

EXHIBIT A

1 IN THE UNITED STATES DISTRICT COURT
2 NORTHERN DISTRICT OF ILLINOIS
3 EASTERN DIVISION

4 JAMES T. SULLIVAN, etc., et al,)
5 Plaintiffs,)
6 -vs-) 09 C 2329
7 ALPINE IRRIGATION COMPANY, an)
8 Illinois corporation,)
9 Defendant.)

10 The citation to discover assests
11 deposition of JEFFREY L. ZEH taken in the
12 above-entitled cause before Joel Katz, a
13 Certified Shorthand Reporter within and for
14 the County of Cook and State of Illinois,
15 taken pursuant to the Federal Rules of Civil
16 Procedure for the United States District
17 Courts, at 20 North Clark Street, Suite 3200,
18 Chicago, Illinois, on the 8th day of June
19 A.D. 2010, at the hour of 11:00 o'clock a.m.

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21

22

23 Reported by: JOEL KATZ, C.S.R.

24 License No.: 084-003385

1 PRESENT:

2 LEWIS, OVERBECK & FURMAN, LLP
3 BY: MR. RYAN M. HOLMES
4 20 North Clark street
5 Suite 3200
6 Chicago, Illinois 60602
7 (312)580-1238
8 Representing the Plaintiff;

9 GOLDSTINE, SKRODZKI, RUSSIAN,
10 NEMEC & HOFF
11 BY: MR. BRIAN DOUGHERTY
12 835 McClintock Drive
13 2nd Floor
14 Burr Ridge, Illinois 60527
15 (630)655-6000
16 Representing the Defendant.

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I N D E X

WITNESS

EXAMINATION

JEFFREY L. ZEH

By Mr. Holmes

4

E X H I B I T S

NUMBER

MARKED FOR ID

J. Zeh Deposition Exhibit

No. 1

16

No. 2

32

No. 3

35

1 (Witness sworn.)

2 JEFFREY ZEH,
3 called as a witness herein, having been first
4 duly sworn, was examined and testified as
5 follows:

6 EXAMINATION

7 BY MR. HOLMES:

8 Q. Could you please state and spell
9 your name for the record?

10 A. Jeffrey L. Zeh. J-e-f-f-r-e-y, L,
11 Zeh, Z-e-h.

12 MR. HOLMES: Let the record reflect
13 that this is the citation examination of
14 Jeffrey L. Zeh pursuant to Notice and the
15 applicable Rules of Civil Procedure. He is
16 present with his counsel.

17 BY MR. HOLMES:

18 Q. Mr. Zeh, have you ever given a
19 deposition before?

20 A. I believe so, yes.

21 Q. I will just go over a few quick
22 ground rules so we are efficient.

23 You need to give verbal
24 answers, yeses and nos. Nods and shakes and

1 uh-huhs and un-huhs don't translate well to
2 the record, so please try to answer yes or
3 no. I will try to correct you if I hear
4 you.

5 Make sure that only one of us
6 is speaking at a time, that way we have a
7 nice clean record. I will try not to speak
8 over you, please try not to speak over me.

9 Your attorney may at some time
10 object to a question. You have to answer the
11 question unless he instructs you not to
12 answer.

13 Breaks are okay if you need to
14 take a break, please just let me know. I
15 would just ask that you answer any question
16 that I have asked. I don't anticipate we are
17 going to be here a real long time, but this
18 isn't an inquisition.

19 You understand that you are
20 under oath and are required to tell the
21 truth, correct?

22 A. Yes.

23 Q. If you don't understand a question
24 please tell me and I will rephrase the

1 question. I try to ask clear questions but
2 that doesn't always happen. If you don't
3 understand please let me know.

4 I am going to start with some
5 general background questions and then we will
6 get into some questions about Alpine
7 Irrigation.

8 What's your address?

9 A. 24501 West Renwick Road,
10 R-e-n-w-i-c-k, Plainfield, Illinois 60544.

11 Q. Do you have a home number?

12 A. 815-436-1848.

13 Q. Do you have a -- strike that.

14 What's your date of birth?

15 A. July 15th, 1961.

16 Q. Are you currently employed?

17 A. Yes.

18 Q. Where are you employed?

19 A. Running Waters Irrigation.

20 Q. Do they have a work phone?

21 A. I don't know what it is. It's 661

22 -- I'm not sure.

23 Q. Okay.

24 What's your employer's

1 address?

2 A. 24501 West Renwick Road.

3 Q. What's your position at Running
4 Waters?

5 A. President.

6 Q. How long have you been employed as
7 president of Running Waters.

8 A. A little over a year.

9 Q. Are you married?

10 A. No.

11 Q. Any kids?

12 A. Yes.

13 Q. How many kids?

14 A. Two.

15 Q. Minors or adults?

16 A. One minor, one adult.

17 Q. You were employed at Alpine
18 Irrigation, correct?

19 A. Yes.

20 Q. Do you recall the first date you
21 were employed at Alpine?

22 A. No.

23 Q. Was it more than ten years ago?

24 A. I really don't remember.

1 Q. Do you remember what your position
2 was at Alpine when you first joined?

3 A. Employee.

4 Q. Were you a plumber?

5 A. No.

6 Q. Could you describe for me what
7 business Alpine did?

8 A. Underground lawn sprinklers.

9 Q. Installation?

10 A. Yes.

11 Q. Service?

12 A. Yes.

13 Q. Anything else? Removal,
14 replacement?

15 A. Wouldn't that fall under service?

16 Q. Fair enough.

17 When you were employed at
18 Alpine did you do the installation?

19 A. I don't understand the question.

20 Was I in a crew?

21 Q. Yes.

22 A. Yes.

23 Q. Were you like a crew manager?

24 A. Well, it depends on where you are

1 speaking and the time frames, which years.

2 Q. Why don't you tell me, when you
3 first started were you just on a crew?

4 A. Yes.

5 Q. And then would it be fair to say as
6 you progressed --

7 A. I was in charge of a crew.

8 Q. Do you recall approximately when
9 you became in charge of a crew?

10 A. No.

11 Q. More than ten years?

12 A. I really don't know, I can't
13 remember.

14 Q. How long were you employed at
15 Alpine?

16 A. That I don't know either. It's in
17 the records, but I don't know.

18 Q. Were you employed until the
19 company --

20 A. Until they said they were closing
21 their doors, yes.

22 Q. What was your position up until and
23 at the end, were you still a crew leader?

24 A. Yeah. I mean, yes.

1 Q. Do you recall how many employees
2 Alpine had other than yourself at the end?

3 A. I believe just three or four.

4 Q. Was one your father?

5 A. No. Well, yeah. I mean, if you
6 count that, yes. I mean, if you are talking
7 about the total people at Alpine. I thought
8 you were talking about the crew.

9 Are you talking about the crew
10 or over all the employees?

11 Q. Let's start with why don't you tell
12 me about the crew and then why don't you tell
13 me about all of the employees first?

14 A. The crew would have been three or
15 four depending on the job and then I think
16 there was five to six, whether there was a
17 secretary sometimes or not.

18 Q. Do you recall the crew members'
19 names?

20 A. Jesus, Pedro, Ricky, they call him
21 Ricky but I think his name was Enrico, I'm
22 not positive, and Jose.

23 Q. Do you know their last names, any
24 of them?

1 A. I believe Ricky's last name is
2 Delgado. Jose I'm not sure.

3 Q. Jesus?

4 A. Vavalia (phonetic).

5 Q. Pedro?

6 A. Herrera (phonetic).

7 Q. And Enrico's last name?

8 MR. DOUGHERTY: Enrico is Delgado.

9 BY MR. HOLMES:

10 Q. Was your father an employee of
11 Alpine?

12 A. He owned it.

13 Q. What were his duties at the end,
14 towards the end, was he -- he wasn't in the
15 field, correct?

16 A. He did everything. I mean, he was
17 an owner. I don't know, owners do
18 everything.

19 Q. Did he bid?

20 A. Yes. Well, I don't know, you would
21 have to ask him, I don't really know.

22 Q. Did you bid?

23 A. Did I bid some work, yes.

24 Q. Were you ever an officer of Alpine?

1 A. Yes.

2 Q. Do you recall your title and start?

3 A. No.

4 Q. Do you recall the dates?

5 A. No.

6 Q. Would there be records that I

7 can --

8 A. I don't know.

9 Q. Were you responsible for keeping
10 the minutes of the corporation?

11 A. No.

12 Q. Do you recall who the secretary was
13 at any time?

14 A. I don't know what any of the titles
15 of the officers were.

16 Q. Were you ever a director?

17 A. I don't know what that even means.

18 Q. Were you ever a shareholder?

19 A. No.

20 Q. Why did Alpine cease operations?

21 A. You would have to ask him. He just
22 said he was closing his doors.

23 Q. Did Alpine have a target market of
24 clients; in other words, did they target

1 homeowners or apartment buildings or schools?

2 A. Not that I'm aware of.

3 Q. Did Alpine perform any additional
4 work outside of underground lawn sprinklers?

5 A. Not that I'm aware of.

6 Q. No plumbing?

7 A. No. Well, I can't attest to
8 everything they did, I was only there for
9 what I do.

10 Q. But your duties never included any
11 residential plumbing or anything like that?

12 A. No.

13 Q. Did your father, who for the record
14 is Robert Zeh, did he ever offer to sell you
15 the business?

16 A. No.

17 Q. Did he ever ask you to take over
18 the business?

19 A. You got to be more specific. I
20 don't really know. I mean, there was always
21 conversations about if he retired, but I
22 never discussed it with him. He would state
23 things but we really never discussed
24 anything. There was no discussions or plans

1 at all.

2 Q. Do you recall when your father made
3 the decision that he was going to close his
4 doors?

5 A. No. Last year.

6 Q. Would it have been in the winter of
7 last year? Would it help if I gave you a
8 reference point and then you could work back
9 on that?

10 A. No, I don't -- I really don't
11 remember the day that he just said he is
12 closing the doors.

13 Q. Approximately how much time elapsed
14 between the time he said I'm shutting down
15 and the actual wind down took place?

