

Form **1120S**

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.

See separate instructions.

4931614959609

1998 24870

For calendar year 1998, or tax year beginning 1998, and ending

A Effective date of election as an S corporation 10/12/1998	Use IRS label. Otherwise, please print or type.	Name QUEEN TOBACCO INC.	C Employer identification number 56 2090219
B NEW bus. code no. (see pages 26-28) 453990		Number, street, and room or suite no. (If a P.O. box, see page 10 of the instructions.) 5425 DONNEFIELD DR	D Date incorporated 05/29/1999
		City or town, state, and ZIP code CHARLOTTE NC 28212	E Total assets (see page 10) \$ 43843

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Enter number of shareholders in the corporation at end of the tax year

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

	1a	b	c Bal	1c	
Income	Gross receipts or sales	Less returns and allowances		116333	
	2 Cost of goods sold (Schedule A, line 8)			107137	
	3 Gross profit. Subtract line 2 from line 1c			9196	
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)			0	
	5 Other income (loss) (attach schedule)			0	
	6 Total income (loss). Combine lines 3 through 5			9196	
Deductions (see page 11 of the instructions for limitations)	7 Compensation of officers			0	
	8 Salaries and wages (less employment credits)			3765	34
	9 Repairs and maintenance				
	10 Bad debts			44	59
	11 Rents			9150	
	12 Taxes and licenses			79	
	13 Interest			0	
	14a Depreciation (if required, attach Form 4562)			0	
	b Depreciation claimed on Schedule A and disclosure of Section 179 election			0	
	c Subtract line 14b from line 14a				
	15 Depletion (Do not deduct oil and gas depletion)				
	16 Advertising			2898.42	
	17 Pension, profit-sharing, etc., plans			0	
18 Employee benefit programs			0		
19 Other deductions (attach schedule)			5797	17	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19			21734	52	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6			-12538	52	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule)	22a	0		
	b Tax from Schedule D (Form 1120S)	22b	0		
	c Add lines 22a and 22b (see page 14 of the instructions for additional taxes)	22c		0	
	23 Payments: a 1998 estimated tax payments and amount applied from 1997 return	23a	0		
	b Tax deposited with Form 7004	23b	0		
	c Credit for Federal tax paid on fuels (attach Form 4136)	23c	0		
	d Add lines 23a through 23c	23d			
	24 Estimated tax penalty. Check if Form 2220 is attached <input type="checkbox"/>	24		0	
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See page 4 of the instructions for depository method of payment	25		0	
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	26			
27 Enter amount of line 26 you want: Credited to 1999 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	27				

CERTIFIED TRUE COPY
 No. of pages: 5 Date: JUL 1 3 1999
 BY: [Signature]
 Disclosure Officer
 Internal Revenue Service
 North-South Carolina District
 Greensboro, North Carolina

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: 4-11-99 Title: President

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: Check if self-employed Preparer's social security number:
 Firm's name (or yours if self-employed) and address: EIN: ZIP code:

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

	(a) Pro rata share items	(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21)	1 12538
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a Gross income from other rental activities	3a
	b Expenses from other rental activities (attach schedule)	3b
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss):	
	a Interest income	4a
	b Ordinary dividends	4b
	c Royalty income	4c
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d
	e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	
(1) 28% rate gain (loss) (2) Total for year	4e(2)	
f Other portfolio income (loss) (attach schedule)	4f	
5 Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	5	
6 Other income (loss) (attach schedule)	6	
Deductions	7 Charitable contributions (attach schedule)	7
	8 Section 179 expense deduction (attach Form 4562)	8
	9 Deductions related to portfolio income (loss) (itemize)	9
	10 Other deductions (attach schedule)	10
Investment Interest	11a Interest expense on investment debts	11a
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b(1)
	(2) Investment expenses included on line 9 above	11b(2)
Credits	12a Credit for alcohol used as a fuel (attach Form 6478)	12a
	b Low-income housing credit:	
	(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(1)
	(2) Other than on line 12b(1) for property placed in service before 1990	12b(2)
	(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)
	(4) Other than on line 12b(3) for property placed in service after 1989	12b(4)
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d
e Credits related to other rental activities	12e	
13 Other credits	13	
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a
	b Adjusted gain or loss	14b
	c Depletion (other than oil and gas)	14c
	d (1) Gross income from oil, gas, or geothermal properties	14d(1)
	(2) Deductions allocable to oil, gas, or geothermal properties	14d(2)
e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Type of income	
	b Name of foreign country or U.S. possession	
	c Total gross income from sources outside the United States (attach schedule)	15c
	d Total applicable deductions and losses (attach schedule)	15d
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e
	f Reduction in taxes available for credit (attach schedule)	15f
	g Other foreign tax information (attach schedule)	15g
Other	16 Section 59(e)(2) expenditures: a Type b Amount	16b
	17 Tax-exempt interest income	17
	18 Other tax-exempt income	18
	19 Nondeductible expenses	19
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20
	21 Other items and amounts required to be reported separately to shareholders (attach schedule)	
	22 Total dividend distributions paid from accumulated earnings and profits	22
23 Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b	23 12538	

