

**U.S. Corporation Income Tax Return**

For calendar year 1999 or tax year

beginning **OCTOBER 1, 1999**, ending **SEPTEMBER 30, 2000**

**EXTENSION GRANTED TO 06/15/01**

OMB No. 1545-0047

**1999**

- A Check if a:**
- 1 Consolidated return (attach Form 851)
  - 2 Personal holding co. (attach Sch. PH)
  - 3 Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T)

**Use IRS label. Otherwise, print or type.**

Name: **FORTE RESOURCES CORPORATION**

Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.):  
**300 NORTH LAKE AVENUE, SUITE 930**

City or town, state, and ZIP code:  
**PASADENA, CA 91101**

**B** Employer identification number  
**77-0352429**

**C** Date incorporated  
**09/16/1993**

**D** Total assets (see page 6 of instructions)  
\$ **385,995.**

**E Check applicable boxes:** (1)  Initial return (2)  Final return (3)  Change of address

<b>Income</b>	<b>1 a</b> Gross receipts or sales	<b>586,860.</b>	<b>b</b> Less returns and allowances		<b>c Bal</b>	<b>1c</b>	<b>586,860.</b>	
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>		
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	<b>586,860.</b>	
	<b>4</b> Dividends (Schedule C, line 19)					<b>4</b>		
	<b>5</b> Interest					<b>5</b>		
	<b>6</b> Gross rents					<b>6</b>		
	<b>7</b> Gross royalties					<b>7</b>		
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))					<b>8</b>		
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					<b>9</b>		
	<b>10</b> Other income (attach schedule)					<b>10</b>		
	<b>11 Total income.</b> Add lines 3 through 10						<b>11</b>	<b>586,860.</b>
<b>Deductions</b>	<b>12</b> Compensation of officers (Schedule E, line 4)					<b>12</b>	<b>300,000.</b>	
	<b>13</b> Salaries and wages (less employment credits)					<b>13</b>	<b>12,000.</b>	
	<b>14</b> Repairs and maintenance					<b>14</b>	<b>235.</b>	
	<b>15</b> Bad debts					<b>15</b>		
	<b>16</b> Rents					<b>16</b>	<b>8,911.</b>	
	<b>17</b> Taxes and licenses		<b>SEE STATEMENT 1</b>			<b>17</b>	<b>34,198.</b>	
	<b>18</b> Interest					<b>18</b>	<b>5,831.</b>	
	<b>19</b> Charitable contributions		<b>SEE STATEMENT 2 AND SEE STATEMENT 3</b>			<b>19</b>	<b>5,336.</b>	
	<b>20</b> Depreciation (attach Form 4562)			<b>20</b>	<b>18,760.</b>			
	<b>21</b> Less depreciation claimed on Schedule A and elsewhere on return			<b>21a</b>		<b>21b</b>	<b>18,760.</b>	
	<b>22</b> Depletion					<b>22</b>		
	<b>23</b> Advertising					<b>23</b>	<b>400.</b>	
	<b>24</b> Pension, profit-sharing, etc., plans					<b>24</b>		
	<b>25</b> Employee benefit programs					<b>25</b>	<b>15,260.</b>	
	<b>26</b> Other deductions (attach schedule)		<b>SEE STATEMENT 4</b>			<b>26</b>	<b>113,116.</b>	
	<b>27 Total deductions.</b> Add lines 12 through 26						<b>27</b>	<b>514,047.</b>
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11						<b>28</b>	<b>72,813.</b>
<b>29 Less: a</b> Net operating loss (NOL) deduction			<b>29a</b>					
	<b>b</b> Special deductions (Schedule C, line 20)		<b>29b</b>			<b>29c</b>		
<b>30</b> Taxable income. Subtract line 29c from line 28						<b>30</b>	<b>72,813.</b>	
<b>31</b> Total tax (Schedule J, line 12)						<b>31</b>	<b>13,203.</b>	
<b>Tax and Payments</b>	<b>32</b> Payments: <b>a</b> 1998 overpayment credited to 1999		<b>32a</b>					
	<b>b</b> 1999 estimated tax payments		<b>32b</b>					
	<b>c</b> Less 1999 refund applied for on Form 4466		<b>32c</b>			<b>d Bal</b>	<b>32d</b>	
	<b>e</b> Tax deposited with Form 7004						<b>32e</b>	
	<b>f</b> Credit for tax paid on undistributed capital gains (attach Form 2439)						<b>32f</b>	
	<b>g</b> Credit for Federal tax on fuels (attach Form 4136)						<b>32g</b>	
	<b>33</b> Estimated tax penalty. Check if Form 2220 is attached <input checked="" type="checkbox"/>						<b>33</b>	<b>710</b>
<b>34</b> Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed						<b>34</b>	<b>13,913</b>	
<b>35</b> Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						<b>35</b>		
<b>36</b> Enter amount of line 35 you want Credited to 2000 estimated tax <input checked="" type="checkbox"/> Refunded <input type="checkbox"/>						<b>36</b>		