16 A. I don't know because I wasn't
17 privileged to any of that, I was gone.

18 Q. When did you leave your employment
19 with Alpine, approximately?

20 A. It would have been -- I don't know
21 exactly what date. There was no real
22 fanfare. They are closing the doors and I
23 left.

24 Q. Did you go straight to Running

1 Waters?

2 A. Yes.

3 Q. Did you have any role in winding
4 down the business?

5 MR. DOUGHERTY: I will object.

6 If you understand what winding
7 down means you can answer it, but the
8 question is vague, it calls for a legal
9 conclusion.

10 BY MR. HOLMES:

11 Q. You can answer.

12 A. What was the question again? I am
13 sorry.

14 MR. HOLMES: Could you read it
15 back?

16 (Record read as requested.)

17 BY MR. HOLMES:

18 Q. For clarification I mean Alpine.

19 MR. DOUGHERTY: Same objection.

20 THE WITNESS: I am sure there was
21 some things. I can't recall anything
22 particular, but I mean there was discussions
23 of things that had to be sold that he asked
24 me my opinion on.

1 BY MR. HOLMES:

2 Q. What things had to be sold?

3 A. Equipment.

4 Q. What equipment?

5 A. Equipment that you use for
6 installing irrigation systems.

7 Q. Such as?

8 A. Trenchers, backhoes, vehicles,
9 items like that.

10 Q. Tools, general hand tools?

11 A. Yes.

12 MR. HOLMES: Can you mark this as
13 Jeffrey Zeh Exhibit 1?

14 (Whereupon, J. Zeh
15 Deposition Exhibit No. 1
16 was marked for
17 identification.)

18 BY MR. HOLMES:

19 Q. Mr. Zeh, you have been handed
20 what's been marked for identification as
21 Exhibit 1. I would like you to just take a
22 moment to look at that and I would ask you to
23 turn to page -- the page isn't going to be
24 very accurate but Form 1120, page one of the

1 federal asset report. It's towards the back.

2 Let me know when you have had
3 a chance to look at that page.

4 (Whereupon, the witness
5 reviewed said document.)

6 THE WITNESS: Okay.

7 BY MR. HOLMES:

8 Q. This federal asset report lists the
9 assets owned by Alpine Irrigation, is that
10 correct?

11 A. Yes.

12 Q. Were these assets sold in the
13 process of winding down the business?

14 A. Some of them.

15 Q. Let's go line by line.

16 Used trencher, was that sold?

17 A. I don't even know what it is.

18 Q. Did Alpine have a trencher that you
19 used in your day-to-day operations?

20 A. There were a couple of trenchers.
21 That I don't know if it's been sold or not.

22 Q. You said Alpine had a couple of
23 trenchers, is a couple two?

24 A. Well, I guess one was a trencher.

1 So the used trencher I don't know what was
2 done with that. Used tractor don't know.
3 Rototiller don't know. Printer, computer
4 don't know. Wells Cargo sold. Power tamp
5 don't know and I don't even know, you have to
6 explain to me what pre-2005 assets mean.

7 Q. Pre-2005 assets are assets that for
8 federal tax purposes have been almost fully
9 depreciated and are grouped together on this
10 tax return, so we are not going to concern
11 ourselves with that.

12 Do you know who would know
13 where the trencher, the tractor, the
14 rototiller, the computer, the printer and the
15 power tamp are?

16 A. Robert Zeh.

17 Q. Would you be surprised if I told
18 you that he said you would know?

19 A. Sure. Well, I mean, they are there
20 but I mean it's -- I don't know what he has
21 done with them.

22 Q. When you say there where is there?

23 A. They are still at the same
24 property, they haven't been moved.

1 Q. What property is that?

2 A. At 24501 West Renwick. I don't
3 know if they are sold. They are in a barn
4 there, they have been abandoned.

5 Q. Does Running Waters use the assets?

6 A. These, any of these? No. The line
7 three, four, five, six, seven they do not
8 use.

9 Q. The Wells Cargo you indicated was
10 sold, could you tell me what a Wells Cargo
11 is?

12 A. It's a trailer, covered trailer.

13 Q. Who was that sold to?

14 A. JV Equipment Leasing.

15 Q. Do you know how much it was sold
16 for?

17 A. Not off my head, but I know there
18 is a record of it.

19 Q. Do you know if it was more or less
20 than \$10,000?

21 A. Not really. I believe it was less
22 than 10, but I'm not sure. There is a list
23 somewhere.

24 Q. When you say there is a list, could

1 you please --

2 A. I think there was a broken down --
3 a list when it was sold, how much it was sold
4 for.

5 Q. Do you know who prepared that list?

6 A. No. I think it was my father. He
7 gave a price.

8 Q. Did you actually see the list at
9 some point?

10 A. No.

11 Q. So how do you know there is a list?

12 A. There was prices given and then the
13 products were sold. So I assume he made a
14 list. I shouldn't assume that he made a
15 list, I guess.

16 Q. Number ten, the power tump, am I
17 correct that you don't know?

18 A. The tamper, no. The only thing in
19 the first list one through eleven, like I
20 said, I don't know what eleven means, I would
21 assume that's the totals, the Wells Cargo was
22 the only thing that was sold.

23 Q. Is the power tump in the barn as
24 well?

1 A. Yes.

2 Q. Is the power tamp used by Running
3 Waters?

4 A. No.

5 Q. Do you have any idea of the fair
6 market value of any of these assets that we
7 have discussed that are in the barn?

8 A. Not much. No. Power tamper I
9 think was in pieces last time I seen it. I
10 don't even know if the printer and computer,
11 I don't know what he would have done with
12 that. They are old. Rototiller I don't
13 know. Used tractor don't know. Trencher I
14 believe is broken, I think the front end of
15 it's broken.

16 Q. Moving down to the next category,
17 which is titled Other Depreciation, it
18 indicates that Alpine owned a surveyor?

19 A. Yes.

20 Q. Do you know whether that asset was
21 sold?

22 A. No.

23 Q. Is that asset in the barn?

24 A. I don't know. It's not very big,

1 it's a tripod where they survey stuff with.

2 Q. Is that used in Running Waters'
3 operations?

4 A. No.

5 Q. We are going to skip over radio and
6 phone and go down to listed property.

7 It indicates that Alpine owned
8 a 2005 cargo van, are you familiar with the
9 2005 cargo van?

10 A. Yes.

11 Q. Do you know whether or not that
12 asset was sold?

13 A. Yes, it was sold.

14 Q. Do you know to whom it was sold?

15 A. JV Equipment Leasing.

16 Q. Mr. Zeh, do you know where JV
17 Equipment Leasing is?

18 A. It's an LLC out of Delaware.

19 Q. Where is it -- strike that.

20 Is it located -- is it a
21 business in Plainfield?

22 A. I don't know.

23 Q. Does it have a physical address?

24 A. Yeah, but I don't know what it is.

1 Q. Is the physical address in
2 Plainfield?

3 A. I believe so.

4 Q. Do you have a phone number for JV
5 Equipment Leasing?

6 A. I don't believe they have a phone.
7 They don't have a phone.

8 Q. When you say they do you know the
9 owners?

10 A. Yes.

11 Q. Who are the owners of JV Equipment
12 Leasing?

13 A. Me.

14 Q. Are you the sole shareholder?

15 A. Yes.

16 Q. Are you also the president?

17 A. Yes.

18 Q. Are there any other officers or
19 directors?

20 A. No.

21 Q. Do you recall when JV Equipment
22 Leasing, LLC was formed?

23 A. No, but I can get that
24 information. I don't have any dates on any

1 of it.

2 Q. Just for your knowledge, what will
3 happen is after I get done questioning you I
4 will probably send a letter to your counsel
5 if there is any documents that I feel were
6 requested and then your counsel and you can
7 work to get those or object or whatever your
8 counsel wants.

9 So moving on do you recall the
10 price that the 2005 cargo van was purchased
11 for?

12 A. No.

13 Q. But you could obviously get it?

14 A. Absolutely.

15 Q. Do you know what your father did
16 with the proceeds of the sale?

17 A. No.

18 Q. The next listed property is a Ford
19 F-450SC, are you familiar with that asset?

20 A. Yes.

21 Q. Is that a truck?

22 A. Yes.

23 Q. Do you know what happened to that
24 asset?

- 1 A. It was sold.
- 2 Q. Was it sold to JV Equipment?
- 3 A. Yes.
- 4 Q. Do you recall the purchase price?
- 5 A. No.
- 6 Q. Do you recall the sale date for the
- 7 Ford F-450?
- 8 A. No.
- 9 Q. Same answer for the cargo van?
- 10 A. Correct.
- 11 Q. If you could turn to page three of
- 12 the 1120, if you look at the bottom you will
- 13 see Schedule E and it says Compensation of
- 14 Officers?
- 15 A. Okay.
- 16 Q. Jeffrey L. Zeh is you, correct?
- 17 A. Yes.
- 18 Q. This 1120 indicates that you own
- 19 one hundred percent of the corporate stock of
- 20 Alpine, is that accurate?
- 21 A. No.
- 22 Q. Do you have any idea why Alpine
- 23 would list you as the sole shareholder?
- 24 A. No.

1 Q. Were you responsible for the
2 preparation of the taxes?

3 A. No.

4 Q. Was your father?

5 A. Yes. As far as I know. I did
6 nothing with anything with paper for tax
7 purposes.

8 Q. The assets purchased by JV Leasing
9 -- strike that.

10 The assets purchased by JV
11 Equipment Leasing, LLC, were those then
12 leased to Running Waters?

13 A. Yes.

14 Q. I am going to ask you about some
15 other assets that actually aren't on the tax
16 return and I am going to ask you whether you
17 are familiar with these assets of Alpine and
18 if you believe they are not assets of Alpine
19 please let me know.

20 Did Alpine ever own a 1996
21 Civic, Honda Civic?

22 A. I believe it was a '96. There is a
23 Honda Civic that they owned, yes.

24 Q. Do you know what happened to that

1 asset?

2 A. I believe it was sold.

3 Q. Do you know to whom it was sold?

4 A. I believe my father bought it. I'm
5 not positive, you have to ask him.

6 Q. You don't know the purchase price,
7 correct?

8 A. No.

9 Q. Did Alpine ever own a 1985 tilt
10 tandem?

11 A. What is that?

12 Q. I was actually hoping you could
13 tell me. It's an asset that's listed in
14 their vehicle records. I would assume it
15 would be some sort of trailer.