Schedule L Balance Sheets per Books

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		20000		9195
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				34648
4 U.S. Government obligations				
5 Tax-exempt securities				
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 Other assets (attach schedule)				
15 Total assets		20000		43843
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach schedule)				
19 Loans from shareholders		17000		28305
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach schedule)				
22 Capital stock		3000		3000
23 Additional paid-in capital				
24 Retained earnings				
25 Adjustments to shareholders' equity (attach schedule)				-12538
26 Less cost of treasury stock	()		()	
27 Total liabilities and shareholders' equity		20000		43843

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income (loss) per books	-125387	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a Depreciation \$		a Depreciation \$	
b Travel and entertainment \$		7 Add lines 5 and 6	
4 Add lines 1 through 3	-125387	8 Income (loss) (Schedule K, line 23). Line 4 less line 7	

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 24 of the instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year			
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	()		
5 Other reductions	()	()	
6 Combine lines 1 through 5			
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6			

Dixon Tobacco Inc
6404-d Albemarle Rd
Charlotte NC 28212

04/12/99



IRS
Memphis TN 37501-
0013

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Department of the Treasury Internal Revenue Service

Form 1120S U.S. Income Tax Return for an S Corporation 1999

OMB No. 1545-0130 IRS use only - Do not write or staple in this space.

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

For calendar year 1999, or tax year beginning Jan 1, 1999, and ending Apr 30, 1999

Header section containing: A Effective Date of Election as an S Corporation (05/29/98), B Business Code No. (453990), C Employer Identification Number (56-2090219), D Date Incorporated (05/29/98), E Total Assets (39,475), F Check applicable boxes (Final return checked), G Enter number of shareholders (0).

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Main table with columns for INCOME, DEDUCTIONS, and TAX AND PAYMENTS. Includes handwritten entries for gross receipts (131,497), net gain (18,599), and total deductions (16,448).

RECEIVED APR 13 09 1999 MEMPHIS, TENN. stamp

Please Sign Here section with signature of Abdulla Darwish, Date 3-28-2000, Title President.

Paid Preparer's Use Only section with Preparer's Signature (Abdulla Darwish), Firm's Name (Professional Accounting & Tax Services), and EIN (56-2138879).

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	34,648.
2	Purchases	2	78,250.
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	112,898.
7	Inventory at end of year	7	0.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.	8	112,898.

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations Section 1.471-3
- (ii) Lower of cost or market as described in Regulations Section 1.471-4
- (iii) Other (specify method used and attach explanation) _____

b Check if there was a writedown of 'subnormal' goods as described in Regulations Section 1.471-2(c)

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

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e Do the rules of Section 263A (for property produced or acquired for resale) apply to the corporation? Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation Yes No

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2 Refer to the list in the instructions and state the corporation's principal: (a) Business activity RETAILER (b) Product or service TOBACCO		
3 Did the corporation 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 employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of Section 1561?		X
5 At any time during calendar year 1999, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If 'Yes,' enter the name of the foreign country _____		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If 'Yes,' the corporation may have to file Form 3520. See instructions		X
7 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. If so, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in Section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) _____ \$		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see instructions) <input type="checkbox"/>		

