income. Multiply line 8 (column (a)) by line 9a and line 8 (column (b)) by line 9b.	10					
11	Nonexempt foreign trade income. Subtract line 10 from line 8	11					
12	Deductions attributable to nonexempt foreign trade income. Enter amount from Schedule G, line 18	12					
13	Net income attributable to nonexempt foreign trade income. Subtract line 12 from line 11	13					
14	Net income attributable to nonexempt foreign trade income from Schedule F, line 6						
15	lines 13 and 14						
	Part II—Taxable Income or (Los	ss)		1			
16	Taxable income from foreign trade income. Enter total of line 15, columns (a) nontaxable income included in line 15, column (b). Attach a schedule that show of the taxable and nontaxable income included in line 15, column (b)	vs the	computation	16			
17	Taxable nonforeign trade income from Schedule F, line 19			17			
18	Taxable income or (loss) before net operating loss deduction and dividends-re Add lines 16 and 17.		d deduction.	18			
	Net operating loss deduction (attach schedule)	_		_			
b	Dividends-received deduction (attach schedule)			100			
с 20	Add lines 19a and 19b	for S	chedule J on	<u>19c</u>			

Form '	1120-FSC (1999)		Paç	ge <b>4</b>
Sch	nedule E Exemption Percentages Used in Figuring Exempt Foreign Trade Income (See p	age 1	0 of the instructio	ns.)
Note	Enter .30000 on line 2d and .65217 on line 3d if all shareholders of the FSC are C corporations. Skip Enter .32000 on line 2d and .69565 on line 3d if all shareholders of the FSC are other than C corpora			
1	Percentage (round to at least five decimal places) of voting stock owned by shareholders that are C corporations	1		
2 a	Exemption percentage for foreign trade income determined by not using the administrative pricing rules: Difference between section 923(a)(2) and section 291(a)(4)(A) percentage	2a	.02000	
b	Section 923(a)(2) percentage	2b	.32000	
	Multiply line 1 by line 2a	2c		
d	<b>Exemption percentage.</b> Subtract line 2c from line 2b. Enter here and on Schedule B, line 9b, and on Schedule G, line 16b.	2d		
3	Exemption percentage for foreign trade income determined using administrative pricing rules:			
а	Difference between section 923(a)(3) fraction and section 291(a)(4)(B) fraction (16/23 – 15/23 = 1/23) shown as a decimal	3a	.04348	
b	Section 923(a)(3) fraction (16/23) shown as a decimal	3b	.69565	
	Multiply line 1 by line 3a	3c		
d	Exemption percentage. Subtract line 3c from line 3b. Enter here and on Schedule B, line 9a, and on Schedule G, line 16a	3d		
Sch	Net Income From Nonexempt Foreign Trade Income and Taxable Nonfor (See page 10 of the instructions.)	reign	Trade Income	
	Part I—Net Income From Nonexempt Foreign Trade Income			
	(a) Using administrat pricing rules	ive	(b) Not using administra pricing rules	ative
1	Enter 50% of total receipts from the sale, exchange, or other disposition of	1		
2	military property and related services       1         International boycott income       2			
2	Illegal bribes and other payments   3			
4	Total. Add lines 1, 2, and 3         4			
5	Cost of goods sold and other costs related to above income (attach schedule)			
6	Net income from nonexempt foreign trade income. Subtract line 5 from line 4. Enter here and on Schedule B, line 14, columns (a) and (b)       6			
	Part II—Taxable Nonforeign Trade Income		<u>                                     </u>	
7	Small FSCs: If line 6f, Schedule B, is greater than line 6e, Schedule B, enter the excess here.	7		
8	Interest	8		
9	Dividends (attach schedule—see page 11 of the instructions)	9		
10	Carrying charges	10		
11	Royalties	11		
12	Other investment income	12		
13	Receipts excluded under section 924(f) on the basis of use, subsidized receipts, and receipts	13		
14	from related parties	14		
14 15	Income from excluded property under sections 927(a)(2) and (3)			
10	of the instructions). (See Foreign Trading Gross Receipts on page 3 of the instructions.)	15	ļ	
16	Other income	16	<u> </u>	
17	Total. Add lines 7 through 16	17	<u> </u>	
18	Enter deductions allocated or apportioned to line 17 income. (Attach schedule. Small FSCs also include the cost of goods sold deduction attributable to the amount entered on line 7 above).	18		
19	Taxable nonforeign trade income.       Subtract line 18 from line 17. Enter here and on Schedule B, line 17.	19		

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## Schedule G Deductions Attributable to Foreign Trade Income Other Than Foreign Trade Income Reported on Schedule F (See instructions on pages 12 and 13 for limitations before completing lines 1 through 14.)