16 A. Any more information? I don't know
17 have a tilt trailer, I don't know of anything
18 tilt.

19 MR. DOUGHERTY: If you don't know
20 don't guess.

21 THE WITNESS: No. I don't know of
22 a tilt trailer.

23 BY MR. HOLMES:

24 Q. Did Alpine ever own a 2001 --

1 strike that.

2 Alpine only owned one Ford
3 F-450, is that correct?

4 A. Yes.

5 Q. Do you recall if that was a 2001
6 model year?

7 A. I believe so.

8 Q. Did Alpine ever own a 1995 Dodge
9 Ram?

10 A. Yes.

11 Q. Do you know what happened to that
12 asset?

13 A. No. It's still there.

14 Q. When you say still there, do you
15 mean still --

16 A. With the other equipment that's
17 there.

18 Q. At the 24501 property?

19 A. Yes.

20 Q. Do you know whether it's -- strike
21 that.

22 Do you know whether it runs?

23 A. No, I don't know anything about
24 that equipment as far as whether it's

1 running, working.

2 Q. Is it in the barn?

3 A. No, it's sitting outside.

4 Q. Did Alpine own any pull behind
5 trailers other than the enclosed trailer we
6 talked about earlier?

7 A. Yes.

8 Q. Could you describe the trailer or
9 trailers?

10 A. I think it's called a Belshi
11 (phonetic), Bilshi (phonetic), I'm not sure.
12 Trailer, old.

13 Q. Do you know what happened to that
14 asset?

15 A. Sold.

16 Q. Do you know to whom it was sold?

17 A. JV.

18 Q. Do you know the purchase price?

19 A. No.

20 Q. Did Alpine ever own a 1995 Ford
21 Econoline?

22 A. I believe it was a '95.

23 Q. Do you know what happened to that
24 asset?

1 A. It was sold.

2 Q. Do you know to whom it was sold?

3 A. JV.

4 Q. Do you know the purchase price?

5 A. No.

6 Q. With respect to the assets that
7 were sold to JV, are there records that
8 support the purchase price?

9 A. Yes.

10 Q. Did JV make the checks payable to
11 Alpine or to your father?

12 A. To Alpine.

13 Q. Am I correct that you don't know
14 what happened to those checks after they --
15 after you gave them to your father?

16 A. Correct.

17 Q. Were there any other assets of
18 Alpine that were purchased by JV that we
19 haven't already covered?

20 A. I guess we would have to make a
21 list to make sure. I don't think so from
22 what you were telling me. We went with the
23 '95 Ford Econo Van, correct? Covered
24 trailer, correct? So the items purchased --

1 you are asking the items that were purchased
2 by JV Equipment?

3 Q. We have Wells Cargo, the Wells
4 Cargo?

5 A. Correct.

6 Q. The '05 cargo van?

7 A. Correct.

8 Q. The Ford F-450SC?

9 A. Correct.

10 Q. The trailer, the Belshi (phonetic)
11 trailer?

12 A. Correct.

13 Q. And I believe that is it, was there
14 anything else?

15 A. I'd have to look at the list.

16 Q. When you say the list, do you
17 keep --

18 A. I have a list for JV of what was
19 purchased and the prices that they were
20 purchased for.

21 Q. Were the checks drawn on a JV
22 account or personal account?

23 A. JV.

24 MR. HOLMES: Can you mark this as

1 Zeh Number 2?

2 (Whereupon, J. Zeh
3 Deposition Exhibit No. 2
4 was marked for
5 identification.)

6 BY MR. HOLMES:

7 Q. Mr. Zeh, you have been handed
8 what's been marked for identification
9 purposes as J. Zeh Exhibit Number 2.

10 I would ask that you take a
11 look at this document and then after you have
12 had a chance to do so please let me know.

13 (Whereupon, the witness
14 reviewed said document.)

15 THE WITNESS: Okay.

16 BY MR. HOLMES:

17 Q. This is an agreement to provide
18 insurance, correct?

19 A. Correct.

20 Q. Could you tell me about the
21 transaction that required insurance; in other
22 words, why was this document produced?

23 A. I don't understand.

24 Q. Let me see if I can ask this a

1 better way.

2 Back in 2006 Alpine took out a
3 loan in the amount of \$25,000, is that
4 correct?

5 A. Does that say that here?

6 MR. DOUGHERTY: He is asking you if
7 you know about the loan.

8 THE WITNESS: Oh, yes.

9 BY MR. HOLMES:

10 Q. Do you know what the loan was for?

11 A. I believe my father used it to pay
12 off a union debt.

13 Q. Did you personally guarantee the
14 loan?

15 A. According to this I put the
16 property up as collateral for the loan.

17 Q. When you say the property, do you
18 mean 1018 West Renwick Road?

19 A. Correct.

20 Q. Is that a property that you own
21 individually?

22 A. Correct.

23 Q. Why did you put your property up as
24 collateral for a loan for Alpine?

1 A. My father asked me, he had no
2 assets. They wanted collateral for the loan.

3 Q. 1018 West Renwick, is that a
4 residence?

5 A. Yes.

6 Q. Does your father live there?

7 A. No. That is 24501, it's the same.
8 1018 and 24501 are the same address.
9 Previously to that it was 1018 West Renwick
10 Road. It was changed to 24501. It has to do
11 with department fire, police department,
12 everything was standardized to five numbers.
13 It's the same place.

14 Q. That makes a lot of sense, okay.

15 A. It's the same place. These are not
16 two different properties.

17 Q. Okay.

18 A. So back in 2006 it was 1018, now
19 it's 24501.

20 Q. Were you concerned at all that if
21 your father failed to pay the loan that you
22 could lose the house?

23 A. Sure.

24 Q. Did you personally make any

1 payments on the loan?

2 A. No.

3 Q. To your knowledge did your father
4 pay off the loan?

5 A. Yes.

6 Q. Do you recall approximately when
7 the loan was repaid?

8 A. No, that I don't remember, but it
9 is paid.

10 Q. Was it within the last year of
11 operations?

12 A. I don't know.

13 MR. HOLMES: Can you mark this as
14 J. Zeh Group 3?

15 (Whereupon, J. Zeh
16 Deposition Group Exhibit
17 No. 3 was marked for
18 identification.)

19 BY MR. HOLMES:

20 Q. Mr. Zeh, you have been handed
21 what's been marked for identification
22 purposes as J. Zeh Group Exhibit 3.

23 I would like you to just look
24 through these. Tell me if you recognize

1 them.

2 (Whereupon, the witness
3 reviewed said document.)

4 THE WITNESS: Okay.

5 BY MR. HOLMES:

6 Q. Are these payment verifications on
7 a Capital One account that was held in your
8 name?

9 A. Where is the account number? I
10 don't see that.

11 Q. There aren't account numbers that I
12 can see. I can see that the on-line banking
13 is in your name, Jeffrey L. Zeh.

14 A. Yeah, I believe this is a Visa
15 business card and if it was a business card
16 it was Alpine Irrigation. I mean, I have a
17 -- I don't want to -- I have a Capital One
18 card too, but this was one was a Visa
19 business card. So I believe Alpine
20 Irrigation had a Capital One Visa card.

21 Q. Did it have any other credit cards?

22 A. Not that I'm aware of.

23 Q. That Visa card was in your name,
24 correct?

1 A. Not in my name. I think I was --
2 you would have to call Capital One and ask
3 them how that would work. Something if
4 Alpine didn't pay that. Like they could not
5 put it under a business name, somebody had to
6 be responsible. I vaguely remember something
7 about it had to have somebody's personal name
8 on it as a business account to be personally
9 liable just like anything else.

10 Q. Why was it your name and not your
11 father's?

12 A. I don't know. I don't know. I
13 believe I set up the Visa account for the
14 company and the on-line portion of it my dad
15 never went on-line and made payments. All
16 the payments were made on-line, so he would
17 ask me to do that.

18 Q. And they were made out of the
19 business checking that was held at Harris
20 Trust and Savings Bank, an account ending in
21 1661, correct?

22 A. If they all say that, yes.

23 Q. They all do indicate that they were
24 paid out of the account from Harris that ends

1 in 1661?

2 A. Yes.

3 Q. Are the amounts -- strike that.

4 To your knowledge were these
5 all paid?

6 A. Yes, to my knowledge.

7 Q. Do you have any recollection of
8 what any of these -- strike that.

9 Do you have any recollection
10 of what was purchased that would total up to
11 say, for example, \$425.25?

12 A. Gasoline, irrigation products,
13 items like that. Miscellaneous whatever, you
14 know, printer ink, whatever business.

15 Q. Did you ever use that for personal
16 expenses?

17 A. No.

18 Q. Is that account still active?

19 A. I don't think so. Not to my
20 knowledge.

21 Q. You don't still possess the card?

22 A. Oh, no.

23 Q. Do you know what happened to the
24 card?

1 A. If I remember correctly I thought
2 there was three cards. There might have been
3 two. I believe there was three. One was
4 given to one of the employees for gasoline
5 and other items needed to be purchased, I had
6 one and I believe my father had one, if I am
7 not mistaken. No, that account, as far as I
8 know, you would have to ask my father, but as
9 far as I know that account has been closed.

10 Q. When you say three cards, you mean
11 three cards on one account?

12 A. Yeah, it's a business account so
13 they could purchase gas out in the field and
14 sprinkler items if they needed them, things
15 from Home Depot and Menards, items that they
16 needed.

17 Q. Would you be able to give me the
18 actual underlying account statements? I see
19 that you were able to somehow print these, do
20 you still --

21 A. Those were printed for my dad. If
22 you notice here he was complaining he
23 couldn't read it, so I would give him this so
24 that he had a record. When he would ask me

1 to make a payment on-line I would make the
2 payment for him and then write that payment
3 up here in bigger letters so he could read it
4 because he couldn't read this very well.