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

**Sign Here**

Signature of officer: **MARTIN WERBELOW LLP** Date: **6/13/01** Title: **CPA**

**Paid Preparer's Use Only**

Preparer's signature: **MARTIN WERBELOW LLP** Date: **6/13/01** Check if both-employed  Preparer's SSN or PTIN: **P00072312**

Firm's name (or your own if self-employed) and address: **100 N. LAKE AVE., SUITE 930 PASADENA, CA 91101** EIN: **951720829** ZIP code: **91101**

**U.S. CORPORATION INCOME TAX RETURN**

For calendar year 1998 or tax year

beginning OCTOBER 1, 1998, and ending SEPTEMBER 30, 1999

**1998**

**EXTENSION GRANTED TO 06/15/00**

<b>A Check if a:</b> 1 Consolidated return (attach Form 851) <input type="checkbox"/> 2 Personal holding co. (attach Sch. PH) <input type="checkbox"/> 3 Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T) <input type="checkbox"/>	Use IRS label. Otherwise, print or type.	Name <b>FORTE RESOURCES CORPORATION</b> Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.) <b>300 NORTH LAKE AVENUE, SUITE 930</b> City or town, state, and ZIP code <b>PASADENA, CA 91101</b>	<b>B</b> Employer identification number <b>77-0352429</b> <b>C</b> Date incorporated <b>09/16/1993</b> <b>D</b> Total assets (see page 5 of instructions)
<b>E Check applicable boxes:</b> (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input checked="" type="checkbox"/> Change of address		<b>\$ 220,262.</b>	

<b>Income</b>	1 a Gross receipts or sales	472,480.	b Less returns and allowances		c Bal		1c 472,480.
	2 Cost of goods sold (Schedule A, line 8)						2
	3 Gross profit. Subtract line 2 from line 1c						3 472,480.
	4 Dividends (Schedule C, line 19)						4
	5 Interest						5
	6 Gross rents						6
	7 Gross royalties						7
	8 Capital gain net income (attach Schedule D (Form 1120))						8
	9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)						9
	10 Other income (attach schedule)						10
	<b>11 Total income.</b> Add lines 3 through 10						<b>11 472,480.</b>

<b>Deductions</b>	12 Compensation of officers (Schedule E, line 4)		12 190,000.
	13 Salaries and wages (less employment credits)		13 12,000.
	14 Repairs and maintenance		14 235.
	15 Bad debts		15
	16 Rents		16 420.
	17 Taxes and licenses	SEE STATEMENT 1	17 12,682.
	18 Interest		18 468.
	19 Charitable contributions	SEE STATEMENT 2 AND SEE STATEMENT 3	19 7,207.
	20 Depreciation (attach Form 4562)	20 22,814.	
	21 Less depreciation claimed on Schedule A and elsewhere on return	21a	21b 22,814.
	22 Depletion		22
	23 Advertising		23 298.
	24 Pension, profit-sharing, etc., plans		24 67,000.
	25 Employee benefit programs		25 12,917.
	26 Other deductions (attach schedule)	SEE STATEMENT 4	26 81,579.
	<b>27 Total deductions.</b> Add lines 12 through 26		<b>27 407,620.</b>
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		28 64,860.
	29 Less: a Net operating loss deduction	29a	
	b Special deductions (Schedule C, line 20)	29b	29c

<b>Tax and Payments</b>	30 Taxable income. Subtract line 29c from line 28		30 64,860.
	31 Total tax (Schedule J, line 12)		31 11,215.
	32 Payments: a 1997 overpayment credited to 1998	32a	
	b 1998 estimated tax payments	32b	
	Less 1998 refund applied for	32c	
	c on Form 4466		d Bal 32d
	e Tax deposited with Form 7004		32e
	f Credit for tax paid on undistributed capital gains (attach Form 2439)		32f
	g Credit for Federal tax on fuels (attach Form 4136)		32g
	33 Estimated tax penalty. Check if Form 2220 is attached		33 354.
	34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed	STMT 5 **	34 12,363.
	35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35
	36 Enter amount of line 35 you want: Credited to 1999 estimated tax		36 Refunded

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.

