

**PAUL A. CHIARAVALLOTI, ESQ.**

**1967 WEHRLE DRIVE, SUITE 1  
WILLIAMSVILLE, NEW YORK 14221**

December 21, 2011

Overnight Delivery

Karen Maples  
Regional Hearing Clerk  
U.S. Environmental Protection Agency  
Region 2  
290 Broadway  
New York, NY 10007

U.S. ENVIRONMENTAL  
PROTECTION AGENCY-REG.II  
2012 JAN -5 A 9 32  
Km  
REGIONAL HEARING  
CLERK

**Re: Respondents' Prehearing Exchange for Valvo Convenience and Gas, Inc. and  
Stephen M. Valvo, individually  
Docket No.: RCRA-02-2011-7507**

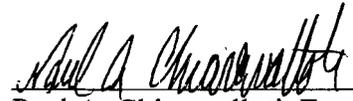
Dear Ms. Maples:

Pursuant to the Prehearing Order of Judge Gunning dated October 19, 2011, enclosed herewith are the original and one copy of Respondents' Prehearing Exchange and Respondents' exhibits for your review.

If you should have any questions regarding this submission, please contact the undersigned at (716) 250-2764.

Thank you for your attention to this matter.

Very truly yours,

  
\_\_\_\_\_  
Paul A. Chiaravalloti, Esq.

PAC/mls

cc: Hon. Barbara A. Gunning  
Beverly Kolenberg, Esq.

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
Region 2**

-----X  
In the Matter of : **Honorable Barbara A. Gunning,**  
Valvo Convenience and Gas, Inc., : Administrative Law Judge  
and Stephen Valvo, Individually :  
Respondents : **Docket No. RCRA-02-2011-7507**  
Proceeding Under Section 9006 of the :  
Solid Waste Disposal Act, as amended :  
-----X

U.S. ENVIRONMENTAL  
PROTECTION AGENCY-REG. II  
2012 JAN -5 A 9:32  
pm  
REGIONAL HEARING  
CLERK

**RESPONDENTS' PREHEARING EXCHANGE**

Respondents above named submit this prehearing exchange pursuant to the Prehearing Order dated October 19, 2011 and pursuant to 40 C.F.R. Section 22.19(a).

**PRELIMINARY STATEMENT**

As noted in Complainant's prehearing exchange, the Complainant did not properly identify the corporate Respondent. The proper name of the corporate Respondent is Valvo's Convenience & Gas, Inc.

The corporate Respondent has filed for bankruptcy protection on three (3) occasions. The first filing was on June 29, 2001. This case was closed on April 15, 2003. This Respondent next filed on April 21, 2004 and this case closed on December 24, 2008. The current case was filed on July 30, 2009 and remains open to this day. In addition, the individual Respondent filed for bankruptcy protection on October 16, 2005 and this case closed on April 25, 2006.

The aforementioned bankruptcy filings were commenced as a result of overwhelming business and personal debt beginning in the 1990s. Simply put, Mr. Valvo was unable to focus

on and have the financial ability to comply with EPA regulations due to the fact that he and his company were facing debts which exceeded \$1,000,000.00.

In the current Chapter 11 case, compromises have been reached with the Debtor's secured creditors in the goal of achieving a successful plan of reorganization. Notwithstanding the aforesaid compromises, the amount of liabilities which would be paid through a plan of reorganization will be approximately \$750,000.00. A plan of reorganization in the current case cannot be confirmed because the Complainant, through the United States Attorney's Office, filed an objection to the Debtor's amended Disclosure Statement on the last day permitted by the bankruptcy court.

During the past six months, Mr. Valvo has made a concerted effort to bring the USTs at the main property on Routes 5 and 20 and at the convenience store on Central Avenue in Silver Creek, New York into compliance with EPA regulations. The report of Jeffrey Blair [Complainant's Exhibit 14] appears to confirm this statement.

Complainant's Exhibits 17 through 23 show expressly that these are Requests for Information. None of those Requests for Information display a valid Office of Management and Budget (OMB) control number.

Neither Respondent has the ability to pay the proposed penalty of \$59,366.00. In 2009, Mr. Valvo had an adjusted gross income of \$15,600.00 and net income of \$6,250.00. In 2010, Mr. Valvo had adjusted gross income of \$32,593.00 and net income of \$23,243.00. In 2009, the corporate Respondent had gross income of \$93,150.00 and net taxable income of \$0.00. In 2010, the corporate Respondent had gross income of \$114,395.00 and again no net taxable income.

The aforesaid figures came from income tax returns prepared by Mr. Valvo's accountant. In accordance with this Court's Prehearing Order, the Respondents submit the following:

### **1(a) RESPONDENTS' WITNESSES**

1. Neither Respondent intends to call any expert witness.
2. Mr. Valvo will be a witness in this matter. He is the sole officer and shareholder of the corporate Respondent. Mr. Valvo will discuss the severe financial liabilities which have devastated his business and the emotional toll which has resulted from these debts. Mr. Valvo will further explain why the corporate Respondent has filed for bankruptcy protection on three (3) occasions. He will testify that neither Respondent is able to pay the penalty which the EPA has proposed in this matter. Lastly, Mr. Valvo will testify about the steps he has taken in recent months with respect to bringing the USTs on the aforementioned properties into compliance with EPA regulations.

In addition, Mr. Valvo respectfully reserves the right to call additional witnesses to address any additional issues which may be set forth by the Complainant before the hearing in its matter. If the Respondents need to supplement their witness list, requisite notice will be made to this Court and the Complainant.

### **1(b) RESPONDENTS' EXHIBITS**

Respondents expect to offer into evidence the following documents and will be identified as "Respondents Exhibit" and each exhibit numbered with the following Arabic numerals:

1. Individual Respondent's 2009 federal tax return.
2. Individual Respondent's 2010 federal tax return.
3. Corporate Respondent's 2009 federal tax return.
4. Corporate Respondent's 2010 federal tax return.
5. Photographs taken on September 6, 2011.

The aforesaid documents accompany Respondents' Prehearing Exchange with the proviso that all of the Respondents' income tax returns are not made public.

### **1(c) PLACE AND TIME OF HEARING**

Pursuant to 40 C.F.R. Section 22.21(d) and 22.19(d), the hearing “shall be held in the county where the Respondent resides or conducts the business which the hearing concerns...”

The individual Respondent resides in Chautauqua County and the corporate Respondent does business in Chautauqua County and Erie County. Accordingly, both Respondents respectfully request that the hearing be held in Buffalo, New York (Erie County) at the office of the United States Attorney’s Office. Any hearing held in New York City or Washington, D.C. would place considerable financial pressure on the Respondents, including and not limited to the travel expenses for Mr. Valvo and his attorney.

Respondents estimate that one day or a partial day will be necessary to present their rebuttal case.

### **2. BASIS FOR DETERMINATION OF PROPOSED PENALTY**

As set forth in the Complainant’s Prehearing Exchange, the EPA is seeking a civil penalty of \$59,366.00. Counsel for the EPA has indicated to the undersigned that the agency would request the bankruptcy court treat any penalty assessed in this matter as an administrative expense.

Complainant’s Exhibits 46 through 62 inclusive are difficult to analyze and understand. Accordingly, testimony at the hearing will be necessary in order to determine whether the aforesaid penalty was correctly calculated.

### **3. RESPONDENTS' STATEMENT REGARDING THE PROPOSED PENALTY**

Mr. Valvo, individually and as the sole officer of the corporate Respondent, respectfully requests that the proposed penalty be eliminated upon the grounds set forth below:

1. The various Requests for Information [Complainant's Exhibits 17 through 23 inclusive] were arguably the basis for the administrative complaint dated June 3, 2011 against the Respondents. None of the aforesaid Requests for Information display a valid control number assigned by OMB.

Under Section 3512 of the Paperwork Reduction Act, "no person shall be subject to any penalty for failing to comply with a collection of information...if (1) the collection of information does not display a valid control number...or (2) the agency fails to inform the person who is to respond to the collection of information that such person is not required to respond to the collection of information unless it displays a valid control number." This statutory provision is further covered under 5 C.F.R.1320.6. Furthermore, this protection may be raised in the form of a complete defense at any time during the administrative process under 44 U.S.C. Section 3512(b) and 5 C.F.R. Section 1320.6(b). Additionally, the word "person" set forth above would apply to both Respondents.

The Complainant in this matter asserts that none of the counts in the Complaint against the Respondents involve record keeping requirements. A review of the June 3, 2011 Complaint indicates otherwise. In particular, attention is directed to the following paragraphs therein: "37 through 48"; "50 through 60"; "62 through 65"; "67 through 71"; "73 through 80"; and "82 through 91." Accordingly, the Respondents assert that the aforementioned provisions of the PRA apply in this matter and request that this Court dismiss with prejudice the penalty sought by the EPA in this proceeding.

2. In the event that this Court concludes that the aforesaid provisions of the PRA do not apply in this matter, the Respondents respectfully assert the following:

(a) The proposed penalty as an administrative expense in the corporate Respondent's Chapter 11 case will have a significant adverse effect on its financial ability to remain in business and

(b) The income tax returns for 2009 and 2010 clearly show an inability of both Respondents to pay the proposed penalty.

**WHEREFORE**, the above named Respondents respectfully assert:

1. The Paperwork Reduction Act applies to this matter and, as such, bars the imposition of any penalty against either Respondent;
2. Neither Respondent has the ability to pay the proposed penalty; and
3. The Respondents have taken steps towards complying with EPA regulations.