5 Q. And balances?

6 A. And I am assuming that he put that
7 in his checkbook as a deduction out of the
8 checkbook.

9 Q. Do you know who has the actual
10 statements?

11 A. Alpine.

12 Q. Do you still --

13 A. I don't know. If there was
14 statements they would have them. Alpine
15 would have them.

16 Q. Where did you get these, were these
17 within your personal records?

18 A. What's that?

19 Q. The Capital One receipts that show
20 the payments.

21 A. I have no idea where they came
22 from. They must have been part of the stuff
23 Alpine sent over to you. Like I said, these
24 were receipts when he asked me to make a

1 payment. I would make a payment on-line and
2 if you see in the beginning I was circling it
3 and then he couldn't read that and then
4 towards -- and then I started writing it in
5 big letters over here so that he could
6 understand. There was some reason. Well,
7 here, if you look here it's in big letters
8 and he can read that, then it started
9 becoming small so he couldn't read it.

10 Q. Sure.

11 A. And then these were handed to him
12 and I believe this is what -- I really don't
13 know what was done with them after that. I
14 am assuming he took it out of the checking
15 account.

16 Q. Do you have any records personally
17 that would reflect -- strike that.

18 You don't personally have the
19 underlying account statements that would have
20 a line by line itemization of what was on
21 each statement?

22 A. No.

23 Q. When you worked at Alpine were your
24 wages ever garnished by the state?

1 A. State meaning?

2 Q. Like child support?

3 A. Child support, yes, absolutely.

4 MR. HOLMES: If we could take just
5 a short break I think I am just about done.

6 MR. DOUGHERTY: Okay.

7 MR. HOLMES: We can go off the
8 record.

9 (Whereupon a recess was had.)

10 BY MR. HOLMES:

11 Q. We can go back on the record.

12 Mr. Zeh, I just have a few
13 follow-up questions and then I am going to
14 have a dialogue with your attorney about
15 documents.

16 Does Running Waters currently
17 employ any former Alpine employees?

18 A. Yes.

19 Q. Which ones?

20 A. Jesus.

21 Q. Okay.

22 A. Pedro.

23 Q. Are those the only two employees of
24 Running Waters?

1 A. No.

2 Q. How many additional employees are
3 there?

4 A. Armando.

5 Q. Okay.

6 A. Cailin, C-a-i-l-i-n.

7 Q. Is that your daughter?

8 A. Stepdaughter.

9 Q. That's it?

10 A. And me.

11 Q. And you.

12 What does Running Waters do?

13 A. Irrigation service primarily.

14 Q. Irrigation service?

15 A. Yes.

16 Q. Installation?

17 A. Some, very little.

18 Q. Cailin, your stepdaughter, is she
19 like the secretary?

20 A. She does, yes. Technically she is
21 not my stepdaughter, I am not married to her
22 mother. She is just an employee.

23 Q. You are engaged to her mother,
24 correct?

1 A. We are engaged.

2 Q. Why didn't Running Waters purchase
3 the assets directly?

4 A. The leasing?

5 Q. Correct.

6 A. To lease it?

7 MR. DOUGHERTY: I will object, it
8 calls for speculation.

9 THE WITNESS: Do I answer?

10 MR. DOUGHERTY: Yeah, you can
11 answer if you understand the question.

12 THE WITNESS: I don't really
13 understand. Like what do you mean, why did
14 Running Waters not buy the equipment?

15 BY MR. HOLMES:

16 Q. Correct.

17 A. Why are they leasing the
18 equipment?

19 Q. Why did you set up two
20 corporations?

21 A. The exposure. If Running Waters
22 gets sued for something they did then the
23 equipment wouldn't be taken, you know, was
24 the way I was explained when I was setting up

1 the business through recommendations of
2 lawyers.

3 MR. DOUGHERTY: I will object now,
4 asserting the attorney-client privilege. If
5 you are citing substantive conversations with
6 your attorney I think that's all privileged
7 information. So to the extent that it
8 discloses confidential communications I would
9 ask that be stricken from the record.

10 BY MR. HOLMES:

11 Q. What attorneys did you consult?

12 A. Goldstine.

13 Q. Do you recall when you consulted
14 them?

15 A. No.

16 Q. Was it in early 2009?

17 A. I'm not sure when.

18 Q. Does Running Waters have any of the
19 same clients that Alpine had?

20 MR. DOUGHERTY: I will object. I
21 think this is going beyond the scope of the
22 citation. We are just here to talk about the
23 assets of Alpine Irrigation Company.

24

1 BY MR. HOLMES:

2 Q. You can answer.

3 A. Do I answer?

4 MR. HOLMES: He has to answer. I
5 mean, if you like I can cite him in again in
6 his capacity.

7 MR. DOUGHERTY: My objection is
8 preserved so you can answer.

9 THE WITNESS: But I don't have to
10 answer, it doesn't really matter?

11 MR. DOUGHERTY: Well, he could get
12 a Court order.

13 THE WITNESS: Recommendation of
14 counsel, do I answer or not? I just don't
15 know whether I should answer.

16 MR. DOUGHERTY: You can answer, it
17 will probably save us a trip.

18 THE WITNESS: Yes.

19 BY MR. HOLMES:

20 Q. What percentage of the clientele
21 are the same, approximately?

22 MR. DOUGHERTY: Standing objection
23 to all the line of questions regarding
24 Running Waters.

1 So if you want to answer you
2 can answer.

3 THE WITNESS: That I wouldn't
4 know.

5 BY MR. HOLMES:

6 Q. More than fifty?

7 A. Like I said, I wouldn't know.

8 Q. More than twenty-five?

9 A. I would not know. I am not going
10 to speculate.

11 MR. HOLMES: I have no further
12 questions at this time. Your attorney may
13 have some follow-up questions.

14 MR. DOUGHERTY: No, no questions.

15 MR. HOLMES: There are some
16 additional documents.

17 MR. DOUGHERTY: We can talk about
18 those off the record.

19 We will reserve signature.

20 (FURTHER DEPONENT SAITH NAUGHT.)

21

22

23

24

1 STATE OF ILLINOIS)
2) SS:
3 COUNTY OF C O O K)
4

5 I, JOEL KATZ, a notary public
6 within and for the County of Cook County and
7 State of Illinois, do hereby certify that
8 heretofore, to-wit, on the 8th day of June,
9 2010, personally appeared before me, at 20
10 North Clark Street, in the City Chicago,
11 County of Cook, State of Illinois, JEFFREY L.
12 ZEH, a witness called by the plaintiff in a
13 cause now pending and undetermined in the
14 United States District Court, Northern
15 District of Illinois, Eastern Division
16 wherein JAMES T. SULLIVAN, etc., et al are
17 the Plaintiffs, and ALPINE IRRIGATION
18 COMPANY, an Illinois corporation is the
19 Defendant.

20 I further certify that the said
21 witness, JEFFREY L. ZEH, was by me first duly
22 sworn to testify the truth, the whole truth
23 and nothing but the truth in the cause
24 aforesaid; that the testimony then given by

1 said witness was by me reduced to writing, by
2 means of shorthand, in the presence of the
3 said witness and afterwards transcribed upon
4 a computer, and the foregoing is a true and
5 correct transcript of the testimony so given
6 by said witness as aforesaid.

7 I further certify that the reading
8 and signing of said deposition was reserved.

9 I further certify that a letter was
10 sent requesting the witness to read and sign
11 said deposition. Pursuant to Rule 30(e) of
12 the Rules of Civil Procedure for the United
13 States District Court a letter was sent
14 requesting the witness to read and sign said
15 deposition.

16 I further certify that if the
17 deposition remains unsigned the reason
18 therefore is the deponent's failure to submit
19 a signed deponent's certificate.

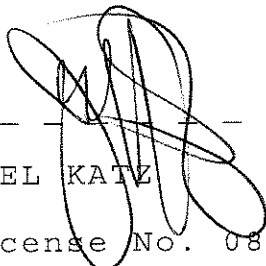
20 I further certify that the taking
21 of this deposition was pursuant to Notice,
22 and that there were present at the deposition
23 the attorneys hereinbefore mentioned.

24 I further certify that I am not

1 counsel for nor in any way related to the
2 parties to this suit, nor am I in any way
3 interested in the outcome thereof.

4 IN TESTIMONY WHEREOF: I have
5 hereunto set my hand and affixed my notarial
6 seal this 10th day of June 2010.

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JOEL KATZ
License No. 084-003385

U.S. Corporation Income Tax Return For calendar year 2007 or tax year beginning ending See separate instructions.

2007

Header section containing: A Check if: B Employer identification number, C Date incorporated, D Total assets, E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Income section table with columns: Line number, Description, Amount. Includes lines 1a through 11.

Deductions section table with columns: Line number, Description, Amount. Includes lines 12 through 29. Includes handwritten note: 'J. Zeh DEPREX NO 1 FOR ID. AS OF 6/8/10'.

Tax and Payments section table with columns: Line number, Description, Amount. Includes lines 30 through 36.

Sign Here section containing: Declaration of preparer, Signature of officer (ROBERT T. ZEH), Date, Title (PRESIDENT).

Paid Preparer's Use Only section containing: Preparer's signature, Firm's name (BERMAN AND SONS, LTD.), Address (23160 W Lincoln Hwy, Plainfield, IL), EIN, Phone no. (815-439-8000).

REDACTED

Form **7004**
 (Rev. December 2007)
 Department of the Treasury
 Internal Revenue Service

**Application for Automatic 6-Month Extension of Time To File
 Certain Business Income Tax, Information, and Other Returns**

OMB No. 1545-0233

▶ File a separate application for each return.

Type or Print

Name ALPINE IRRIGATION CO.	Identifying number
Number, street, and room or suite no. (If P.O. box, see instructions.) PO BOX 385	
City, town, state, and ZIP code (If a foreign address, enter city, province or state, and country (follow the country's practice for entering postal code)). PLAINFIELD IL 60544	

Note. See instructions before completing this form.