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

	(a) Pro rata share items	(b) Total amount
Income (Loss)	1 Ordinary income (loss) from trade or business activities (page 1, line 21)	1 2,151.
	2 Net income (loss) from rental real estate activities (attach Form 8825)	2
	3a Gross income from other rental activities	3a
	b Expenses from other rental activities (attach schedule)	3b
	c Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c
	4 Portfolio income (loss):	
	a Interest income	4a
	b Ordinary dividends	4b
	c Royalty income	4c
	d Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	4d
e Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):	(1) 28% rate gain (loss)	4 e (2)
	(2) Total for year	
f Other portfolio income (loss) (attach schedule)	4f	
5 Net Section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	5	
6 Other income (loss) (attach schedule)	6	
Deductions	7 Charitable contributions (attach schedule)	7
	8 Section 179 expense deduction (attach Form 4562)	8
	9 Deductions related to portfolio income (loss) (itemize)	9
	10 Other deductions (attach schedule)	10
Investment Interest	11a Interest expense on investment debts	11a
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	11b (1)
	(2) Investment expenses included on line 9 above	11b (2)
Credits	12a Credit for alcohol used as a fuel (attach Form 6478)	12a
	b Low-income housing credit:	
	(1) From partnerships to which Section 42(j)(5) applies for property placed in service before 1990	12b (1)
	(2) Other than on line 12b(1) for property placed in service before 1990	12b (2)
	(3) From partnerships to which Section 42(j)(5) applies for property placed in service after 1989	12b (3)
	(4) Other than on line 12b(3) for property placed in service after 1989	12b (4)
	c Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12c
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d
	e Credits related to other rental activities	12e
	13 Other credits	13
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a
	b Adjusted gain or loss	14b
	c Depletion (other than oil and gas)	14c
	d (1) Gross income from oil, gas, or geothermal properties	14d (1)
	(2) Deductions allocable to oil, gas, or geothermal properties	14d (2)
	e Other adjustments and tax preference items (attach schedule)	14e
Foreign Taxes	15a Type of income	
	b Name of foreign country or U.S. possession	
	c Total gross income from sources outside the United States (attach schedule)	15c
	d Total applicable deductions and losses (attach schedule)	15d
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e
	f Reduction in taxes available for credit (attach schedule)	15f
	g Other foreign tax information (attach schedule)	15g
Other	16 Section 59(e)(2) expenditures: a Type b Amount	16b
	17 Tax-exempt interest income	17
	18 Other tax-exempt income	18
	19 Nondeductible expenses	19
	20 Total property distributions (including cash) other than dividends reported on line 22 below	20 0.
	21 Other items and amounts required to be reported separately to shareholders (attach schedule)	
	22 Total dividend distributions paid from accumulated earnings and profits	22 0.
	23 Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b	23 2,151.

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash		9,195.		- 39,475.
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories		34,648.		0.
4	U.S. government obligations				
5	Tax-exempt securities				
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	Other assets (attach schedule)				
15	Total assets		43,843.		39,475.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch)				
19	Loans from shareholders		53,381.		46,862.
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock		3,000.		3,000.
23	Additional paid-in capital				
24	Retained earnings		-12,538.		-10,387.
25	Adjustments to shareholders' equity (attach schedule)				
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		43,843.		39,475.

Schedule M-1 Reconciliation of Income (Loss) per Books with Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1	Net income (loss) per books	2,151.	5	Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):	
2	Income included on Sch K, lines 1 through 6, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize):		6	Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3	2,151.	8	Income (loss) (Schedule K, ln 23). Ln 4 less ln 7	2,151.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	-12,538.	
2	Ordinary income from page 1, line 21	2,151.	
3	Other additions		
4	Loss from page 1, line 21		
5	Other reductions		
6	Combine lines 1 through 5	-10,387.	
7	Distributions other than dividend distributions	0.	0.
8	Balance at end of tax year. Subtract line 7 from line 6	-10,387.	0.

Schedule K-1
(Form 1120S)

Shareholder's Share of Income, Credits, Deductions, etc

OMB No. 1545-0047

1999

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
For calendar year 1999 or tax year

beginning Jan 1, 1999, and ending Apr 30, 1999

Shareholder's identifying number ▶ 242-51-8852 Corporation's identifying number ▶ 56-2090219