DATED: December 21, 2011  
Williamsville, New York

Respectfully submitted,

  
\_\_\_\_\_  
Paul A. Chiaravalloti, Esq.  
Attorney for Respondent  
1967 Wehrle Drive, Suite 1  
Williamsville, New York 14221  
(716) 250-2764  
Fax: (716) 250-2765  
[pachiaravalloti@yahoo.com](mailto:pachiaravalloti@yahoo.com)

**Re: In the Matter of Valvo Convenience and Gas, Inc. and  
Stephen M. Valvo, individually  
Docket Number RCRA-02-2-11-7507**

**CERTIFICATE OF SERVICE**

This is to certify that the undersigned on December 21, 2011 sent Respondents' Pre Hearing Exchange bearing docket number RCRA-02-2-11-7507 by overnight delivery to the following:

Original and one copy: Karen Maples  
Regional Hearing Clerk  
U.S. Environmental Protection Agency  
Region 2  
290 Broadway  
New York, NY 10007

copy to: Hon. Barbara A. Gunning  
EPA Office of Administrative Law Judges  
1200 Pennsylvania Avenue, NW  
Mail Code 1900L  
Washington, DC 20460-2001

Beverly Kolenberg, Esq.  
Assistant Regional Counsel  
U.S. Environmental Protection Agency  
290 Broadway, 17<sup>th</sup> Floor  
New York, NY 10007-1866

Dated: December 21, 2011  
Williamsville, NY 14221

  
\_\_\_\_\_  
Paul A. Chiaravalloti, Esq.

Respondents' Exhibit 1

Form **8879**

**IRS e-file Signature Authorization**

OMB No. 1545-0074

**2009**

Department of the Treasury  
Internal Revenue Service

▶ Do not send to the IRS. This is not a tax return.  
▶ Keep this form for your records. See instructions.

Declaration Control Number (DCN) ▶ **00160199010180**

Taxpayer's name  
**STEPHEN VALVO**

Social security number  
**078-48-3558**

Spouse's name \_\_\_\_\_ Spouse's social security number \_\_\_\_\_

**Part I Tax Return Information—Tax Year Ending December 31, 2009 (Whole Dollars Only)**

1	Adjusted gross income (Form 1040, line 38; Form 1040A, line 22; Form 1040EZ, line 4)	1	15,600
2	Total tax (Form 1040, line 60; Form 1040A, line 37; Form 1040EZ, line 11)	2	628
3	Federal income tax withheld (Form 1040, line 61; Form 1040A, line 38; Form 1040EZ, line 7)	3	1,180
4	Refund (Form 1040, line 73a; Form 1040A, line 46a; Form 1040EZ, line 12a; Form 1040-SS, Part I, line 13a)	4	952
5	Amount you owe (Form 1040, line 75; Form 1040A, line 48; Form 1040EZ, line 13)	5	

**Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)**

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2009, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts from my electronic income tax return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send my return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an ACH electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of my Federal taxes owed on this return and/or a payment of estimated tax, and the financial institution to debit the entry to this account. I further understand that this authorization may apply to future Federal tax payments that I direct to be debited through the Electronic Federal Tax Payment System (EFTPS). In order for me to initiate future payments, I request that the IRS send me a personal identification number (PIN) to access EFTPS. This authorization is to remain in full force and effect until I notify the U.S. Treasury Financial Agent to terminate the authorization. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I further acknowledge that the personal identification number (PIN) below is my signature for my electronic income tax return and, if applicable, my Electronic Funds Withdrawal Consent.

**Taxpayer's PIN: check one box only**

I authorize Anthony C. Leone, CPA to enter or generate my PIN **83558** as my signature on my tax year 2009 electronically filed income tax return. ERO firm name Enter five numbers, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2009 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Your signature \_\_\_\_\_ Date ▶ **04/14/10**

**Spouse's PIN: check one box only**

I authorize \_\_\_\_\_ to enter or generate my PIN \_\_\_\_\_ as my signature on my tax year 2009 electronically filed income tax return. ERO firm name Enter five numbers, but do not enter all zeros

I will enter my PIN as my signature on my tax year 2009 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method. The ERO must complete Part III below.

Spouse's signature \_\_\_\_\_ Date ▶ \_\_\_\_\_

**Practitioner PIN Method Returns Only—continue below**

**Part III Certification and Authentication—Practitioner PIN Method Only**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. \_\_\_\_\_ do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2009 electronically filed income tax return for the taxpayer(s) indicated above. I confirm that I am submitting this return in accordance with the requirements of the Practitioner PIN method and Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

ERO's signature \_\_\_\_\_ Date ▶ \_\_\_\_\_

**ERO Must Retain This Form — See Instructions  
Do Not Submit This Form to the IRS Unless Requested To Do So**

Form

# 1040

## Department of the Treasury—Internal Revenue Service U.S. Individual Income Tax Return 2009

(99) IRS Use Only—Do not write or staple in this space.

**Label**  
(See instructions on page 14.)  
**Use the IRS label.**  
Otherwise, please print or type.

<b>L A B E L</b>	For the year Jan. 1-Dec. 31, 2009, or other tax year beginning , 2009, ending , 20		OMB No. 1545-0074
	Your first name and initial <b>STEPHEN</b>	Last name <b>VALVO</b>	Your social security number <b>078-48-3558</b>
	If a joint return, spouse's first name and initial	Last name	Spouse's social security number
<b>H E R E</b>	Home address (number and street). If you have a P.O. box, see page 14. <b>P. O. BOX 225</b>		Apt. no.
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 14. <b>SILVER CREEK NY 14136</b>		Checking a box below will not change your tax or refund.

**Presidential Election Campaign** Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 14)  You  Spouse

**Filing Status**

Check only one box.

1 <input checked="" type="checkbox"/> Single	4 <input type="checkbox"/> Head of household (with qualifying person). (See page 15.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
2 <input type="checkbox"/> Married filing jointly (even if only one had income)	5 <input type="checkbox"/> Qualifying widow(er) with dependent child (see page 16)
3 <input type="checkbox"/> Married filing separately. Enter spouse's SSN above and full name here. ▶	

**Exemptions**

6a  Yourself. If someone can claim you as a dependent, do not check box 6a

b  Spouse

c **Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input type="checkbox"/> if qual. child for child tax cr. (see page 17)

If more than four dependents, see page 17 and check here

d Total number of exemptions claimed **1**

**Income**

7 Wages, salaries, tips, etc. Attach Form(s) W-2	7	15,600
8a Taxable interest. Attach Schedule B if required	8a	
b Tax-exempt interest. Do not include on line 8a	8b	
9a Ordinary dividends. Attach Schedule B if required	9a	
b Qualified dividends (see page 22)	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes (see page 23)	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ	12	
13 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	13	
14 Other gains or (losses). Attach Form 4797	14	
15a IRA distributions	15a	
b Taxable amount (see page 24)	15b	
16a Pensions and annuities	16a	
b Taxable amount (see page 25)	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E	17	
18 Farm income or (loss). Attach Schedule F	18	
19 Unemployment compensation in excess of \$2,400 per recipient (see page 27)	19	
20a Social security benefits	20a	
b Taxable amount (see page 27)	20b	
21 Other income. List type and amount (see page 29)	21	
22 Add the amounts in the far right column for lines 7 through 21. This is your total income	22	15,600

**Adjusted Gross Income**

23 Educator expenses (see page 29)	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ	24	
25 Health savings account deduction. Attach Form 8889	25	
26 Moving expenses. Attach Form 3903	26	
27 One-half of self-employment tax. Attach Schedule SE	27	
28 Self-employed SEP, SIMPLE, and qualified plans	28	
29 Self-employed health insurance deduction (see page 30)	29	
30 Penalty on early withdrawal of savings	30	
31a Alimony paid b Recipient's SSN ▶	31a	
32 IRA deduction (see page 31)	32	
33 Student loan interest deduction (see page 34)	33	
34 Tuition and fees deduction. Attach Form 8917	34	
35 Domestic production activities deduction. Attach Form 8903	35	
36 Add lines 23 through 31a and 32 through 35	36	
37 Subtract line 36 from line 22. This is your adjusted gross income	37	15,600

**Tax and Credits**

**38** Amount from line 37 (adjusted gross income) **38** **15,600**

**39a** Check  You were born before January 2, 1945,  Blind.  Total boxes checked **39a**   
 if:  Spouse was born before January 2, 1945,  Blind.