- 1 Enter the form code for the return that this application is for (see below)
- 2 If the foreign corporation does not have an office or place of business in the United States, check here
- 3 If the organization is a corporation or partnership that qualifies under Regulations section 1.6081-5, check here
- 4a The application is for calendar year 20 07, or tax year beginning, and ending
- b **Short tax year.** If this tax year is less than 12 months, check the reason:
 Initial return Final return Change in accounting period Consolidated return to be filed
- 5 If the organization is a corporation and is the common parent of a group that intends to file a consolidated return, check here
 If checked, attach a schedule, listing the name, address, and Employer Identification Number (EIN) for each member covered by this application.
- 6 Tentative total tax

6	0
---	---
- 7 Total payments and credits (see instructions)

7	0
---	---
- 8 **Balance due.** Subtract line 7 from line 6. Generally, you must deposit this amount using the **Electronic Federal Tax Payment System (EFTPS), a Federal Tax Deposit (FTD) Coupon, or Electronic Funds Withdrawal (EFW)** (see instructions for exceptions)

8	0
---	---

Application Is For:	Form Code	Application Is For:	Form Code
Form 706-GS(D)	01	Form 1120-ND	19
Form 706-GS(T)	02	Form 1120-ND (section 4951 taxes)	20
Form 1041 (estate)	04	Form 1120-PC	21
Form 1041 (trust)	05	Form 1120-POL	22
Form 1041-N	06	Form 1120-REIT	23
Form 1041-QFT	07	Form 1120-RIC	24
Form 1042	08	Form 1120-S	25
Form 1065	09	Form 1120-SF	26
Form 1065-B	10	Form 3520-A	27
Form 1066	11	Form 8612	28
Form 1120	12	Form 8613	29
Form 1120-A (fiscal-year 2006-2007 corporations)	14	Form 8725	30
Form 1120-C	34	Form 8804	31
Form 1120-F	15	Form 8831	32
Form 1120-FSC	16	Form 8876	33
Form 1120-H	17	Form 8924	35
Form 1120-L	18		

For Paperwork Reduction Act Notice, see instructions.

Form **7004** (Rev. 12-2007)

REDACTED

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year	1	860
2	Purchases	2	137,896
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule) Stmt 2	5	155,626
6	Total. Add lines 1 through 5	6	294,382
7	Inventory at end of year	7	5,850
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	288,532

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	Total. 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	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4		
20	Total special deductions. 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 JEFFREY L ZEH		100.000%	100.000%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
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	Credits from Forms 5735 and 8834		5b		
c	General business credit. Check applicable box(es): <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 8835, Section B <input type="checkbox"/> Form 8844 <input type="checkbox"/> Form 8846		5c		0
d	Credit for prior year minimum tax (attach Form 8827)		5d		
e	Bond credits from: <input type="checkbox"/> Form 8860 <input type="checkbox"/> Form 8912		5e		
6	Total credits. 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	Total tax. Add lines 7 through 9. Enter here and on page 1, line 31			10	0

Schedule K Other Information (see instructions)

	Yes	No		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶				
2	See the instructions and enter the: a Business activity code no. ▶ 238900 b Business activity ▶ TRADE CONTRACTOR c Product or service ▶ IRRIGATION SYSTEMS				
3		<input checked="" type="checkbox"/>	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) taxable income or (loss) before NOL and special deduction of such corporation for the tax year ending with or within your tax year.		
4		<input checked="" type="checkbox"/>	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 ▶		
5		<input checked="" type="checkbox"/>	At the end of the tax year, did any individual, partnership, corporation, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) Stmt 3 If "Yes," attach a schedule showing name and identifying number. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ 100.000		
6		<input checked="" type="checkbox"/>	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.) 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, Affiliations Schedule, 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 stock of the corporation entitled to vote or (b) the total value of all classes of stock of the corporation? If "Yes," enter: (a) Percentage owned ▶ and (b) Owner's country ▶		<input checked="" type="checkbox"/>
8			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 number of Forms 5472 attached ▶		
9			Check this box if the corporation issued publicly offered debt instruments with original issue discount <input type="checkbox"/> 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) ▶		
11			If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here <input type="checkbox"/> 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.) ▶ \$ 23,299		
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? If "Yes," the corporation is not required to complete Schedules L, M-1, and M-2 on page 4. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year. ▶ \$		<input checked="" type="checkbox"/>

REDACTED

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		3,591		4,282
2a	Trade notes and accounts receivable	8,658		6,583	
b	Less allowance for bad debts		8,658		6,583
3	Inventories		860		5,850
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (att. sch.) Stmt 4		7,000		7,500
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach sch.)				
10a	Buildings and other depreciable assets	141,353		141,353	
b	Less accumulated depreciation	100,685	40,668	108,980	32,373
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach sch.)				
15	Total assets		60,777		56,588
Liabilities and Shareholders' Equity					
16	Accounts payable		1,846		6,338
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (att. sch.) Stmt 5		2,032		917
19	Loans from shareholders		57,500		34,416
20	Mortgages, notes, bonds payable in 1 year or more		17,424		12,487
21	Other liabilities (attach schedule)				
22	Capital stock: a Preferred stock				
b	Common stock	-3,046	-3,046	-3,046	-3,046
23	Additional paid-in capital				
24	Retained earnings-Appropriated (att. sch.)				
25	Retained earnings-Unappropriated		-14,979		5,476
26	Adjustments to SH equity (att. sch.)				
27	Less cost of treasury stock				
28	Total liabilities and shareholders' equity		60,777		56,588

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	20,455	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize):		8	Deductions on this return not charged against book income this year (itemize):	
a	Depreciation		a	Depreciation	\$
b	Charitable contributions		b	Charitable contributions	\$
c	Travel and entertainment				
	Stmt 6	75			
6	Add lines 1 through 5	20,530	9	Add lines 7 and 8	
			10	Income (page 1, line 28)-line 6 less line 9	20,530

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year	-14,979	5	Distributions: a Cash	
2	Net income (loss) per books	20,455		b Stock	
3	Other increases (itemize):			c Property	
			6	Other decreases (itemize):	
			7	Add lines 5 and 6	
4	Add lines 1, 2, and 3	5,476	8	Balance at end of year (line 4 less line 7)	5,476

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

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2007

Attachment
Sequence No. **67**

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

Name(s) shown on return **ALPINE IRRIGATION CO.** Identifying number

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	125,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000
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 2006 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 2008. 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 allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) and cellulosic biomass ethanol plant 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	622

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 2007	17	1,428
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		

Section B-Assets Placed in Service During 2007 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	
i	Nonresidential real property		27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	

Section C-Assets Placed in Service During 2007 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	6,245
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 instr.	22	8,295
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.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		24b If "Yes," is the evidence written?		<input type="checkbox"/> Yes		<input checked="" type="checkbox"/> No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special allowance for qualified Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)								25			
26 Property used more than 50% in a qualified business use:											
2005 CARGO VAN	1/01/06	100.00%	23,330	23,330	5.0	200DBHY	5,200				
FORD F450 SC	7/01/02	75.12%	34,500	18,141	5.0	200DBHY	1,045				
27 Property used 50% or less in a qualified business use:											
		%				S/L-					
		%				S/L-					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	6,245			
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29			

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2007 tax year (see instructions):					
43 Amortization of costs that began before your 2007 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

NOL and Contribution Carryover Worksheet - Regular Tax

Form **1120**

2007

For calendar year 2007 or tax year beginning , ending

Name **ALPINE IRRIGATION CO.** Employer Identification Number

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 12/31/92					
14th 12/31/93					
13th 12/31/94					
12th 12/31/95					
11th 12/31/96					
10th 12/31/97					
9th 12/31/98					
8th 12/31/99	-6,020		6,020	6,020	0
7th 12/31/00					
6th 12/31/01					
5th 12/31/02					
4th 12/31/03					
3rd 12/31/04	-2,911		2,911	2,911	0
2nd 12/31/05					
1st 12/31/06	-14,368		14,368	11,599	2,769
NOL Carryover Available To Current Year			23,299		
Current Year	0 20,530			20,530	0
NOL Carryover Available To Next Year					2,769

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 12/31/02						
4th 12/31/03						
3rd 12/31/04						
2nd 12/31/05						
1st 12/31/06						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

REDACTED

NOL and Contribution Carryover Worksheet - AMT

Form **1120** For calendar year 2007 or tax year beginning _____, ending _____ **2007**

Name **ALPINE IRRIGATION CO.** Employer Identification Number _____

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 12/31/92					
14th 12/31/93					
13th 12/31/94					
12th 12/31/95					
11th 12/31/96					
10th 12/31/97					
9th 12/31/98					
8th 12/31/99					
7th 12/31/00					
6th 12/31/01					
5th 12/31/02					
4th 12/31/03					
3rd 12/31/04					
2nd 12/31/05					
1st 12/31/06	-14,368		14,368	14,368	0
NOL Carryover Available To Current Year			14,368		
Current Year	0 18,477			14,368	0
NOL Carryover Available To Next Year					0

Charitable Contributions		Prior Year		Current Year		Next Year
Preceding Tax Year	Excess Contributions	Utilized Or Reclaimed to NOL	Carryover	Reclaimed to NOL (Reg. Sec. 1.170A-11(c)(2))	Carryovers Utilized	Carryover
5th 12/31/02						
4th 12/31/03						
3rd 12/31/04						
2nd 12/31/05						
1st 12/31/06						
Charitable Contribution Carryover To Current Year			0			
Current Year	0					0
Charitable Contribution Carryover Available To Next Year						0

REDACTED

Federal Statements

FYE: 12/31/2007

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

<u>Description</u>	<u>Amount</u>
AUTO/TRUCK	\$ 5,919
SUB CONTRACTORS	6,235
INSURANCE	23,900
LEGAL/ACCOUNTING	1,567
LICENSE/PERMITS	1,536
MISCELLANEOUS EXPENSES	272
TELEPHONE	2,851
UNION BENEFITS/PENSION	22,541
UTILITIES	4,026
BID BONDS	300
COMMISSIONS	9,800
Total	<u>\$ 78,947</u>

REDACTED

Federal Statements

FYE: 12/31/2007

Statement 2 - Form 1120, Page 2, Schedule A, Line 5 - Other Costs

<u>Description</u>	<u>Amount</u>
WAGES	\$ 155,626
Total	<u>\$ 155,626</u>

REDACTED

Federal Statements

FYE: 12/31/2007

Statement 4 - Form 1120, Page 4, Schedule L, Line 6 - Other Current Assets

Description	Beginning of Year	End of Year
EMPLOYEE ADVANCE	\$ 7,000	\$ 7,500
Total	\$ 7,000	\$ 7,500