Shareholder's Name, Address, and ZIP Code

ANGELA G. TSIOMAS
5425 DONNEFIELD DR
CHARLOTTE, NC 28227

Corporation's Name, Address, and ZIP Code

QUEEN TOBACCO INC
5425 DONNEFIELD DR
CHARLOTTE, NC 28212

- A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ▶ 100.0000 %
B Internal Revenue Service Center where corporation filed its return ▶ Memphis, TN 37501-0013
C Tax shelter registration number (see instructions for Schedule K-1) ▶
D Check applicable boxes: (1) Final K-1 (2) Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	2,151.	See Shareholder's Instructions for Schedule K-1 (Form 1120S). Schedule B, Part I, line 1 Schedule B, Part II, line 5 Schedule E, Part I, line 4 Schedule D, line 5, col (f) Schedule D, line 12, col (g) Schedule D, line 12, col (f) (Enter on applicable line of return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of return.)
	2	Net income (loss) from rental real estate activities	2		
	3	Net income (loss) from other rental activities	3		
	4	Portfolio income (loss):			
	a	Interest	4a		
	b	Ordinary dividends	4b		
	c	Royalties	4c		
	d	Net short-term capital gain (loss)	4d		
	e	Net long-term capital gain (loss):			
	(1)	28% rate gain (loss)	e(1)		
(2)	Total for year	e(2)			
f	Other portfolio income (loss) (attach schedule)	4f			
5	Net Section 1231 gain (loss) (other than due to casualty or theft)	5			
6	Other income (loss) (attach schedule)	6			
Deductions	7	Charitable contributions (attach schedule)	7		Schedule A, line 15 or 16
	8	Section 179 expense deduction	8		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9	Deductions related to portfolio income (loss) (attach schedule)	9		
	10	Other deductions (attach schedule)	10		
Investment Interest	11a	Interest expense on investment debts	11a		
	b(1)	Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)		
	b(2)	Investment expenses included on line 9 above	b(2)		
Credits	12a	Credit for alcohol used as fuel	12a		Form 6478, line 10
	b	Low-income housing credit:			Form 8586, line 5
	(1)	From Section 42(j)(5) partnerships for property placed in service before 1990	b(1)		
	(2)	Other than on line 12b(1) for property placed in service before 1990	b(2)		
	(3)	From Section 42(j)(5) partnerships for property placed in service after 1989	b(3)		
	(4)	Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c	Qualified rehabilitation expenditures related to rental real estate activities	12c		
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
e	Credits related to other rental activities	12e			
13	Other credits	13			

BAA For Paperwork Reduction Act Notice, see the instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14a Depreciation adjustment on property placed in service after 1986	14a	See Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15a Type of income ▶		Form 1116, Check boxes
	b Name of foreign country or U.S. possession ▶		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	Form 1116, Part II Form 1116, Part III See Instructions for Form 1116
	e Total foreign taxes (check one): ▶ <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (attach schedule)	15f	
	g Other foreign tax information (attach schedule)	15g	
Other	16 Section 59(e)(2) expenditures: a Type ▶		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	Form 1040, line 8b
	17 Tax-exempt interest income	17	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for 'Loans from Shareholders'	21	
	22 Recapture of low-income housing credit:		Form 8611, line 8
a From Section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

Form 1120S, Page 1, Line 19

34831

Other Deductions

LEGAL AND PROFESSIONAL	403.
MISCELLANEOUS	471.
POSTAGE	51.
SECURITY	150.
TELEPHONE	454.
UTILITIES	715.
Total	<u>2,244.</u>



U.S. POSTAGE

0055

METER 481212

Certification of Lack of Record

Date:
January 17, 2001

34813

TO WHOM IT MAY CONCERN:

I certify that I have legal custody of Federal tax forms and related documents filed in the Internal Revenue Service Office, North-South Carolina District Office.

I further certify that a thorough search has been made of the records in my custody and no tax form, as described below, was found to have been filed in the name of the person indicated.

Name of Person
Queen Tobacco, Inc.

Address
5425 Donnefield Drive
Charlotte, NC 28227

Kind of Tax Form
941


Tax Period
199809, 199909, 199912

I have signed this certification and affixed to it the seal of this office on the date shown at the top of this page.

Name: R.L. Commerson

Title: ² Disclosure Officer

Signature



Certification of Lack of Record

Date:
January 19, 2001

34834

TO WHOM IT MAY CONCERN:

I certify that I have legal custody of Federal tax forms and related documents filed in the Internal Revenue Service Office, North-South Carolina District Office.

I further certify that a thorough search has been made of the records in my custody and no tax form, as described below, was found to have been filed in the name of the person indicated.

Name of Person
Queen Tobacco

Address
5425 Donnefield Drive
Charlotte, NC 28227

Kind of Tax Form
941

Tax Period
9809, 9909, 9912

I have signed this certification and affixed to it the seal of this office on the date shown at the top of this page.

Name: R.L. Commerson

Title: Disclosure Officer

Signature



Employer's Quarterly Federal Tax Return

4914102400177

▶ See separate instructions for information on completing this return.

HU 56-2090219

Please type or print.

Enter state code for state in which deposits were made ONLY if different from state in address to the right ▶ (see page 3 of instructions).