**b** If your spouse itemizes on a separate return or you were a dual-status alien, see page 35 and check here **39b**

**40a** **Itemized deductions** (from Schedule A) or your **standard deduction** (see left margin) **40a** **5,700**

**b** If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, or a net disaster loss, attach Schedule L and check here (see page 35) **40b**

**41** Subtract line 40a from line 38 **41** **9,900**

**42** **Exemptions.** If line 38 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see page 37 **42** **3,650**

**43** **Taxable income.** Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- **43** **6,250**

**44** **Tax** (see page 37). Check if any tax is from: **a**  Form(s) 8814 **b**  Form 4972 **44** **628**

**45** **Alternative minimum tax** (see page 40). Attach Form 6251 **45**

**46** Add lines 44 and 45 **46** **628**

**47** Foreign tax credit. Attach Form 1116 if required **47**

**48** Credit for child and dependent care expenses. Attach Form 2441 **48**

**49** Education credits from Form 8863, line 29 **49**

**50** Retirement savings contributions credit. Attach Form 8880 **50**

**51** Child tax credit (see page 42) **51**

**52** Credits from Form: **a**  8396 **b**  8839 **c**  5695 **52**

**53** Other credits from Form: **a**  3800 **b**  8801 **c**  **53**

**54** Add lines 47 through 53. These are your **total credits** **54**

**55** Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- **55** **628**

**Other Taxes**

**56** Self-employment tax. Attach Schedule SE **56**

**57** Unreported social security and Medicare tax from Form: **a**  4137 **b**  8919 **57**

**58** Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required **58**

**59** Additional taxes: **a**  AEIC payments **b**  Household employment taxes. Attach Schedule H **59**

**60** Add lines 55 through 59. This is your **total tax** **60** **628**

**Payments**

**61** Federal income tax withheld from Forms W-2 and 1099 **61** **1,180**

**62** 2009 estimated tax payments and amount applied from 2008 return **62**

**63** Making work pay and government retiree credits. Attach Schedule M **63** **400**

**64a** **Earned income credit (EIC)** **64a**

**b** Nontaxable combat pay election **64b**

**65** Additional child tax credit. Attach Form 8812 **65**

**66** Refundable education credit from Form 8863, line 16 **66**

**67** First-time homebuyer credit. Attach Form 5405 **67**

**68** Amount paid with request for extension to file (see page 72) **68**

**69** Excess social security and tier 1 RRTA tax withheld (see page 72) **69**

**70** Credits from Form: **a**  2439 **b**  4136 **c**  8801 **d**  8885 **70**

**71** Add lines 61, 62, 63, 64a, & 65 through 70. These are your **total payments** **71** **1,580**

**Refund**

**72** If line 71 is more than line 60, subtract line 60 from line 71. This is the amount you **overpaid** **72** **952**

**73a** Amount of line 72 you want **refunded to you**. If Form 8888 is attached, check here  **73a** **952**

**b** Routing number **XXXXXXXXXX** **c** Type:  Checking  Savings

**d** Account number **XXXXXXXXXXXXXXXXXXXX**

**74** Amount of line 72 you want **applied to your 2010 estimated tax** **74**

**Amount You Owe**

**75** **Amount you owe.** Subtract line 71 from line 60. For details on how to pay, see page 74 **75**

**76** Estimated tax penalty (see page 74) **76**

**Third Party Designee**

Do you want to allow another person to discuss this return with the IRS (see page 75)?  **Yes.** Complete the following.  **No**

Designee's name **ANTHONY C. LEONE** Personal identification number (PIN)

Phone no. **716-876-4836**

**Sign Here**

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

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation \_\_\_\_\_ Daytime phone number \_\_\_\_\_

Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_

**Paid**

Preparer's signature \_\_\_\_\_ Date **10/24/11** Check if self-employed  Preparer's SSN or PTIN **P01207476**

**Preparer's Use Only**

Firm's name (or yours if self-employed), address, and ZIP code **Anthony C. Leone, CPA**  
**1349 Hertel Ave**  
**Buffalo NY 14216**

EIN \_\_\_\_\_ Phone no. **716-876-4836**

**SCHEDULE M**  
**(Form 1040A or 1040)**

**Making Work Pay and Government  
Retiree Credits**

OMB No. 1545-0074

**2009**

Department of the Treasury  
Internal Revenue Service (99)

▶ **Attach to Form 1040A, 1040, or 1040NR.**

▶ **See separate instructions.**

Attachment  
Sequence No. **166**

Name(s) shown on return

**STEPHEN VALVO**

Your social security number

**078-48-3558**

**1a Important:** See the instructions if you can be claimed as someone else's dependent or are filing Form 1040NR. Check the "No" box below and see the instructions if (a) you have a net loss from a business, (b) you received a taxable scholarship or fellowship grant not reported on a Form W-2, (c) your wages include pay for work performed while an inmate in a penal institution, (d) you received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or (e) you are filing Form 2555 or 2555-EZ.

Do you (and your spouse if filing jointly) have 2009 wages of more than \$6,451 (\$12,903 if married filing jointly)?

- Yes.** Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.  
 **No.** Enter your earned income (see instructions)

**b** Nontaxable combat pay included on line 1a (see instructions)

**2** Multiply line 1a by 6.2% (.062)

**3** Enter \$400 (\$800 if married filing jointly)

**4** Enter the **smaller** of line 2 or line 3 (unless you checked "Yes" on line 1a)

**5** Enter the amount from Form 1040, line 38\*, or Form 1040A, line 22

**6** Enter \$75,000 (\$150,000 if married filing jointly)

**7** Is the amount on line 5 more than the amount on line 6?

- No.** Skip line 8. Enter the amount from line 4 on line 9 below.  
 **Yes.** Subtract line 6 from line 5

**8** Multiply line 7 by 2% (.02)

**9** Subtract line 8 from line 4. If zero or less, enter -0-

**10** Did you (or your spouse, if filing jointly) receive an economic recovery payment in 2009? You may have received this payment if you received social security benefits, supplemental security income, railroad retirement benefits, or veterans disability compensation or pension benefits (see instructions).

- No.** Enter -0- on line 10 and go to line 11.  
 **Yes.** Enter the total of the payments received by you (and your spouse, if filing jointly). Do not enter more than \$250 (\$500 if married filing jointly)

**11** Did you (or your spouse, if filing jointly) receive a pension or annuity in 2009 for services performed as an employee of the U.S. Government or any U.S. state or local government from work **not** covered by social security? Do not include any pension or annuity reported on Form W-2.

- No.** Enter -0- on line 11 and go to line 12.  
 **Yes.** • If you checked "No" on line 10, enter \$250 (\$500 if married filing jointly and the answer on line 11 is "Yes" for both spouses)  
 • If you checked "Yes" on line 10, enter -0- (exception: enter \$250 if filing jointly and the spouse who received the pension or annuity did not receive an economic recovery payment described on line 10)

**12** Add lines 10 and 11

**13** Subtract line 12 from line 9. If zero or less, enter -0-

**14** **Making work pay and government retiree credits.** Add lines 11 and 13. Enter the result here and on Form 1040, line 63; Form 1040A, line 40; or Form 1040NR, line 60

<b>1a</b>			
<b>2</b>			
<b>3</b>			
<b>4</b>		<b>400</b>	
<b>5</b>	<b>15,600</b>		
<b>6</b>	<b>75,000</b>		
<b>7</b>			
<b>8</b>			
<b>9</b>		<b>400</b>	
<b>10</b>			<b>0</b>
<b>11</b>			<b>0</b>
<b>12</b>			
<b>13</b>		<b>400</b>	
<b>14</b>		<b>400</b>	

\*If you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico, see instructions.

VAL3558 VALVO, STEPHEN  
078-48-3558

## Federal Statements

10/24/2011 12:30 PM

### PRECISION TRANSPORTATION INC

#### Form W-2, Box 14 - Other

<u>Description</u>	<u>Amount</u>
State Disability Insurance withholding (SDI)	\$ <u>31</u>
Total	\$ <u><u>31</u></u>

Form **1040**

**Salaries & Wages Report**

**2009**

Name **STEPHEN VALVO** Taxpayer Identification Number **078-48-3558**

T/S	Employer	Federal Wages	Federal Withheld	Soc Sec Wages
A	<u>PRECISION TRANSPORTATION INC</u>	<u>15,600</u>	<u>1,180</u>	<u>15,600</u>
B				
C				
D				
E				
F				
G				
H				
I				
J				
K				
L				
M				
	<b>Taxpayer Spouse Totals</b>	<u><b>15,600</b></u>	<u><b>1,180</b></u>	<u><b>15,600</b></u>

	Soc Sec Withheld	Medicare Wages	Medicare Withheld	Allocated Tips	Advanced EIC	Dep Care Ben	Other, Box 14
A	<u>967</u>	<u>15,600</u>	<u>226</u>				<u>31</u>
B							
C							
D							
E							
F							
G							
H							
I							
J							
K							
L							
M							
<b>Taxpayer Spouse Totals</b>	<u><b>967</b></u>	<u><b>15,600</b></u>	<u><b>226</b></u>				<u><b>31</b></u>

	State	State Wages	State Withheld	Name of Locality	Local Wages	Local Withheld
A	<u>NY</u>	<u>15,600</u>	<u>348</u>			
B						
C						
D						
E						
F						
G						
<b>Taxpayer Spouse Totals</b>		<u><b>15,600</b></u>	<u><b>348</b></u>			

Respondents' Exhibit 2

COPY

OMB No. 1545-0074

2010

Form 8879

IRS e-file Signature Authorization

Department of the Treasury Internal Revenue Service

- Do not send to the IRS. This is not a tax return. Keep this form for your records. See instructions.

Declaration Control Number (DCN) 00160199002411

Taxpayer's name: STEPHEN VALVO Social security number: 078-48-3558 Spouse's name: Spouse's social security number:

Part I Tax Return Information — Tax Year Ending December 31, 2010 (Whole Dollars Only)

Table with 5 rows: Adjusted gross income (32,593), Total tax (3,065), Federal income tax withheld (3,081), Refund (416), Amount you owe.