		(a)	Using administrati pricing rules	ve	(b) Not using adminis pricing rules	strative
1	Foreign direct costs described in section 024(a)					
1	Foreign direct costs described in section 924(e):	1a				
a b	Advertising and sales promotion	1b				
b	Contain processing and analying costs	1c				
c d	Certain transportation costs	1d				
		1e				
e f	Assumption of credit risk	16 1f				
f ว	Total foreign direct costs. Add lines 1a through 1e	2				
2	Advertising	3				
3		5				
4	Depreciation from Form 4562 (less any depreciation claimed elsewhere on	4				
-	this return) (attach Form 4562)	5				
5	Salaries and wages	6				
6		7				
7	Sales commissions	8				
8	Warehousing	9				
9	Freight	10				
10	Compensation of officers	11				
11	Bad debts	12				
12	Pension, profit-sharing, etc., plans	13				
13	Employee benefit programs	14				
14	Other deductions (attach list)	14				
15	Total deductions. Add lines 1f through 14	16a		<u></u> ୁ		
16a	Exemption percentage from Schedule E, line 3d	16b		6		
b	Exemption percentage from Schedule E, line 2d					~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~
17	Deductions attributable to exempt foreign trade income. Multiply line 15,					
	column (a) by line 16a and enter the result in column (a), and multiply line	17				
4.0	15, column (b) by line 16b and enter the result in column (b)	17				
18	Deductions attributable to nonexempt foreign trade income other than foreign trade income reported on Schedule F. Subtract line 17 from line					
	15. Enter here and in Schedule B, line 12, columns (a) and (b)	18				
Sch	redule J Tax Computation (See page 13 of the instructions.)					
1			► 🗆			
•	<b>Important:</b> Members of a controlled group, see page 13 of the instructions.	• •				
2a	If the box on line 1 is checked, enter the FSC's share of the \$50,000, \$25,0	)00. an	d			
	\$9,925,000 taxable income brackets (in that order):	,				
	(1) \$ (2) \$ (3) \$					
b	Enter the FSC's share of:					
	(1) Additional 5% tax (not more than \$11,750)					
	(2) Additional 3% tax (not more than \$100,000)					
3	Income tax. Check this box if the FSC is a qualified personal service corpor	ration a	as defined in			
-	section 448(d)(2). (See page 14 of the instructions.)			3		
4	Foreign tax credit (attach Form 1118)			4		
	5					
5	Subtract line 4 from line 3			5		
6	Personal holding company tax (attach Schedule PH (Form 1120))			6		
			-			
7	Alternative minimum tax (attach Form 4626)			7		
8	Total tax. Add lines 5 through 7. Enter here and on line 1, page 1			8		

## Form 1120-FSC (1999)

Schedule L Balance Sheets per Books		Beginning	of tax year	End of tax year			
	Assets	(a)	(b)	(c)	(d)		
1	Cash						
2a	Trade notes and accounts receivable .						
b	Commissions receivable						
с	Less allowance for bad debts	( )		( )			
3	Inventories			_			
4	U.S. government obligations			-			
5	Tax-exempt securities (See page 14 of the instructions.)			-			
6	Other current assets (attach schedule) .			-			
7	Loans to shareholders			-			
8	Mortgage and real estate loans			-			
9	Other investments (attach schedule)						
10a	Buildings and other depreciable assets .						
b	Less accumulated depreciation	( )		( )			
11a	Depletable assets						
b	Less accumulated depletion	)		)			
12	Land (net of any amortization).						
13a	Intangible assets (amortizable only)	( )		( )			
b	Less accumulated amortization			)			
14 15	Other assets (attach schedule)			-			
15							
16	Liabilities and Shareholders' Equity						
10	Accounts payable						
18	Transfer prices payable						
19	Other current liabilities (attach schedule).						
20	Loans from shareholders						
21	Mtges., notes, bonds payable in 1 year or more			]			
22	Other liabilities (attach schedule)						
23	Capital stock						
24	Additional paid-in capital						
25	Retained earnings—Appropriated (attach schedule)			_			
26	Retained earnings—Unappropriated			_			
27	Adjustments to shareholders' equity (attach schedule).			-			
28	Less cost of treasury stock		()	-	()		
29	Total liabilities and shareholders' equity .		- \A/;+h- h	Determs (Case many 1)			
Scr	nedule M-1 Reconciliation of Inco	me (Loss) per Book	s with income per	Return (See page 1:	of the instructions.)		
1	Net income (loss) per books			on books this year not			
2	Federal income tax		included on this r				
3	Excess of capital losses over capital gains .			est \$			
4	Income subject to tax not recorded on		<b>b</b> Exempt foreign t				
	books this year (itemize):			. \$			
F	Expanses recorded on books this year not			ic raturn pat charged			
5	Expenses recorded on books this year not deducted on this return (itemize):			is return not charged one this year (itemize):			
а	Depreciation \$			• • • • • • • • • • • • • • • • • • •			
	Deductions attributable to			• • • • • • • • • • • • • • • • • • • •			
D	exempt foreign trade income \$						
с	Travel and entertainment \$						
				line 18, Schedule B)—			
6	Add lines 1 through 5		line 6 less line 9				
Sch	nedule M-2 Analysis of Unappro	priated Retained E	arnings per Books	s (Line 26, Schedul	e L)		
1	Balance at beginning of year			Cash			
2	Net income (loss) per books		b	Stock			
3	Other increases (itemize):			Property			
			6 Other decreases	(itemize):			
л	Add lines 1, 2, and 3			year (line 4 less line 7)			
		<u>A</u>			1		
		$\bigotimes$					

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