*****AUTO**5-DIGIT 28227
 DEC98 S49 C
 QUEEN TOBACCO INC
 5425 DONNEFIELD DR
 CHARLOTTE NC 28227-3980

0375
 49

OMB No. 1545-0029

T
FF
FD
FP
I
T

If address is different from prior return, check here ▶

1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	4	4	4	5	5	5	
6	7	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	10	10	10	10	10	10	10

If you do not have to file returns in the future, check here ▶ and enter date final wages paid ▶
 If you are a seasonal employer, see **Seasonal employers** on page 1 of the instructions and check here ▶

1	Number of employees in the pay period that includes March 12th . ▶	1	
2	Total wages and tips, plus other compensation	2	3765.44
3	Total income tax withheld from wages, tips, and sick pay	3	326.00
4	Adjustment of withheld income tax for preceding quarters of calendar year	4	0
5	Adjusted total of income tax withheld (line 3 as adjusted by line 4—see instructions)	5	326.00
6	Taxable social security wages	6a	3765.44 × 12.4% (.124) =
	Taxable social security tips	6c	0 × 12.4% (.124) =
7	Taxable Medicare wages and tips	7a	3765.44 × 2.9% (.029) =
7b		7b	109.20
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax	8	576.11
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =	9	0
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)	10	576.11
11	Total taxes (add lines 5 and 10)	11	902.11
12	Advance earned income credit (EIC) payments made to employees	12	0
13	Net taxes (subtract line 12 from line 11). This should equal line 17, column (d) below (or line D of Schedule B (Form 941))	13	902.11
14	Total deposits for quarter, including overpayment applied from a prior quarter	14	0
15	Balance due (subtract line 14 from line 13). See instructions	15	902.11
16	Overpayment. If line 14 is more than line 13, enter excess here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return OR <input type="checkbox"/> Refunded.		

No. of pages: 1 Date: 1-19-01

M. Emerson

17 Monthly Summary of Federal Tax Liability. Do not complete if you were a semiweekly schedule depositor.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

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.

Signature ▶ *Angela Tsionmas* Print Your Name and Title ▶ *Angela Tsionmas* President Date ▶ *1/25/98*

Employer's Quarterly Federal Tax Return

See separate instructions for information on completing this return.

HU 56-2090219

Please type or print.

34835

Enter state code for state in which deposits were made ONLY if different from state in address to the right (see page 2 of instructions).

MAR99 S49 C
QUEEN TOBACCO INC
5425 DONNEFIELD DR
CHARLOTTE NC 28227-3980

037
49

OMB No. T545-0029

Table with 2 columns: Label (T, FF, FD, FP, I, T) and Value (blank)

If address is different from prior return, check here

IRS Use grid with columns 1-10 and rows 6-10

If you do not have to file returns in the future, check here and enter date final wages paid

If you are a seasonal employer, see Seasonal employers on page 1 of the instructions and check here

Main form body with lines 1-15 and checkboxes for seasonal employer and future filing.

Handwritten signature: J. J. Anderson

Table with 4 columns: (a) First month liability, (b) Second month liability, (c) Third month liability, (d) Total liability for quarter

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.

Signature: [Signature] Print Your Name and Title: Angela Tsikas Date: 4/11/99

Employer's Quarterly Federal Tax Return

▶ See separate instructions for information on completing this return.

HU 56-2090219 Please type or print.

914120518032

Enter state code for state in which deposits were made ONLY if different from state in address to the right (see page 2 of instructions).

*** ***** ECRL0T** C-063
 JUN99 S49 C
 QUEEN TOBACCO INC
 5425 DONNEFIELD DR 1357
 CHARLOTTE NC 28227-3980

OMB No. 1545-0029

T
FF
FD
FP
I
T

If address is different from prior return, check here ▶

1	1	1	1	1	1	1	1	1	1	1	2	3	3	3	3	3	3	3	3	4	4	4	5	5	5
6	7	8	8	8	8	8	8	8	8	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10	10

If you do not have to file returns in the future, check here and enter date final wages paid ▶ 12-31-98
 If you are a seasonal employer, see **Seasonal employers** on page 1 of the instructions and check here ▶