Part II Taxpayer Declaration and Signature Authorization (Be sure you get and keep a copy of your return)

Under penalties of perjury, I declare that I have examined a copy of my electronic individual income tax return and accompanying schedules and statements for the tax year ending December 31, 2010, and to the best of my knowledge and belief, it is true, correct, and complete.

Taxpayer's PIN: check one box only

[X] I authorize Anthony C. Leone, CPA to enter or generate my PIN 83558 as my signature on my tax year 2010 electronically filed income tax return.

[ ] I will enter my PIN as my signature on my tax year 2010 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method.

Your signature Date 04/14/11

Spouse's PIN: check one box only

[ ] I authorize to enter or generate my PIN as my signature on my tax year 2010 electronically filed income tax return.

[ ] I will enter my PIN as my signature on my tax year 2010 electronically filed income tax return. Check this box only if you are entering your own PIN and your return is filed using the Practitioner PIN method.

Spouse's signature Date

Practitioner PIN Method Returns Only—continue below

Part III Certification and Authentication — Practitioner PIN Method Only

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. 16019946897 do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature for the tax year 2010 electronically filed income tax return for the taxpayer(s) indicated above.

ERO's signature ANTHONY C. LEONE Date 04/14/11

ERO Must Retain This Form — See Instructions Do Not Submit This Form to the IRS Unless Requested To Do So

Form

1040

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return 2010

(99)

IRS Use Only—Do not write or staple in this space.

Name, Address, and SSN

PRINT CLEARLY

For the year Jan. 1-Dec. 31, 2010, or other tax year beginning 2010, ending 2010. Your first name and initial: STEPHEN, Last name: VALVO. Home address: P.O. BOX 225, City: SILVER CREEK, NY 14136.

OMB No. 1545-0074. Your social security number: 078-48-3558. Spouse's social security number: [blank].

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. [ ] You [ ] Spouse

Filing Status

1 [X] Single. 2 [ ] Married filing jointly. 3 [ ] Married filing separately. 4 [ ] Head of household. 5 [ ] Qualifying widow(er).

Exemptions

6a [X] Yourself. 6b [ ] Spouse. c Dependents table with columns for First name, Last name, social security number, and relationship to you. d Total number of exemptions claimed: 1.

Income

Table with 22 rows for income items: 7 Wages, salaries, tips, etc. 8a Taxable interest. 9a Ordinary dividends. 10 Taxable refunds, credits, or offsets of state and local income taxes. 11 Alimony received. 12 Business income or (loss). 13 Capital gain or (loss). 14 Other gains or (losses). 15a IRA distributions. 16a Pensions and annuities. 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. 18 Farm income or (loss). 19 Unemployment compensation. 20a Social security benefits. 21 Other income. 22 Combine the amounts in the far right column for lines 7 through 21. Total income: 32,593.

Adjusted Gross Income

Table with 11 rows for adjusted gross income items: 23 Educator expenses. 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. 25 Health savings account deduction. 26 Moving expenses. 27 One-half of self-employment tax. 28 Self-employed SEP, SIMPLE, and qualified plans. 29 Self-employed health insurance deduction. 30 Penalty on early withdrawal of savings. 31a Alimony paid. 32 IRA deduction. 33 Student loan interest deduction. 34 Tuition and fees. 35 Domestic production activities deduction. 36 Add lines 23 through 31a and 32 through 35. 37 Subtract line 36 from line 22. Adjusted gross income: 32,593.

<b>Tax and Credits</b>	<b>38</b>	Amount from line 37 (adjusted gross income)	<b>38</b>	<b>32,593</b>
	<b>39a</b>	Check <input type="checkbox"/> You were born before January 2, 1946, if: <input type="checkbox"/> Spouse was born before January 2, 1946, <input type="checkbox"/> Blind. <input type="checkbox"/> Blind. Total boxes checked ▶ <b>39a</b>	<b>39a</b>	
	<b>b</b>	If your spouse itemizes on a separate return or you were a dual-status alien, check here ▶ <b>39b</b>	<b>39b</b>	
	<b>40</b>	Itemized deductions (from Schedule A) or your standard deduction (see instructions)	<b>40</b>	<b>5,700</b>
	<b>41</b>	Subtract line 40 from line 38	<b>41</b>	<b>26,893</b>
	<b>42</b>	Exemptions. Multiply \$3,650 by the number on line 6d	<b>42</b>	<b>3,650</b>
	<b>43</b>	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	<b>43</b>	<b>23,243</b>
	<b>44</b>	Tax (see instr.). Check if any tax is from: a <input type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	<b>44</b>	<b>3,065</b>
	<b>45</b>	Alternative minimum tax (see instructions). Attach Form 6251	<b>45</b>	
	<b>46</b>	Add lines 44 and 45	<b>46</b>	<b>3,065</b>
	<b>47</b>	Foreign tax credit. Attach Form 1116 if required	<b>47</b>	
	<b>48</b>	Credit for child and dependent care expenses. Attach Form 2441	<b>48</b>	
	<b>49</b>	Education credits from Form 8863, line 23	<b>49</b>	
	<b>50</b>	Retirement savings contributions credit. Attach Form 8880	<b>50</b>	
	<b>51</b>	Child tax credit (see instructions)	<b>51</b>	
<b>52</b>	Residential energy credits. Attach Form 5695	<b>52</b>		
<b>53</b>	Other credits from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	<b>53</b>		
<b>54</b>	Add lines 47 through 53. These are your total credits	<b>54</b>		
<b>55</b>	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	<b>55</b>	<b>3,065</b>	
<b>Other Taxes</b>	<b>56</b>	Self-employment tax. Attach Schedule SE	<b>56</b>	
	<b>57</b>	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	<b>57</b>	
	<b>58</b>	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	<b>58</b>	
	<b>59</b>	a <input type="checkbox"/> Form(s) W-2, box 9 b <input type="checkbox"/> Schedule H c <input type="checkbox"/> Form 5405, line 16	<b>59</b>	
	<b>60</b>	Add lines 55 through 59. This is your total tax	<b>60</b>	<b>3,065</b>
<b>Payments</b>	<b>61</b>	Federal income tax withheld from Forms W-2 and 1099	<b>61</b>	<b>3,081</b>
	<b>62</b>	2010 estimated tax payments and amount applied from 2009 return	<b>62</b>	
	<b>63</b>	Making work pay credit. Attach Schedule M	<b>63</b>	<b>400</b>
	<b>64a</b>	Earned income credit (EIC)	<b>64a</b>	
	<b>b</b>	Nontaxable combat pay election <b>64b</b>	<b>64b</b>	
	<b>65</b>	Additional child tax credit. Attach Form 8812	<b>65</b>	
	<b>66</b>	American opportunity credit from Form 8863, line 14	<b>66</b>	
	<b>67</b>	First-time homebuyer credit from Form 5405, line 10	<b>67</b>	
	<b>68</b>	Amount paid with request for extension to file	<b>68</b>	
	<b>69</b>	Excess social security and tier 1 RRTA tax withheld	<b>69</b>	
	<b>70</b>	Credit for federal tax on fuels. Attach Form 4136	<b>70</b>	
	<b>71</b>	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	<b>71</b>	
<b>72</b>	Add lines 61, 62, 63, 64a, and 65 through 71. These are your total payments	<b>72</b>	<b>3,481</b>	
<b>Refund</b>	<b>73</b>	If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you overpaid	<b>73</b>	<b>416</b>
	<b>74a</b>	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ▶ <input type="checkbox"/>	<b>74a</b>	<b>416</b>
	<b>b</b>	Routing number <input type="checkbox"/> XXXXXXXXXXXX ▶ <b>c</b> Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
<b>d</b>	Account number <input type="checkbox"/> XXXXXXXXXXXXXXXXXXXX			
<b>75</b>	Amount of line 73 you want applied to your 2011 estimated tax ▶	<b>75</b>		
<b>Amount You Owe</b>	<b>76</b>	Amount you owe. Subtract line 72 from line 60. For details on how to pay, see instructions ▶	<b>76</b>	
	<b>77</b>	Estimated tax penalty (see instructions)	<b>77</b>	

Do you want to allow another person to discuss this return with the IRS (see instructions)?  Yes. Complete below.  No

**Third Party Designee**  
Designee's name ▶ **ANTHONY C. LEONE** Personal identification number (PIN) ▶ **46897**  
Phone no. ▶ **716-876-4836**

**Sign Here**  
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
Your signature \_\_\_\_\_ Date \_\_\_\_\_ Your occupation \_\_\_\_\_ Daytime phone number \_\_\_\_\_  
Spouse's signature. If a joint return, both must sign. \_\_\_\_\_ Date \_\_\_\_\_ Spouse's occupation \_\_\_\_\_

Print/Type preparer's name **ANTHONY C. LEONE** Preparer's signature **ANTHONY C. LEONE** Date **10/24/11** Check  if self-employed PTIN **P01207476**  
Firm's name ▶ **Anthony C. Leone, CPA** Firm's EIN ▶ **16-1187863**  
Firm's address ▶ **1349 Hertel Ave Buffalo NY 14216** Phone no. **716-876-4836**

Name(s) shown on return. Do not enter name and social security number if shown on other side.

Your social security number

**STEPHEN VALVO**

**078-48-3558**

**Caution.** The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

**Part II Income or Loss From Partnerships and S Corporations** Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See page E-2.