<b>Sign Here</b>	Signature of officer	Date	Title	
	<i>[Signature]</i>	5/14/02		
<b>Paid Preparer's Use</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's social security number
	<i>[Signature]</i>	5/14/02		556 86 8536
	Firm's name (or yours if self-employed)	FIN	ZIP code	
	MARTIN WERBELOW LLP	95	1720829	
	300 N. LAKE AVE., SUITE 930	91101		

COPY FOR CLIENT

Form **1120**

Department of the Treasury  
Internal Revenue Service

# U.S. Corporation Income Tax Return

For calendar year 1997 or tax year beginning OCT 1 1997 ending SEP 30 1998  
**EXTENSION GRANTED TO 06/15/99**

OMB No. 1545-0043

# 1997

▶ **Instructions are separate. See page 1 for Paperwork Reduction Act Notice.**

**A Check if a:**

- 1 Consolidated return (attach Form 851)
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T)

Use **IRS label.** Otherwise, please print or type.

Name  
**FORTE RESOURCES CORPORATION**

Number, street, and room or suite no. (If a P.O. box, see page 5 of instructions.)  
**316 MID VALLEY CENTER SUITE 179**

City or town, state, and ZIP code  
**CARMEL, CA 93923**

**B** Employer identification number  
**77-0352429**

**C** Date incorporated  
**09/16/1993**

**D** Total assets (see page 5 of instructions)

**E** Check applicable boxes: (1)  Initial return (2)  Final return (3)  Change of address

<b>Income</b>		<b>1c</b>	<b>323,665.</b>
1	Gross receipts or sales		
2	Cost of goods sold (Schedule A, line 8)		
3	Gross profit. Subtract line 2 from line 1c		<b>323,665.</b>
4	Dividends (Schedule C, line 19)		
5	Interest		<b>42.</b>
6	Gross rents		
7	Gross royalties		
8	Capital gain net income (attach Schedule D (Form 1120))		
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		
10	Other income (attach schedule)		
11	<b>Total income.</b> Add lines 3 through 10		<b>323,707.</b>
<b>Deductions</b>			
12	Compensation of officers (Schedule E, line 4)		<b>150,000.</b>
13	Salaries and wages (less employment credits)		<b>19,891.</b>
14	Repairs and maintenance		<b>1,331.</b>
15	Bad debts		
16	Rents		<b>1,436.</b>
17	Taxes and licenses		<b>30,478.</b>
18	Interest		
19	Charitable contributions		<b>5,520.</b>
20	Depreciation (attach Form 4562)	<b>20</b>	<b>6,520.</b>
21	Less depreciation claimed on Schedule A and elsewhere on return	<b>21a</b>	
22	Depletion		<b>454.</b>
23	Advertising		
24	Pension, profit-sharing, etc., plans		<b>8,177.</b>
25	Employee benefit programs		<b>50,223.</b>
26	Other deductions (attach schedule)		<b>274,030.</b>
27	<b>Total deductions.</b> Add lines 12 through 26		<b>49,677.</b>
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		
29	Less: a Net operating loss deduction	<b>29a</b>	
	b Special deductions (Schedule C, line 20)	<b>29b</b>	
29c			
30	<b>Taxable income.</b> Subtract line 29c from line 28	<b>30</b>	<b>49,677.</b>
31	<b>Total tax</b> (Schedule J, line 10)	<b>31</b>	<b>7,452.</b>
<b>Tax and Payments</b>			
32	<b>Payments:</b> a 1996 overpayment credited to 1997	<b>32a</b>	
	b 1997 estimated tax payments	<b>32b</b>	
	c Less 1997 refund applied for on Form 4466	<b>32c</b>	
	d Bal ▶	<b>32d</b>	
	e Tax deposited with Form 7004	<b>32e</b>	
	f Credit for tax paid on undistributed capital gains (attach Form 2439)	<b>32f</b>	
	g Credit for Federal tax on fuels (attach Form 4136)	<b>32g</b>	
33	Estimated tax penalty. Check if Form 2220 is attached	<b>33</b>	<b>364.</b>
34	<b>Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed	<b>34</b>	<b>8,343.</b>
35	<b>Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	<b>35</b>	
36	Enter amount of line 35 you want: <b>Credited to 1998 estimated tax</b> ▶ <b>Refunded</b> ▶	<b>36</b>	

**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: *Daniel P. Feunoy CPA* Date: 6/8/99 Title: CPA

**COPY FOR CLIENT**

**Paid Preparer's Use Only**

Preparer's signature: *Daniel P. Feunoy CPA* Date: 6/8/99 Check if self-employed  Preparer's social security number: **556 86 8536**