Statement 5 - Form 1120, Page 4, Schedule L, Line 18 - Other Current Liabilities

Description	Beginning of Year	End of Year
WITHHELD TAXES TO DEPOSIT	\$ -73	\$ 578
ACCRUED EXPENSES	2,105	339
Total	\$ 2,032	\$ 917

Statement 6 - Form 1120, Page 4, Schedule M-1, Line 5 - Expenses on Books Not on Return

Description	Amount
Fines and Penalties	\$ 75
Total	\$ 75

REDACTED

Federal Asset Report

Form 1120, Page 1

FYE: 12/31/2007

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	Per Conv	Meth	Prior	Current
Prior MACRS:										
3	USED TRENCHER	3/27/01	4,800			4,800	5	HY 200DB	4,800	0
4	USED TRACTOR	7/12/01	9,500			9,500	5	HY 200DB	9,500	0
5	ROTOTILLER	7/28/01	1,254			1,254	5	HY 200DB	1,254	0
6	PRINTER	9/14/01	264		X	185	5	HY 200DB	264	0
7	COMPUTER	12/04/01	1,501		X	1,051	5	HY 200DB	1,501	0
9	WELLS CARGO	8/14/02	8,013		X	5,609	5	HY 200DB	7,690	323
10	POWER TAMP	8/30/02	2,461		X	1,723	5	HY 200DB	2,362	99
11	PRE 2005 ASSETS	12/31/05	45,217	92.33		41,749	7	HY 200DB	41,749	1,006
			<u>73,010</u>			<u>65,871</u>			<u>69,120</u>	<u>1,428</u>
Other Depreciation:										
1	SURVEYOR	4/19/04	10,078			10,078	5	MO200DB	8,627	622
2	RADIO & PHONE	5/15/00	435			435	5	MO200DB	435	0
	Total Other Depreciation		<u>10,513</u>			<u>10,513</u>			<u>9,062</u>	<u>622</u>
	Total ACRS and Other Depreciation		<u>10,513</u>			<u>10,513</u>			<u>9,062</u>	<u>622</u>
Listed Property:										
12	2005 CARGO VAN	1/01/06	23,330			23,330	5	HY 200DB	3,260	5,200
8	FORD F450 SC	7/01/02	34,500	75.12	X	18,141	5	HY 200DB	19,244	1,045
			<u>57,830</u>			<u>41,471</u>			<u>22,504</u>	<u>6,245</u>
	Grand Totals		141,353			117,855			100,686	8,295
	Less: Dispositions		0			0			0	0
	Less: Start-up/Org Expensed		0			0			0	0
	Net Grand Totals		<u>141,353</u>			<u>117,855</u>			<u>100,686</u>	<u>8,295</u>

REDACTED

Bonus Depreciation Report

FYE: 12/31/2007

Asset	Property Description	Date In Service	Tax Cost	Bus Pct	Tax Sec 179 Exp	Current Bonus	Prior Bonus	Tax - Basis for Depr
Activity: Form 1120, Page 1								
6	PRINTER	9/14/01	264		0	0	79	185
7	COMPUTER	12/04/01	1,501		0	0	450	1,051
8	FORD F450 SC	7/01/02	34,500	75	0	0	7,775	18,141
9	WELLS CARGO	8/14/02	8,013		0	0	2,404	5,609
10	POWER TAMP	8/30/02	2,461		0	0	738	1,723
	Form 1120, Page 1		<u>46,739</u>		<u>0</u>	<u>0</u>	<u>11,446</u>	<u>26,709</u>
	Grand Total		<u>46,739</u>		<u>0</u>	<u>0</u>	<u>11,446</u>	<u>26,709</u>

REDACTED

Depreciation Adjustment Report

FYE: 12/31/2007

All Business Activities

Form	Unit	Asset	Description	Tax	AMT	ACE	AMT Adjustments/ Preferences
Additional ACE Information for Other Assets:							
Page 1	1	1	SURVEYOR	622	0*	622 s	
Page 1	1	2	RADIO & PHONE	0	0*	0 s	
Page 1	1	3	USED TRENCHER	0	0*	0 s	
Page 1	1	4	USED TRACTOR	0	0*	0 s	
Page 1	1	5	ROTOTILLER	0	0*	0 s	
Page 1	1	6	PRINTER	0	0*	0 s	
Page 1	1	7	COMPUTER	0	0*	0 s	
Page 1	1	8	FORD F450 SC	1,045	0*	1,045 s	
Page 1	1	9	WELLS CARGO	323	0*	323 s	
Page 1	1	10	POWER TAMP	99	0*	99 s	
Page 1	1	11	PRE 2005 ASSETS	1,006	0*	1,006 s	
Page 1	1	12	2005 CARGO VAN	5,200	0*	5,200 s	
				<u>8,295</u>	<u>0</u>	<u>8,295 s</u>	
Totals for ACE Depreciation Adjustment:							
AMT Depreciation Addback					<u>8,295</u>		
ACE Depreciation Expense						<u>8,295 s</u>	

REDACTED

* - This asset has no values in AMT column, assume AMT = Tax Value
 s - Substituted applicable AMT or Tax data when ACE column is blank.

Future Depreciation Report FYE: 12/31/08

FYE: 12/31/2007

Form 1120, Page 1

Asset	Description	Date In Service	Cost	Tax	AMT	ACE
Prior MACRS:						
3	USED TRENCHER	3/27/01	4,800	0	0	0
4	USED TRACTOR	7/12/01	9,500	0	0	0
5	ROTOTILLER	7/28/01	1,254	0	0	0
6	PRINTER	9/14/01	264	0	0	0
7	COMPUTER	12/04/01	1,501	0	0	0
9	WELLS CARGO	8/14/02	8,013	0	0	0
10	POWER TAMP	8/30/02	2,461	0	0	0
11	PRE 2005 ASSETS	12/31/05	45,217	0	0	0
			<u>73,010</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other Depreciation:						
1	SURVEYOR	4/19/04	10,078	622	0	0
2	RADIO & PHONE	5/15/00	435	0	0	0
	Total Other Depreciation		<u>10,513</u>	<u>622</u>	<u>0</u>	<u>0</u>
	Total ACRS and Other Depreciation		<u>10,513</u>	<u>622</u>	<u>0</u>	<u>0</u>
Listed Property:						
12	2005 CARGO VAN	1/01/06	23,330	3,150	0	0
8	FORD F450 SC	7/01/02	34,500	0	0	0
			<u>57,830</u>	<u>3,150</u>	<u>0</u>	<u>0</u>
	Grand Totals		<u>141,353</u>	<u>3,772</u>	<u>0</u>	<u>0</u>

REDACTED

Name **ALPINE IRRIGATION CO.** Employer Identification Number

	2006	2007	Differences
Gross profit percentage	70.5132	30.8473	-39.6659
Gross receipts less returns and allowances	325,122	417,239	92,117
Cost of goods sold	95,868	288,532	192,664
Gross profit	229,254	128,707	-100,547
Income			
Dividends			
Interest			
Gross rents			
Gross royalties			
Capital gain net income from Schedule D			
Net gain or (loss) from Form 4797			
Other income			
Total Income	229,254	128,707	-100,547
Deductions			
Compensation of officers	26,880		-26,880
Salaries and wages less employment credits	100,166		-100,166
Repairs and maintenance	240	3,777	3,537
Bad debts	3,248	686	-2,562
Rents			
Taxes and licenses	17,982	15,533	-2,449
Interest	1,470	939	-531
Charitable contributions			
Depreciation	8,874	8,295	-579
Depletion			
Advertising			
Pension, profit-sharing, etc., plans			
Employee benefit programs	19,042		-19,042
Domestic production activities deduction			
Other deductions	65,720	78,947	13,227
Total deductions	243,622	108,177	-135,445
Taxable income before NOL & special deductions	-14,368	20,530	34,898
Net operating loss		20,530	20,530
Special deductions			
Tax and Payments			
Taxable income	-14,368		14,368
Income tax	0	0	0
Alternative minimum tax			
Foreign tax credit			
Credits from Forms 5735 and 8834			
General business credit			
Credit for prior year minimum tax			
Bond credits			
Personal holding company tax			
Other taxes			
Total tax (including additional taxes)	0	0	0

Name **ALPINE IRRIGATION CO.** Employer Identification Number

		2006	2007	Differences
Payments and Credits	Prior year overpayment credited to current year			
	Current year estimated tax payments			
	Refund applied for on Form 4466			
	Tax deposited with Form 7004			
	Credit from Form 2439			
	Credit for Federal tax on fuels			
	Credit for Federal telephone excise tax			
	Backup withholding			
	Total payments and credits			
Tax Due or Refund	Tax due (overpayment)	0	0	0
	Estimated tax penalty from Form 2220			
	Penalties and interest			
	Net tax due (overpayment)	0	0	0
	Amount of overpayment credited to next year's tax			
	Amount of overpayment refunded			
Sch L	Beginning assets	60,986	60,777	-209
	Beginning liabilities and equity	60,986	60,777	-209
	Ending assets	60,777	56,588	-4,189
	Ending liabilities and equity	60,777	56,588	-4,189
Sch M-1	Net income per books	-14,611	20,455	35,066
	Federal income tax			
	Excess of capital losses over capital gains			
	Taxable income not on books			
	Book expenses not deducted	244	75	-169
	Income on books not on return			
	Return deductions not on books	1		-1
	Income per return	-14,368	20,530	34,898
Sch M-2	Beginning of year balance	-2,052	-14,979	-12,927
	Net income (loss) per books	-14,611	20,455	35,066
	Other increases	1,684		-1,684
	Cash distributions			
	Stock distributions			
	Property distributions			
	Other decreases			
	Balance at end of year	-14,979	5,476	20,455
Sch M-3	Total income (loss) items:			
	Income (loss) per income statement			
	Temporary difference			
	Permanent difference			
	Income (loss) per tax return			
	Total expense/deduction items:			
	Expense per income statement			
	Temporary difference			
	Permanent difference			
	Deduction per tax return			
	Other items with no differences:			
	Income (loss) per income statement			
	Income (loss) per tax return			
	Reconciliation totals:			
Income (loss) per income statement				
Temporary difference				
Permanent difference				
Income (loss) per tax return				