27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see page E-7 before completing this section.  Yes  No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	<b>RATTLESNAKE ENTERPRISES LLC</b>	<b>P</b>		<b>36-4678781</b>	
B	<b>Rental Real Estate</b>	<b>P</b>		<b>36-4678781</b>	
C	<b>Other Rental Income</b>	<b>P</b>		<b>36-4678781</b>	
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A		<b>96</b>		
B		<b>611</b>		
C	<b>0</b>	<b>200</b>		
D				
<b>29a Totals</b>		<b>200</b>		
<b>b Totals</b>		<b>707</b>		
<b>30</b>	Add columns (g) and (j) of line 29a			<b>200</b>
<b>31</b>	Add columns (f), (h), and (i) of line 29b			<b>707</b>
<b>32</b>	<b>Total partnership and S corporation income or (loss).</b> Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			<b>-507</b>

**Part III Income or Loss From Estates and Trusts**

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
<b>34a Totals</b>			
<b>b Totals</b>			
<b>35</b>	Add columns (d) and (f) of line 34a		
<b>36</b>	Add columns (c) and (e) of line 34b		
<b>37</b>	<b>Total estate and trust income or (loss).</b> Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		

**Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)—Residual Holder**

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see page E-8)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				

**Part V Summary**

<b>40</b>	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	<b>40</b>	
<b>41</b>	<b>Total income or (loss).</b> Combine lines 26, 32, 37, 39, & 40. Enter the result here & on Form 1040, line 17, or Form 1040NR, line 18	<b>41</b>	<b>-507</b>
<b>42</b>	<b>Reconciliation of farming and fishing income.</b> Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see page E-8)	<b>42</b>	
<b>43</b>	<b>Reconciliation for real estate professionals.</b> If you were a real estate professional (see page E-2), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	<b>43</b>	

**SCHEDULE M**  
(Form 1040A or 1040)

**Making Work Pay Credit**

OMB No. 1545-0074

**2010**

Attachment  
Sequence No. **166**

Department of the Treasury  
Internal Revenue Service (99)

▶ Attach to Form 1040A or 1040.

▶ See separate instructions.

Name(s) shown on return

**STEPHEN VALVO**

Your social security number

**078-48-3558**



To take the making work pay credit, you must include your social security number (if filing a joint return, the number of either you or your spouse) on your tax return. A social security number does not include an identification number issued by the IRS. Only the Social Security Administration issues social security numbers.



You cannot take the making work pay credit if you can be claimed as someone else's dependent or if you are a nonresident alien.

**Important:** Check the "No" box on line 1a and see the instructions if:

- (a) You have a net loss from a business,
- (b) You received a taxable scholarship or fellowship grant not reported on a Form W-2,
- (c) Your wages include pay for work performed while an inmate in a penal institution,
- (d) You received a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan, or
- (e) You are filing Form 2555 or 2555-EZ.

**1a** Do you (and your spouse if filing jointly) have 2010 wages of more than \$6,451 (\$12,903 if married filing jointly)?

- Yes.** Skip lines 1a through 3. Enter \$400 (\$800 if married filing jointly) on line 4 and go to line 5.
- No.** Enter your earned income (see instructions)

**b** Nontaxable combat pay included on line 1a (see instructions)

**2** Multiply line 1a by 6.2% (.062)

**3** Enter \$400 (\$800 if married filing jointly)

**4** Enter the **smaller** of line 2 or line 3 (unless you checked "Yes" on line 1a)

**5** Enter the amount from Form 1040, line 38\*, or Form 1040A, line 22

**6** Enter \$75,000 (\$150,000 if married filing jointly)

**7** Is the amount on line 5 more than the amount on line 6?

- No.** Skip line 8. Enter the amount from line 4 on line 9 below.
- Yes.** Subtract line 6 from line 5

**8** Multiply line 7 by 2% (.02)

**9** Subtract line 8 from line 4. If zero or less, enter -0-

**10** Did you (or your spouse, if filing jointly) receive an economic recovery payment in 2010? You may have received this payment in 2010 if you did not receive an economic recovery payment in 2009 but you received social security benefits, supplemental security income, railroad retirement benefits, or veterans disability compensation or pension benefits in November 2008, December 2008, or January 2009 (see instructions).

- No.** Enter -0- on line 10 and go to line 11.
- Yes.** Enter the total of the payments you (and your spouse, if filing jointly) received in 2010. Do not enter more than \$250 (\$500 if married filing jointly)

**11 Making work pay credit.** Subtract line 10 from line 9. If zero or less, enter -0-. Enter the result here and on Form 1040, line 63; or Form 1040A, line 40

<b>1a</b>	
<b>1b</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	<b>400</b>
<b>5</b>	<b>32,593</b>
<b>6</b>	<b>75,000</b>
<b>7</b>	
<b>8</b>	
<b>9</b>	<b>400</b>
<b>10</b>	<b>0</b>
<b>11</b>	<b>400</b>

\*If you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico, see instructions.

Respondents' Exhibit 3  
CO

Form **8879-C**

**IRS e-file Signature Authorization  
for Form 1120**

OMB No. 1545-1864

**2009**

Department of the Treasury  
Internal Revenue Service

For calendar year 2009, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

▶ See instructions. Do not send to the IRS. Keep for your records

Name of corporation  
**VALVO'S CONVENIENCE & GAS, INC.**

Employer identification number  
**16-1397109**

**Part I Tax Return Information (Whole dollars only)**

1	Total income (Form 1120, line 11)	1	<b>93,150</b>
2	Taxable income (Form 1120, line 30)	2	
3	Total tax (Form 1120, line 31)	3	
4	Amount owed (Form 1120, line 34)	4	
5	Overpayment (Form 1120, line 35)	5	

**Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)**

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2009 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) an indication of any refund offset, (c) the reason for any delay in processing the return or refund, and (d) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **Anthony C. Leone, CPA** to enter my PIN **97109** as my signature on the corporation's 2009 electronically filed income tax return. ERO firm name do not enter all zeros

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2009 electronically filed income tax return.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_ Title ▶ **PRESIDENT**  
**STEPHEN VALVO**

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **16019946897**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2009 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ \_\_\_\_\_ Date ▶ **10/24/11**

**ERO Must Retain This Form — See Instructions  
Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2009)

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

**U.S. Corporation Income Tax Return**  
For calendar year 2009 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
▶ See separate instructions.

OMB No. 1545-0123

**2009**

- A Check if:**
- 1a Consolidated return (attach Form 851)
  - b Life/nonlife consolidated return
  - 2 Personal holding co. (attach Sch. PH)
  - 3 Personal service corp. (see instructions)
  - 4 Schedule M-3 attached

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

Name Number, street, and room or suite no. City or town, state, and ZIP code  
If a P.O. box, see instructions.

**VALVO'S CONVENIENCE & GAS, INC.**  
**P. O. BOX 271**  
**ROUTES 5 AND 20**  
**SILVER CREEK NY 14136**

**B Employer identification number**  
**16-1397109**

**C Date incorporated**  
**07/01/1991**

**D Total assets (see instructions)**  
**\$ 161,673**

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>b</b> Less returns and allowances	<b>c</b> Bal ▶	<b>1c</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>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>93,150</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 17 (attach Form 4797)			<b>9</b>
	<b>10</b> Other income (see instructions—attach schedule)			<b>10</b>
	<b>11 Total income.</b> Add lines 3 through 10			<b>11</b> <b>93,150</b>

<b>Deductions (See instructions for limitations on deductions.)</b>	<b>12</b> Compensation of officers (Schedule E, line 4)		<b>12</b>
	<b>13</b> Salaries and wages (less employment credits)		<b>13</b>
	<b>14</b> Repairs and maintenance		<b>14</b> <b>5,429</b>
	<b>15</b> Bad debts		<b>15</b> <b>6,000</b>
	<b>16</b> Rents		<b>16</b>
	<b>17</b> Taxes and licenses		<b>17</b> <b>38,988</b>
	<b>18</b> Interest		<b>18</b>
	<b>19</b> Charitable contributions		<b>19</b>
	<b>20</b> Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)		<b>20</b> <b>5,698</b>
	<b>21</b> Depletion		<b>21</b>
	<b>22</b> Advertising		<b>22</b> <b>642</b>
	<b>23</b> Pension, profit-sharing, etc., plans		<b>23</b>
	<b>24</b> Employee benefit programs		<b>24</b>
	<b>25</b> Domestic production activities deduction (attach Form 8903)		<b>25</b>
	<b>26</b> Other deductions (attach schedule) <b>See Stmt 1</b>		<b>26</b> <b>15,047</b>
	<b>27 Total deductions.</b> Add lines 12 through 26		<b>27</b> <b>71,804</b>
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11		<b>28</b> <b>21,346</b>
<b>29 Less: a</b> Net operating loss deduction (see instructions)	<b>29a</b>	<b>21,346</b>	<b>29c</b>
<b>b</b> Special deductions (Schedule C, line 20)	<b>29b</b>		<b>29c</b> <b>21,346</b>

<b>Tax, Refundable Credits, and Payments</b>	<b>30</b> Taxable income. Subtract line 29c from line 28 (see instructions)		<b>30</b> <b>0</b>	
	<b>31</b> Total tax (Schedule J, line 10)		<b>31</b> <b>0</b>	
	<b>32a</b> 2008 overpayment credited to 2009	<b>32a</b>		<b>32h</b>
	<b>b</b> 2009 estimated tax payments	<b>32b</b>		
	<b>c</b> 2009 refund applied for on Form 4466	<b>32c</b> ( )	<b>d</b> Bal ▶ <b>32d</b>	
	<b>e</b> Tax deposited with Form 7004		<b>32e</b>	
	<b>f</b> Credits: (1) Form 2439 (2) Form 4136		<b>32f</b>	
	<b>g</b> Refundable credits from Form 3800, line 19c, and Form 8827, line 8c		<b>32g</b>	
	<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached		<b>33</b>	
	<b>34</b> Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed		<b>34</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 from line 35 you want: <b>Credited to 2010 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.