Firm's name (or yours if self-employed) and address: **MARTIN WERBELOW LLP**  
**300 N. LAKE AVE., SUITE 930**  
**PASADENA, CA**

EIN: **95 1720829**  
ZIP code: **91101**

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**316 MID VALLEY CENTER SUITE 179**  
City or town, state, and ZIP code  
**CARMEL, CA 93923**

**B** Employer identification number  
**77-0352429**  
**C** Date incorporated  
**09/16/1993**  
**D** Total assets (see page 6 of instructions)

**E Check applicable boxes:** (1)  Initial return (2)  Final return (3)  Change of address

<b>Income</b>	<b>1 a</b> Gross receipts or sales	270,019.	<b>b</b> Less returns and allowances		<b>c Bal</b>	<b>1c</b>	270,019.
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	270,019.
	<b>4</b> Dividends (Schedule C, line 19)					<b>4</b>	
	<b>5</b> Interest					<b>5</b>	214.
	<b>6</b> Gross rents					<b>6</b>	
	<b>7</b> Gross royalties					<b>7</b>	
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))					<b>8</b>	
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)					<b>9</b>	<5,988.>
	<b>10</b> Other income (attach schedule)					<b>10</b>	
<b>11 Total income.</b> Add lines 3 through 10						<b>11</b>	264,245.
						<b>12</b>	119,000.

<b>Deductions</b>	<b>12</b> Compensation of officers (Schedule E, line 4)					<b>13</b>	
	<b>13</b> Salaries and wages (less employment credits)					<b>14</b>	288.
	<b>14</b> Repairs and maintenance					<b>15</b>	
	<b>15</b> Bad debts					<b>16</b>	2,323.
	<b>16</b> Rents					<b>17</b>	20,179.
	<b>17</b> Taxes and licenses					<b>18</b>	
	<b>18</b> Interest					<b>19</b>	0.
	<b>19</b> Charitable contributions					<b>20</b>	17,900.
	<b>20</b> Depreciation (attach Form 4562)					<b>21a</b>	
	<b>21</b> Less depreciation claimed on Schedule A and elsewhere on return					<b>21b</b>	17,900.
<b>22</b> Depletion					<b>22</b>		
<b>23</b> Advertising					<b>23</b>	212.	
<b>24</b> Pension, profit-sharing, etc., plans					<b>24</b>		
<b>25</b> Employee benefit programs					<b>25</b>		
<b>26</b> Other deductions (attach schedule)					<b>26</b>	104,343.	
<b>27 Total deductions.</b> Add lines 12 through 26						<b>27</b>	264,245.
<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					<b>28</b>	0.	
<b>29 Less: a</b> Net operating loss deduction				<b>29a</b>		<b>29c</b>	
<b>b</b> Special deductions (Schedule C, line 20)				<b>29b</b>		<b>30</b>	0.
<b>30 Taxable income.</b> Subtract line 29c from line 28						<b>31</b>	0.

<b>Tax and Payments</b>	<b>31 Total tax</b> (Schedule J, line 10)							
	<b>32 Payments:</b> a 1995 overpayment credited to 1996	<b>32a</b>						
	b 1996 estimated tax payments Less 1996 refund applied for	<b>32b</b>						
	c on Form 4466	<b>32c</b>						
	<b>d Bal</b>	<b>32d</b>						
	e Tax deposited with Form 7004	<b>32e</b>						
	f Credit from regulated investment companies (attach Form 2439)	<b>32f</b>						
	g Credit for Federal tax on fuels (attach Form 4136)	<b>32g</b>					<b>32h</b>	
	<b>33</b> Estimated tax penalty. Check if Form 2220 is attached						<b>33</b>	
	<b>34 Tax due.</b> If line 32h is smaller than the total of lines 31 and 33, enter amount owed						<b>34</b>	
<b>35 Overpayment.</b> If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						<b>35</b>		
<b>36</b> Enter amount of line 35 you want: <b>Credited to 1997 estimated tax</b> ▶ <b>Refunded</b> ▶						<b>36</b>	0.	

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

**Sign Here**

Signature of officer: David P. Beunger CPA Date: 7/10/98 Title: \_\_\_\_\_

Preparer's signature: MARTIN WERBELOW LLLP Date: \_\_\_\_\_ Check if self-employed  Preparer's social security number: 556 86 8536

Firm's name (or yours if self-employed) and address: 300 N. LAKE AVE., SUITE 930 PASADENA, CA E.I. No.: 95 1720829 ZIP code: 91101