Federal Statements

FYE: 12/31/2007

Form 1120, Page 1, Line 1a - Gross Receipts

<u>Description</u>	<u>Amount</u>
SALES	\$ 417,457
Total	\$ <u>417,457</u>

Form 1120, Page 1, Line 1b - Returns and Allowances

<u>Description</u>	<u>Amount</u>
REFUNDS	\$ 218
Total	\$ <u>218</u>

Form 1120, Page 1, Line 15 - Bad Debts

<u>Description</u>	<u>Amount</u>
BAD DEBTS	\$ 686
Total	\$ <u>686</u>

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

<u>Description</u>	<u>Amount</u>
TAX - FICA	\$ 11,905
TAX - FEDERAL UI	311
TAX - STATE UI	3,317
Total	\$ <u>15,533</u>

Form 1120, Page 1, Line 18 - Interest

<u>Description</u>	<u>Amount</u>
INTEREST EXPENSE	\$
INTEREST	939
Total	\$ <u>939</u>

REDACTED

Federal Statements

FYE: 12/31/2007

Form 1120, Page 4, Schedule L, Line 2a - Trade Notes and Accounts Receivable

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
ACCOUNTS RECEIVABLE	\$ 8,658	\$ 6,583
Total	<u>\$ 8,658</u>	<u>\$ 6,583</u>

Form 1120, Page 4, Schedule L, Line 19 - Loans from Shareholders

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
LOANS FROM SHAREHOLDERS	\$ 57,500	\$ 34,416
Total	<u>\$ 57,500</u>	<u>\$ 34,416</u>

Form 1120, P4, Sch L, Line 20 - Mortgage, Notes, Bonds Pay in One Year or More

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
NLSB CARGO VAN LOAN	\$ 17,424	\$ 12,487
Total	<u>\$ 17,424</u>	<u>\$ 12,487</u>

REDACTED

Form 1120 Return Summary

For calendar year 2007 or tax year beginning _____, ending _____
ALPINE IRRIGATION CO.

Taxable Income	
Total income	128,707
Total deductions	108,177
Taxable income before NOL / special deductions	20,530
Net operating loss deduction	20,530
Special deductions	_____
Taxable income	0
Tax Computation	
Income tax	
Alternative minimum tax	
Foreign tax credit	
General business credit	
Other credits	
Personal holding company tax	
Other taxes	
Additional taxes	
Total tax	0
Payments / Penalties	
Estimated tax payments	
Extension payment	
Other payments / credits	
Estimated tax penalty (Form 2220)	
Penalties and interest	
Total payments / penalties	_____
Tax due	_____
Overpayment credited to next year's estimated tax	_____
Refund	_____

Next Year's Estimates

1st quarter	_____
2nd quarter	_____
3rd quarter	_____
4th quarter	_____
Total	_____

	Schedule L		Schedule M-1
	Prior Year	Current Year	
Assets	60,777	56,588	Schedule M-1 20,530
Liabilities	60,777	56,588	Page 1 20,530
Difference	0	0	0
	Schedule M-2		Schedule M-3
Schedule M-2		5,476	Schedule M-3
Schedule L		5,476	Page 1
Difference		0	0

REDACTED

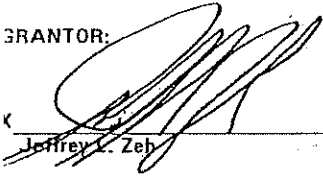
AGREEMENT TO PROVIDE INSURANCE
(Continued)

Loan No: _____

Page 2

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED NOVEMBER 7, 2006.

GRANTOR:



Jeffrey L. Zeh

FOR LENDER USE ONLY
INSURANCE VERIFICATION

DATE: _____

PHONE _____

AGENT'S NAME: _____

AGENCY: _____

ADDRESS: _____

INSURANCE COMPANY: _____

POLICY NUMBER: _____

EFFECTIVE DATES: _____

COMMENTS: _____

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Online Banking
JEFFREY L ZEH

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$425.50
 Payment Date: February 14, 2008
 Submitted Date and Time: February 14, 2008 12:43 PM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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Payment posting timeframes

If you make your payment	Your payment will post to your account on
before 3:00 p.m. ET, Monday-Saturday	The same day
after 3:00 p.m. ET, Monday-Friday	The next day
after 3:00 p.m. ET, Saturday	The following Monday; funds may be available Tuesday
any time Sunday	

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- If you are paying your balance in full, your current balance includes interest only through your last statement closing date. It may not reflect additional interest charges that may have accrued on your account since that date.

J. Zeh DEP EX. NO 3
 FOR ID., AS OF 6/8/10

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JEFFREY L ZEH

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: **\$5,709.37**
 Payment Date: March 12, 2008
 Submitted Date and Time: March 12, 2008 04:48 PM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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JEFFREY L ZEH

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Business Card ..
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$8,268.02
 Payment Date: August 02, 2008
 Submitted Date and Time: August 02, 2008 07:17 AM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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JEFFREY L ZEH

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Signature
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$6,109.27
 Payment Date: August 02, 2008
 Submitted Date and Time: August 02, 2008 07:22 AM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.



Payment posting timeframes

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~~\$8,268.02~~
2000 -

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To:	Visa Signature
Pay From:	Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
Payment Amount:	\$2,000.00
Payment Date:	August 16, 2008
Submitted Date and Time:	August 16, 2008 05:04 PM ET
Reference Number:	

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Payment posting timeframes

If you make your payment

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 after 3:00 p.m. ET, Monday-Friday
 after 3:00 p.m. ET, Saturday
 any time Sunday

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\$5,991.42

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$5,991.42
 Payment Date: August 25, 2008
 Submitted Date and Time: August 25, 2008 07:42 AM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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Payment Complete

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\$10,000.00

Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$10,000.00
 Payment Date: September 23, 2008
 Submitted Date and Time: September 23, 2008 12:58 PM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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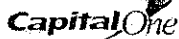
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#3,824.31

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Signature
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$3,824.31
 Payment Date: September 23, 2008
 Submitted Date and Time: September 23, 2008 12:48 PM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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#4,200.00

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$4,200.00
 Payment Date: October 06, 2008
 Submitted Date and Time: October 06, 2008 01:14 PM ET
 Reference Number:

I have authorized Capital One® to initiate an electronic debit from my payment account in the amount listed above. I understand that this is a one-time authorization and must be completed each time I wish to make a payment.

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Payment posting timeframes

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Online Banking
JEFFREY L ZEH

\$5008.77

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Signature
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK..1661
 Payment Amount: \$5,008.77
 Payment Date: October 06, 2008
 Submitted Date and Time: October 06, 2008 01:17 PM ET
 Reference Number:

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Online Banking
JEFFREY L ZEH

\$4,939.01

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Signature
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$4,939.01
 Payment Date: November 06, 2008
 Submitted Date and Time: November 06, 2008 03:42 PM ET
 Reference Number:

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MEMBER FDIC
Equal Housing Lender





Online Banking
JEFFREY L ZEH

\$3,349.69

Payment Complete

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Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1551
 Payment Amount: \$3,348.69
 Payment Date: November 07, 2008
 Submitted Date and Time: November 07, 2008 06:33 PM ET
 Reference Number:

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MEMBER FDIC
Equal Housing Lender





Online Banking
JEFFREY L ZEH

\$5,114.45

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Signature
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$5,114.45
 Payment Date: November 20, 2008
 Submitted Date and Time: November 20, 2008 10:00 AM ET
 Reference Number:

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after 3:00 p.m. ET, Saturday	The following Monday; funds may be available Tuesday
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Online Banking
JEFFREY L ZEH

#1,720.01

Payment Complete

Your scheduled payment has been submitted. [View your pending payments.](#)

Payment Details

Pay To: Visa Business Card
 Pay From: Business Checking - HARRIS TRUST AND SAVINGS BANK...1661
 Payment Amount: \$1,720.01
 Payment Date: December 06, 2008
 Submitted Date and Time: December 06, 2008 02:01 PM ET
 Reference Number:

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EXHIBIT B

CERTIFIED
ORIGINAL

1 S57860

2

IN THE UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS

3

EASTERN DIVISION

4

JAMES T. SULLIVAN,)

5

Plaintiff,)

6

vs.) No. 09 C 2329

7

ALPINE IRRIGATION)

8

COMPANY, an Illinois)

corporation,)

9

Defendant.)

10

11

12

Deposition of ROBERT F. ZEH, called as a

13

witness by the Plaintiff, pursuant to the

14

provisions of the Federal Rules of Civil

15

Procedure pertaining to the taking of

16

depositions, before Lynette J. Neal, CSR, and a

17

Notary Public in and for the County of DuPage,

18

taken at Lewis, Overbeck & Furman, Suite 3200,

19

20 North Clark Street, Chicago, Illinois, on

20

March 25, 2010, at the hour of 10:30 a.m.

21

22

23

24

1 **PRESENT:**

2 **LEWIS, OVERBECK & FURMAN, by**
3 **MR. RYAN HOLMES,**
4 **Suite 3200**
 20 North Clark Street
5 **Chicago, Illinois 60603**
 (312) 580-1200

6

appeared on behalf of Plaintiff; and

7

GOLDSTINE, SKRODZKI, RUSSIAN, NEMEC AND HOFF,
8 **LTD., by**
9 **MR. BRIAN DOUGHERTY,**
10 **7666 West 63rd Street**
 Summit, Illinois 60501
11 **(708) 458-1253**

12

appeared on behalf of Defendant.

13

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I N D E X

EXAMINATION

By Mr. Holmes	4
By Mr. Dougherty	29
By Mr. Holmes	30

E X H I B I T S

No. 1	2007 Corporate Income Tax Return	12
No. 2	2008 Corporate Income Tax Return	17
No. 3	Pages From Checkbook Register	22

(Retained by Mr. Holmes.)

1 (The witness was thereupon duly
2 sworn.)