1	Number of employees in the pay period that includes March 12th . . . ▶	1	
2	Total wages and tips, plus other compensation	2	
3	Total income tax withheld from wages, tips, and sick pay	3	
4	Adjustment of withheld income tax for preceding quarters of calendar year	4	
5	Adjusted total of income tax withheld (line 3 as adjusted by line 4—see instructions)	5	
6	Taxable social security wages	6a	
	Taxable social security tips	6c	
7	Taxable Medicare wages and tips	7a	
			x 12.4% (.124) = 6b
			x 12.4% (.124) = 6d
			x 2.9% (.029) = 7b
8	Total social security and Medicare taxes (add lines 6b, 6d, and 7b). Check here if wages are not subject to social security and/or Medicare tax ▶ <input type="checkbox"/>	8	
9	Adjustment of social security and Medicare taxes (see instructions for required explanation) Sick Pay \$ _____ ± Fractions of Cents \$ _____ ± Other \$ _____ =	9	
10	Adjusted total of social security and Medicare taxes (line 8 as adjusted by line 9—see instructions)	10	
11	Total taxes (add lines 5 and 10)	11	
12	Advance earned income credit (EIC) payments made to employees	12	
13	Net taxes (subtract line 12 from line 11). If \$1,000 or more, this must equal line 17, column (d) below (or line D of Schedule B (Form 941))	13	
14	Total deposits for quarter, including overpayment applied from a prior quarter.	14	
15	Balance due (subtract line 14 from line 13). See instructions	15	
16	Overpayment. If line 14 is more than line 13, enter excess here ▶ \$ _____ and check if to be: <input type="checkbox"/> Applied to next return OR <input type="checkbox"/> Refunded.		

All filers: If line 13 is less than \$1,000, you need not complete line 17 or Schedule B (Form 941).
 Semiweekly schedule depositors: Complete Schedule B (Form 941) and check here ▶
 Monthly schedule depositors: Complete line 17, columns (a) through (d), and check here ▶

17 Monthly Summary of Federal Tax Liability. Do not complete if you were a semiweekly schedule depositor.			
(a) First month liability	(b) Second month liability	(c) Third month liability	(d) Total liability for quarter

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.

Signature ▶ *[Signature]* Print Your Name and Title ▶ Angela Tsiamas Date ▶ 7/14/99

Form 941 Payment Voucher

Purpose of Form

Complete Form 941-V if you are making a payment with Form 941, Employer's Quarterly Federal Tax Return. We will use the completed voucher to credit your payment more promptly and accurately, and to improve our service to you.

If you have your return prepared by a third party and make a payment with that return, please provide this payment voucher to the return preparer.

Making Payments With Form 941

Make payments with Form 941 only if:

1. Your net taxes for the quarter (line 13 on Form 941) are less than \$1,000 or
2. You are a monthly schedule depositor making a payment in accordance with the **accuracy of deposits** rule. (See section 11 of Circular E, Employer's Tax Guide, for details.) This amount may be \$1,000 or more.

Otherwise, you must deposit the amount at an authorized financial institution or by electronic funds transfer. (See section 11 of Circular E for deposit instructions.) Do not use the Form 941-V payment voucher to make Federal tax deposits.

Caution: If you pay amounts with Form 941 that should have been deposited, you may be subject to a penalty. See Circular E.

Specific Instructions

- Enter on the voucher the amount paid with Form 941.
- Make checks or money orders payable to the United States Treasury. Be sure to enter your EIN, "Form 941," and the tax period on your check or money order. Do not send cash. Please do not staple your payment to the voucher or the return or to each other.
- Detach the completed voucher and send it with your payment and Form 941 to the address on the back of Form 941. Do not send a photocopy of Form 941-V—your payment may be misapplied or delayed.

If any of the preprinted information is incorrect, make changes on the top of Form 941, not on the payment voucher. If you change any of the preprinted information on the voucher, your payment may be misapplied or delayed.



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Printed on recycled paper

Detach here

★ U.S. GOVERNMENT PRINTING OFFICE: 1999-456-564



Department of the Treasury
Internal Revenue Service

OMB No. 1545-0029

1999

Form 941-V Payment Voucher

56-2090219

562090219 HU QUEE 01 2 9906 610

QUEEN TOBACCO INC
5425 DONNEFIELD DR
CHARLOTTE NC 28227-3980

INTERNAL REVENUE SERVICE
PO BOX 70503
CHARLOTTE NC 28272-0503

\$

Enter the amount of your payment
Make sure your employer identification number
is written on your check or money order.

- ▶ Use this voucher when making a payment with your tax return.
- ▶ Do not staple this voucher or your payment to your return.
- ▶ Do not send cash.

FOR PRIVACY ACT AND PAPERWORK REDUCTION ACT NOTICE, SEE BACK OF FORM 941.