May the IRS discuss this return with the preparer shown below (see instructions)?  **Yes**  **No**

Signature of officer **STEPHEN VALVO** Date \_\_\_\_\_ Title **PRESIDENT**

**Paid** Preparer's signature \_\_\_\_\_ Date **10/24/11** Check if self-employed  Preparer's SSN or PTIN **P01207476**

**Preparer's Use Only** Firm's name (or yours if self-employed), address, and ZIP code **Anthony C. Leone, CPA**  
**1349 Hertel Ave**  
**Buffalo, NY 14216** EIN \_\_\_\_\_ Phone no. **716-876-4836**

**Schedule A Cost of Goods Sold (see instructions)**

1 Inventory at beginning of year	1	
2 Purchases	2	
3 Cost of labor	3	
4 Additional section 263A costs (attach schedule)	4	
5 Other costs (attach schedule)	5	
6 <b>Total.</b> 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 page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

(i)  Cost

(ii)  Lower of cost or market

(iii)  Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

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 If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  No

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

**Schedule C Dividends and Special Deductions (see instructions)**

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8 Dividends from wholly owned foreign subsidiaries		100	
9 <b>Total.</b> Add lines 1 through 8. See instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from affiliated group members		100	
12 Dividends from certain FSCs		100	
13 Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 <b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4			
20 <b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

**Schedule E Compensation of Officers (see instructions for page 1, line 12)**

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	%
		%	%	%	%
		%	%	%	%
		%	%	%	%
		%	%	%	%
2 Total compensation of officers					
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on page 1, line 12					

**Schedule J Tax Computation (see instructions)**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))			
2	Income tax. Check if a qualified personal service corporation (see instructions)		2	0
3	Alternative minimum tax (attach Form 4626)		3	
4	Add lines 2 and 3		4	0
5a	Foreign tax credit (attach Form 1118)	5a		
b	Credit from Form 8834, line 29	5b		
c	General business credit (attach Form 3800)	5c		
d	Credit for prior year minimum tax (attach Form 8827)	5d		
e	Bond credits from Form 8912	5e		
6	<b>Total credits.</b> Add lines 5a through 5e		6	
7	Subtract line 6 from line 4		7	
8	Personal holding company tax (attach Schedule PH (Form 1120))		8	
9	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)		9	
10	<b>Total tax.</b> Add lines 7 through 9. Enter here and on page 1, line 31		10	0

**Schedule K Other Information (see instructions)**

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. ▶ <b>445120</b>		
b	Business activity ▶ <b>RETAIL TRADE</b>		
c	Product or service ▶ <b>CONVENIENCE STORE</b>		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)	X	
5	At the end of the tax year, did the corporation:	Yes	No
a	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

**Schedule K** Continued

**b** Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv). **X**

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

**6** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) **X**  
 If "Yes," file Form 5452, Corporate Report of Nondividend Distributions.  
 If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.

**7** At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? **X**  
 For rules of attribution, see section 318. If "Yes," enter:  
 (i) Percentage owned ▶ and (ii) Owner's country ▶  
 (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶

**8** Check this box if the corporation issued publicly offered debt instruments with original issue discount   
 If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.

**9** Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0

**10** Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ 1

**11** If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here   
 If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.

**12** Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ 257,883

**13** Are the corporation's total receipts (line 1a plus lines 4 through 10 on page 1) for the tax year and its total assets at the end of the tax year less than \$250,000? **X**  
 If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 5. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		3,522		19,065
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (att. sch.) <b>Stmt 2</b>		1,031		1,031
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach sch.)				
10a	Buildings and other depreciable assets	295,793		298,649	
b	Less accumulated depreciation	201,374	94,419	207,072	91,577
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		50,000		50,000
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach sch.)				
15	<b>Total assets</b>		<b>148,972</b>		<b>161,673</b>
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year		13,358		11,431
18	Other current liabilities (att. sch.) <b>Stmt 3</b>		153,826		152,330
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock	33,093	33,093	33,093	33,093
23	Additional paid-in capital		21,600		16,400
24	Retained earnings—Appropriated (att. sch.)				
25	Retained earnings—Unappropriated		-72,905		-51,581
26	Adjustments to SH equity (att. sch.)				
27	Less cost of treasury stock				
28	<b>Total liabilities and shareholders' equity</b>		<b>148,972</b>		<b>161,673</b>

Schedule M-1		Reconciliation of Income (Loss) per Books With Income per Return	
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions			
1	Net income (loss) per books	21,324	
2	Federal income tax per books		
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 on this return (itemize):		
a	Depreciation \$		
b	Charitable contributions \$		
c	Travel and entertainment \$ <b>22</b>		
		<b>22</b>	
6	Add lines 1 through 5	21,346	
7	Income recorded on books this year not included on this return (itemize):		
	Tax-exempt interest \$		
8	Deductions on this return not charged against book income this year (itemize):		
a	Depreciation \$		
b	Charitable contributions \$		
9	Add lines 7 and 8		
10	Income (page 1, line 28)—line 6 less line 9		21,346

Schedule M-2		Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1	Balance at beginning of year	-72,905	
2	Net income (loss) per books	21,324	
3	Other increases (itemize):		
4	Add lines 1, 2, and 3	-51,581	
5	Distributions: a Cash		
	b Stock		
	c Property		
6	Other decreases (itemize):		
7	Add lines 5 and 6		
8	Balance at end of year (line 4 less line 7)		-51,581



Form **4562**  
 Department of the Treasury  
 Internal Revenue Service (99)

**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No. 1545-0172  
**2009**  
 Attachment Sequence No. **67**

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

Name(s) shown on return **VALVO'S CONVENIENCE & GAS, INC.**      Identifying number **16-1397109**

Business or activity to which this form relates

**Regular Depreciation**

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	250,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	800,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instr.)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	1,428
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	4,066
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2009 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property		1,428	7.0	HY	200DB	204
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	5,698
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2009)

**NOL and Contribution Carryover Worksheet - Regular Tax**Form **1120****2009**

For calendar year 2009 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

Name

Employer Identification Number

**VALVO'S CONVENIENCE & GAS, INC.****16-1397109**

Preceding Taxable Year	Adj. To NOL Inc/(Loss) After Adj.	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Income Offset By NOL Carryback/ Carryover NOL Utilized	Carryover
15th 12/31/94					
14th 12/31/95	-2,381	2,381			
13th 12/31/96	-2,275	2,275			
12th 12/31/97	-67,204	60,906	6,298	6,298	0
11th 12/31/98	-93,326		93,326	15,048	78,278
10th 12/31/99					
9th 12/31/00	-77,002		77,002		77,002
8th 12/31/01	-26,302		26,302		26,302
7th 12/31/02					
6th 12/31/03	-21,430		21,430		21,430
5th 12/31/04	7,128	-7,128			
4th 12/31/05	21,473	-21,473			
3rd 12/31/06	-33,525		33,525		33,525
2nd 12/31/07	35,348	-35,348			
1st 12/31/08	1,613	-1,613			
NOL Carryover Available To Current Year			257,883		
Current Year	0 21,346			21,346	0
NOL Carryover Available To Next Year					236,537

Charitable Contributions		Prior Year		Current Year		Next Year
Preceding Tax Year	Excess Contributions	Utilized Or Reclassed to NOL	Carryover	Reclassified to NOL (Reg. Sec. 1.170A-11(c)(2))	Carryovers Utilized	Carryover
5th 12/31/04						
4th 12/31/05						
3rd 12/31/06						
2nd 12/31/07						
1st 12/31/08						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

16-1397109

**Federal Statements**

FYE: 12/31/2009

**Statement 1 - Form 1120, Page 1, Line 26 - Other Deductions**

<u>Description</u>	<u>Amount</u>
ACCOUNTING AND LEGAL	\$ 8,986
BANK CHARGES	92
INSURANCE	1,531
SUPPLIES	591
UTILITIES	944
TRAVEL	2,881
50% of Meals & Entertainment	22
Total	<u>\$ 15,047</u>

**Federal Statements****Statement 2 - Form 1120, Page 5, Schedule L, Line 6 - Other Current Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
OTHER	\$ 1,031	\$ 1,031
Total	\$ 1,031	\$ 1,031

**Statement 3 - Form 1120, Page 5, Schedule L, Line 18 - Other Current Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
ACCRUED EXPENSES	\$ 153,826	\$ 152,330
Total	\$ 153,826	\$ 152,330

16-1397109

**Federal Statements**

FYE: 12/31/2009

**Form 1120, Page 1, Line 6 - Gross Rents**

<u>Description</u>	<u>Amount</u>
Gross Rents	\$ 93,150
Total	\$ <u>93,150</u>

**Form 1120, Page 1, Line 17 - Taxes and Licenses**

<u>Description</u>	<u>Amount</u>
NYS FRANCHISE TAX	\$
REAL ESTATE TAXES	38,928
LICENSES	60
Total	\$ <u>38,988</u>

**Federal Statements****Form 1120, P5, Sch L, Line 17 - Mortgage, Notes, Bonds Pay in Less Than One Year**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
	\$ <u>13,358</u>	\$ <u>11,431</u>
Total	\$ <u>13,358</u>	\$ <u>11,431</u>

Respondents' Exhibit 4

Form **8879-C**

**IRS e-file Signature Authorization for Form 1120**

OMB No. 1545-1864

Department of the Treasury  
Internal Revenue Service

For calendar year 2010, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

**2010**

▶ See instructions. Do not send to the IRS. Keep for your records.

Name of corporation

**VALVO'S CONVENIENCE & GAS, INC.**

Employer identification number

**16-1397109**

**Part I Tax Return Information (Whole dollars only)**

1	Total income (Form 1120, line 11)	1	<b>114,395</b>
2	Taxable income (Form 1120, line 30)	2	
3	Total tax (Form 1120, line 31)	3	
4	Amount owed (Form 1120, line 34)	4	
5	Overpayment (Form 1120, line 35)	5	

**Part II Declaration and Signature Authorization of Officer (Be sure to get a copy of the corporation's return)**

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2010 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

Officer's PIN: check one box only

I authorize **Anthony C. Leone, CPA** to enter my PIN **97109** as my signature on the corporation's 2010 electronically filed income tax return. ERO firm name do not enter all zeros

As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2010 electronically filed income tax return.

Officer's signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_ Title ▶ **PRESIDENT**  
**STEPHEN VALVO**

**Part III Certification and Authentication**

ERO's EFIN/PIN. Enter your six-digit EFIN followed by your five-digit self-selected PIN. **16019946897**  
do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 3112, IRS e-file Application and Participation, and Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶ **ANTHONY C. LEONE** Date ▶ **10/24/11**

**ERO Must Retain This Form — See Instructions  
Do Not Submit This Form to the IRS Unless Requested To Do So**

For Paperwork Reduction Act Notice, see instructions.

Form **8879-C** (2010)

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

**U.S. Corporation Income Tax Return**  
For calendar year 2010 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_  
▶ See separate instructions.

OMB No. 1545-0123  
**2010**

- A Check if:**
- 1a Consolidated return (attach Form 851)
  - b Life/nonlife consolidated return
  - 2 Personal holding co. (attach Sch. PH)
  - 3 Personal service corp. (see instructions)
  - 4 Schedule M-3 attached

Print or Type	Name Number, street, and room or suite no. City or town, state, and ZIP code If a P.O. box, see instructions.
	<b>VALVO'S CONVENIENCE &amp; GAS, INC.</b>
	<b>P. O. BOX 271</b>
	<b>ROUTES 5 AND 20</b>
	<b>SILVER CREEK NY 14136</b>

<b>B Employer identification number</b>	<b>16-1397109</b>
<b>C Date incorporated</b>	<b>07/01/1991</b>
<b>D Total assets (see instructions)</b>	<b>\$ 172,107</b>

<b>1a</b> Gross receipts or sales		<b>7,708</b>	<b>b</b> Less returns and allowances			<b>c</b> Bal ▶	<b>1c</b>	<b>7,708</b>
<b>2</b> Cost of goods sold (Schedule A, line 8)							<b>2</b>	<b>5,732</b>
<b>3</b> Gross profit. Subtract line 2 from line 1c							<b>3</b>	<b>1,976</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>112,419</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 17 (attach Form 4797)							<b>9</b>	
<b>10</b> Other income (see instructions - attach schedule)							<b>10</b>	
<b>11 Total income.</b> Add lines 3 through 10							<b>11</b>	<b>114,395</b>
<b>12</b> Compensation of officers (Schedule E, line 4)							<b>12</b>	
<b>13</b> Salaries and wages (less employment credits)							<b>13</b>	
<b>14</b> Repairs and maintenance							<b>14</b>	<b>7,623</b>
<b>15</b> Bad debts							<b>15</b>	<b>7,632</b>
<b>16</b> Rents							<b>16</b>	
<b>17</b> Taxes and licenses							<b>17</b>	<b>32,429</b>
<b>18</b> Interest							<b>18</b>	
<b>19</b> Charitable contributions							<b>19</b>	
<b>20</b> Depreciation from Form 4562 not claimed on Schedule A or elsewhere on return (attach Form 4562)							<b>20</b>	<b>4,415</b>
<b>21</b> Depletion							<b>21</b>	
<b>22</b> Advertising							<b>22</b>	<b>3,366</b>
<b>23</b> Pension, profit-sharing, etc., plans							<b>23</b>	
<b>24</b> Employee benefit programs							<b>24</b>	
<b>25</b> Domestic production activities deduction (attach Form 8903)							<b>25</b>	
<b>26</b> Other deductions (attach schedule)			See Stmt 1				<b>26</b>	<b>31,254</b>
<b>27 Total deductions.</b> Add lines 12 through 26							<b>27</b>	<b>86,719</b>
<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11							<b>28</b>	<b>27,676</b>
<b>29 Less: a</b> Net operating loss deduction (see instructions)			<b>29a</b>	<b>27,676</b>			<b>29c</b>	<b>27,676</b>
<b>b</b> Special deductions (Schedule C, line 20)			<b>29b</b>				<b>29c</b>	
<b>30 Taxable income.</b> Subtract line 29c from line 28 (see instructions)							<b>30</b>	<b>0</b>
<b>31 Total tax</b> (Schedule J, line 10)							<b>31</b>	<b>0</b>
<b>32a</b> 2009 overpayment credited to 2010		<b>32a</b>						
<b>b</b> 2010 estimated tax payments		<b>32b</b>						
<b>c</b> 2010 refund applied for on Form 4466		<b>32c</b>						
<b>d</b> Tax deposited with Form 7004		<b>32d</b>						
<b>e</b> Credits: (1) Form 2439 (2) Form 4136		<b>32e</b>						
<b>f</b> Refundable credits from Form 3800, line 19c, and Form 8827, line 8c		<b>32f</b>						
<b>g</b> Refundable credits from Form 3800, line 19c, and Form 8827, line 8c		<b>32g</b>					<b>32h</b>	
<b>33</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached							<b>33</b>	
<b>34</b> Amount owed. If line 32h is smaller than the total of lines 31 and 33, enter amount owed							<b>34</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 from line 35 you want: Credited to 2011 estimated tax							<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.

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

Signature of officer: **STEPHEN VALVO** Date: \_\_\_\_\_ Title: **PRESIDENT**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self-employed	PTIN
	<b>ANTHONY C. LEONE</b>	<b>ANTHONY C. LEONE</b>	<b>10/24/11</b>		<b>P01207476</b>
	Firm's name ▶	Firm's EIN ▶			
	<b>Anthony C. Leone, CPA</b>	<b>16-1187863</b>			
	Firm's address ▶	Phone no.			
	<b>1349 Hertel Ave</b>	<b>716-876-4836</b>			
	<b>Buffalo, NY 14216</b>				

**Schedule A Cost of Goods Sold (see instructions)**

1	Inventory at beginning of year	1	
2	Purchases	2	9,732
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	<b>Total.</b> Add lines 1 through 5	6	9,732
7	Inventory at end of year	7	4,000
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	5,732

9a Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market
- (iii)  Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

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 If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  No

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

**Schedule C Dividends and Special Deductions (see instructions)**

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs	80	
8	Dividends from wholly owned foreign subsidiaries	100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from affiliated group members	100	
12	Dividends from certain FSCs	100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12		
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)		
15	Foreign dividend gross-up		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities		
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4		
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b		

**Schedule E Compensation of Officers (see instructions for page 1, line 12)**

Note: Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	%
		%	%	%	%
		%	%	%	%
		%	%	%	%
		%	%	%	%
2	<b>Total compensation of officers</b>				
3	Compensation of officers claimed on Schedule A and elsewhere on return				
4	Subtract line 3 from line 2. Enter the result here and on page 1, line 12				

**Schedule J Tax Computation (see instructions)**

<b>1</b>	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
<b>2</b>	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	<b>0</b>
<b>3</b>	Alternative minimum tax (attach Form 4626)		
<b>4</b>	Add lines 2 and 3		<b>0</b>
<b>5a</b>	Foreign tax credit (attach Form 1118)	<b>5a</b>	
<b>b</b>	Credit from Form 8834, line 29	<b>5b</b>	
<b>c</b>	General business credit (attach Form 3800)	<b>5c</b>	
<b>d</b>	Credit for prior year minimum tax (attach Form 8827)	<b>5d</b>	
<b>e</b>	Bond credits from Form 8912	<b>5e</b>	
<b>6</b>	<b>Total credits.</b> Add lines 5a through 5e	<b>6</b>	
<b>7</b>	Subtract line 6 from line 4	<b>7</b>	
<b>8</b>	Personal holding company tax (attach Schedule PH (Form 1120))	<b>8</b>	
<b>9</b>	Other taxes. Check if from:		
	<input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697		
	<input type="checkbox"/> Form 8866 <input type="checkbox"/> Form 8902 <input type="checkbox"/> Other (attach schedule)	<b>9</b>	
<b>10</b>	<b>Total tax.</b> Add lines 7 through 9. Enter here and on page 1, line 31	<b>10</b>	<b>0</b>

**Schedule K Other Information (see instructions)**

<b>1</b>	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶	Yes	No
<b>2</b>	See the instructions and enter the:		
<b>a</b>	Business activity code no. ▶ <b>445120</b>		
<b>b</b>	Business activity ▶ <b>RETAIL TRADE</b>		
<b>c</b>	Product or service ▶ <b>CONVENIENCE STORE</b>		
<b>3</b>	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If "Yes," enter name and EIN of the parent corporation ▶		<b>X</b>
<b>4</b>	At the end of the tax year:		
<b>a</b>	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G)		<b>X</b>
<b>b</b>	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G)	<b>X</b>	
<b>5</b>	At the end of the tax year, did the corporation:		
<b>a</b>	Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions If "Yes," complete (i) through (iv).		<b>X</b>

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock



Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		19,065		29,914
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				4,000
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (att. sch.) <b>Stmt 2</b>		1,031		1,031
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach sch.)				
10a	Buildings and other depreciable assets	298,649		298,649	
b	Less accumulated depreciation	207,072	91,577	211,487	87,162
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		50,000		50,000
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach sch.)				
15	<b>Total assets</b>		161,673		172,107
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year		11,431		3,304
18	Other current liabilities (att. sch.) <b>Stmt 3</b>		152,330		152,250
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
	b Common stock	33,093	33,093	33,093	33,093
23	Additional paid-in capital		16,400		7,400
24	Retained earnings—Appropriated (att. sch.)				
25	Retained earnings—Unappropriated		-51,581		-23,940
26	Adjustments to SH equity (att. sch.)				
27	Less cost of treasury stock				
28	<b>Total liabilities and shareholders' equity</b>		161,673		172,107

Schedule M-1		Reconciliation of Income (Loss) per Books With Income per Return	
<b>Note:</b> Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more – see instructions			
1	Net income (loss) per books	27,641	
2	Federal income tax per books		
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 on this return (itemize):		
a	Depreciation \$		
b	Charitable contributions \$		
c	Travel and entertainment \$	35	
		35	
6	Add lines 1 through 5	27,676	
7	Income recorded on books this year not included on this return (itemize):		
	Tax-exempt interest \$		
8	Deductions on this return not charged against book income this year (itemize):		
a	Depreciation \$		
b	Charitable contributions \$		
9	Add lines 7 and 8		
10	Income (page 1, line 28)—line 6 less line 9		27,676

Schedule M-2		Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)	
1	Balance at beginning of year	-51,581	
2	Net income (loss) per books	27,641	
3	Other increases (itemize):		
4	Add lines 1, 2, and 3	-23,940	
5	Distributions: a Cash		
	b Stock		
	c Property		
6	Other decreases (itemize):		
7	Add lines 5 and 6		
8	Balance at end of year (line 4 less line 7)		-23,940



Form **4562**  
 Department of the Treasury  
 Internal Revenue Service

**Depreciation and Amortization**  
 (Including Information on Listed Property)

OMB No. 1545-0172

**2010**  
 Attachment  
 Sequence No. **67**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return

**VALVO'S CONVENIENCE & GAS, INC.**

Identifying number

**16-1397109**

Business or activity to which this form relates

**Regular Depreciation**

**Part I Election To Expense Certain Property Under Section 179**

**Note: If you have any listed property, complete Part V before you complete Part I.**

1	Maximum amount (see instructions)	1	500,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2011. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	4,415
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B—Assets Placed in Service During 2010 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C—Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions	22	4,415
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2010)

## Net Operating Loss Carryover Worksheet - Regular Tax

Form **1120**

**2010**

For calendar year 2010 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

Name

Employer Identification Number

**VALVO'S CONVENIENCE & GAS, INC.**

**16-1397109**

Preceding Taxable Year	Adj. To NOL Inc/(Loss) After Adj.	Prior Year		Current Year	Next Year
		NOL Utilized (Income Offset)	Carryovers	Income Offset By NOL Carryback/ Carryover NOL Utilized	Carryover
15th 12/31/95	-2,381	2,381			
14th 12/31/96	-2,275	2,275			
13th 12/31/97	-67,204	67,204			
12th 12/31/98	-93,326	15,048	78,278	27,676	50,602
11th 12/31/99					
10th 12/31/00	-77,002		77,002		77,002
9th 12/31/01	-26,302		26,302		26,302
8th 12/31/02					
7th 12/31/03	-21,430		21,430		21,430
6th 12/31/04	7,128	-7,128			
5th 12/31/05	21,473	-21,473			
4th 12/31/06	-33,525		33,525		33,525
3rd 12/31/07	35,348	-35,348			
2nd 12/31/08	1,613	-1,613			
1st 12/31/09	21,346	-21,346			
NOL Carryover Available To Current Year			<b>236,537</b>		
Current Year	<b>0</b> 27,676			<b>27,676</b>	<b>0</b>
NOL Carryover Available To Next Year					<b>208,861</b>

16-1397109

**Federal Statements**

FYE: 12/31/2010

**Statement 1 - Form 1120, Page 1, Line 26 - Other Deductions**

<u>Description</u>	<u>Amount</u>
ACCOUNTING AND LEGAL	\$ 15,675
BANK CHARGES	295
INSURANCE	3,111
SUPPLIES	
UTILITIES	4,944
TRAVEL	3,242
AUTO EXPENSE	3,952
50% of Meals & Entertainment	35
Total	<u>\$ 31,254</u>

**Federal Statements****Statement 2 - Form 1120, Page 5, Schedule L, Line 6 - Other Current Assets**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
OTHER	\$ 1,031	\$ 1,031
Total	\$ 1,031	\$ 1,031

**Statement 3 - Form 1120, Page 5, Schedule L, Line 18 - Other Current Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
ACCRUED EXPENSES	\$ 152,330	\$ 152,250
Total	\$ 152,330	\$ 152,250

16-1397109

**Federal Statements**

FYE: 12/31/2010

**Form 1120, Page 1, Line 6 - Gross Rents**

<u>Description</u>	<u>Amount</u>
Gross Rents	\$ 112,419
Total	\$ <u>112,419</u>

**Form 1120, Page 1, Line 17 - Taxes and Licenses**

<u>Description</u>	<u>Amount</u>
NYS FRANCHISE TAX	\$
REAL ESTATE TAXES	32,429
LICENSES	
Total	\$ <u>32,429</u>

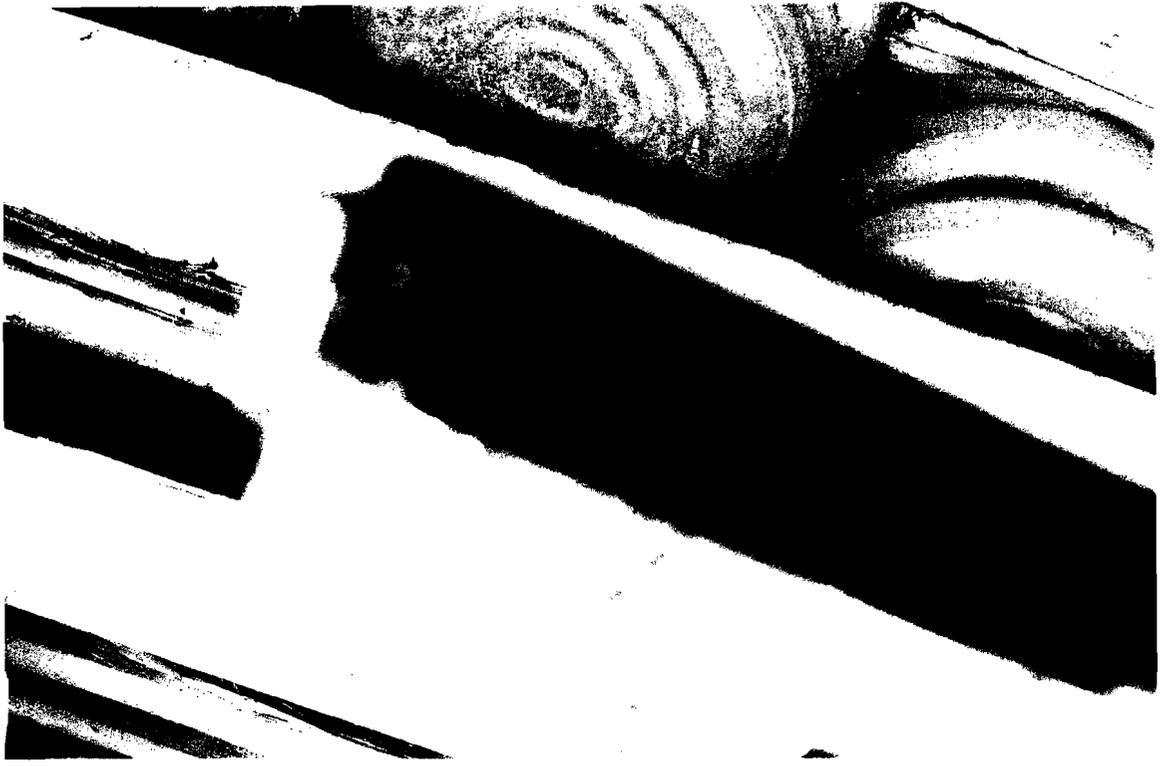
16-1397109

**Federal Statements**

FYE: 12/31/2010

**Form 1120, P5, Sch L, Line 17 - Mortgage, Notes, Bonds Pay in Less Than One Year**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
	\$ 11,431	\$ 3,304
Total	\$ 11,431	\$ 3,304



Respondent's Exhibit 5