3 ROBERT F. ZEH,
4 called as a witness by the Plaintiff, pursuant to the
5 provisions of the Federal Rules of Civil Procedure
6 pertaining to the taking of depositions, having been
7 first duly sworn, was examined and testified as
8 follows:

9 DIRECT EXAMINATION

10 BY MR. HOLMES:

11 Q Could you state your name for the record.

12 A Robert F. Zeh, Z-e-h.

13 MR. HOLMES: Let the record reflect
14 that this is the citation examination of Alpine
15 Irrigation Corporation. Present is the
16 president, Robert Zeh, and his attorney.

17 BY MR. HOLMES:

18 Q Mr. Zeh, have you ever given a deposition before?

19 A No.

20 Q Okay. Just a couple of rules to make sure that
21 everything goes smoothly. You are under oath and
22 you understand what that means.

23 A Yes.

24 Q Okay. All your answers need to be verbal, yes or

1 noes. Uh-huhs and uh-uhs don't translate well on
2 the record.

3 **A** Okay.

4 **Q** Try not to talk over me and I will give you the
5 same courtesy. It makes for a nice clean record
6 and it keeps the court reporter happy and easy
7 for her to take down what everyone says.

8 If you need a break, please let me know.
9 This isn't an inquisition. If you need to use
10 the restroom or are thirsty, let us know, and
11 we'll take a break. The only exception is if
12 there is a question pending, I ask that you
13 answer it before we take the break.

14 If at any time during this deposition I say
15 "you," I mean -- I'm going to mean you as
16 president of Alpine Irrigation, not you
17 personally; okay?

18 Last, your attorney may object to one or
19 more of my questions. If he does object, I will
20 ask you to still answer unless he instructs you
21 specifically not to answer; is that fair?

22 **A** Yes.

23 **Q** Okay. Mr. Zeh, where is Alpine Irrigation
24 Company located, the business?

- 1 A Well, it was located at -- we had a post office
2 box and I lived with -- in Plainfield.
- 3 Q Did you run the business out of your house?
- 4 A Yes.
- 5 Q Okay.
- 6 A It started in Addison.
- 7 Q Addison in Plainfield?
- 8 A Illinois.
- 9 Q Oh, Addison, Illinois.
- 10 A Out of my house.
- 11 Q Okay. And you started the business back in 1965;
12 correct?
- 13 A '61.
- 14 Q '61. Is Alpine still in business?
- 15 A No.
- 16 Q When did Alpine cease doing business?
- 17 A 2008, I think.
- 18 Q I don't want you to guess. If you don't know,
19 that's a completely --
- 20 A Okay. I don't know.
- 21 Q -- acceptable answer.
- 22 A I'm not sure.
- 23 MR. DOUGHERTY: Also you can give
24 like a range of dates, if you are fairly

1 confident that it falls within a range. If you
2 say like between January and, you know, July of
3 '08 is my best recollection, something like that.

4 But if you just don't know, like counsel
5 said, you know, you don't know, but that's
6 another option.

7 A I'm sorry.

8 BY MR. HOLMES:

9 Q That's okay. Is the business still in good
10 standing with the Secretary of State?

11 A I'm sorry. I didn't understand that.

12 Q Is the business still in good standing with the
13 Secretary of State?

14 A Yes.

15 Q Did the business pay you personally rent for the
16 use of any part of your house?

17 A No.

18 Q Okay. Did the business pay any portion of the
19 utilities, gas, water, electric?

20 A No.

21 Q Okay. Just a few background questions. Are you
22 married?

23 A Widowed.

24 Q I'm sorry to hear that.

1 Do you have any children?

2 A Three.

3 Q Could you state their names?

4 A Tamara Lynn Reuton, that's a daughter, and
5 Jeffrey Lee Zeh, Z-e-h, and Penny Marie Darrah,
6 D-a-r-r-a-h.

7 Q And all your children are adults, sir; correct?

8 A Pardon me?

9 Q They are all adults; correct?

10 A Yes.

11 Q Your son, Jeffrey, did he used to work for you?

12 A Pardon me?

13 Q Did Jeffrey used to work for Alpine?

14 A Yes.

15 Q Okay. Does Alpine currently have any bank
16 accounts, such as checking, savings, or money
17 markets?

18 A No.

19 Q Was the last account the account at Harris,
20 Harris Bank?

21 A Yes.

22 Q Okay. Does Alpine own any real estate?

23 A No.

24 Q Does Alpine -- does Alpine currently have any

1 accounts receivable?

2 A No.

3 Q Is Alpine currently owed money from any person or
4 corporation?

5 A No.

6 Q Is Alpine a plaintiff or a defendant in any
7 lawsuits?

8 A No.

9 MR. DOUGHERTY: Besides the one in
10 this case?

11 MR. HOLMES: Besides the one in
12 this case.

13 MR. DOUGHERTY: Okay.

14 BY MR. HOLMES:

15 Q Do you know of any cause of action or right to
16 sue that Alpine may have?

17 A I'm sorry. I don't understand the question.

18 Q Let me see if I can ask it a different way.

19 Were all the accounts receivables
20 collected?

21 A The receivables?

22 Q Yes.

23 A Yes.

24 Q Okay. Does Alpine currently own any vehicles?

- 1 A Yes.
- 2 Q Okay. What vehicles does Alpine --
- 3 A A '95 Dodge pickup truck and that's it.
- 4 Q Was Alpine involved with another business in a
5 joint venture?
- 6 A No.
- 7 Q Okay. Does Alpine currently own any tools?
- 8 A By "tools" you mean equipment?
- 9 Q Equipment.
- 10 A Yes.
- 11 Q What equipment does Alpine own?
- 12 A Two old used pipe-pullers. I don't know what
13 else to call them.
- 14 Q Is that all the equipment?
- 15 A Yes.
- 16 Q Okay. Do you have an idea of what the fair
17 market value of the pipe-pullers are?
- 18 A No.
- 19 Q Would they be less than \$500?
- 20 A Yes.
- 21 Q Less than \$100?
- 22 A Probably. They are -- nobody wants them. They
23 are old.
- 24 Q Has Alpine ever filed for bankruptcy?

- 1 A No.
- 2 Q Okay. Has Alpine ever created an assignment for
3 the benefit of creditors?
- 4 A I'm sorry. I didn't hear that, the end of it.
- 5 Q An assignment for the benefit of creditors.
- 6 A Did what?
- 7 Q Did Alpine ever create an assignment for the
8 benefit of creditors?
- 9 A I don't know.
- 10 Q Okay. Was Alpine incorporated in any other
11 states?
- 12 A Pardon me?
- 13 Q Was Alpine incorporated in any other states?
- 14 A No.
- 15 Q Okay. So you didn't do any business in Indiana?
- 16 A No.
- 17 Q Do you know if Alpine is entitled to any monetary
18 refund from a state, city, or federal government,
19 like a tax return?
- 20 A No.
- 21 Q You don't know or Alpine is not?
- 22 A No.
- 23 Q Alpine is not?
- 24 A It is not.

1 Q Okay. After my client served Harris with a
2 citation to discover assets and your account was
3 frozen, how did you continue to pay bills?

4 A You mean -- I didn't have any bills. We closed
5 the company.

6 Q Did you pay the remaining tax obligations out of
7 your personal account?

8 A No.

9 MR. HOLMES: Can you mark this as
10 Exhibit 1.

11 (The document was thereupon
12 marked Zeh Deposition Exhibit
13 No. 1 for identification as of
14 March 25, 2010.)

15 BY MR. STPHAO:

16 Q Mr. Zeh, I'm handing you what has been marked as
17 Exhibit No. 1. I would like to ask you to look
18 at this document and tell me if you recognize it.

19 Does this appear to be your 2007 --

20 A 2007, yeah.

21 Q -- corporate income tax return?

22 A Yes.

23 Q Okay. Could you turn -- the pages aren't marked,
24 but could you turn to the federal asset report,

1 page 1? It is about halfway through the
2 document. I'm going to ask you some questions
3 about the property that's listed on this form;
4 okay?

5 A Uh-huh.

6 MR. DOUGHERTY: Is that a yes? You
7 have to say yes or no.

8 THE WITNESS: Yes.

9 MR. HOLMES: Good catch.

10 BY MR. HOLMES:

11 Q The first item is a used trencher.

12 A Uh-huh. Yes.

13 Q What happened to that asset? Was it sold?

14 A I don't know.

15 Q Do you know who would know?

16 A No -- well, yes, I do. My son would know.

17 Q Okay. Your son Jeffrey?

18 A Yes.

19 Q Okay. The second asset is a used tractor. It
20 has got the No. 4 immediately in front of it.

21 A Yeah.

22 Q Does Alpine still own the used tractor?

23 A No.

24 Q Was it sold?

- 1 A I would imagine but I don't know.
- 2 Q Okay. Who would know?
- 3 A Jeff.
- 4 Q Okay. The next item has a No. 5 and it says
5 rototiller. Does Alpine still own that asset?
- 6 A No.
- 7 Q Okay. Was it sold?
- 8 A I don't know. Yes. Yes. It was sold.
- 9 Q Do you know to whom it was sold?
- 10 A Pardon me?
- 11 Q Do you know to whom it was sold? Who bought it?
- 12 A No.
- 13 Q Would Jeff know?
- 14 A Yes.
- 15 Q Okay. Can you tell me a little bit about what
16 Jeff did for the company?
- 17 A When he worked for me, he was -- ran a crew.
- 18 Q How many employees did you have? Was it
19 approximately six?
- 20 A Six, yeah.
- 21 MR. DOUGHERTY: I will object in
22 terms of at what point in time are we talking
23 about?
- 24 MR. HOLMES: Well, he can clarify. I

1 mean, the record's are pretty -- the same
2 employees seem to come up from 2007 to 2009.

3 BY MR. HOLMES:

4 Q Did you have about six employees between 2007 and
5 2009?

6 A No. I didn't -- I didn't have any employees at
7 all the last couple of years. I thought when --

8 Q Do you know where your son works now?

9 A Pardon me?

10 Q Do you know where Jeff works now?

11 A Yes.

12 Q Where does he work?

13 A Running Waters Irrigation.

14 Q Is he an employee of Running Waters?

15 A I have no idea.

16 Q Do you think that the assets listed on this asset
17 report, do you think Jeff would have a better
18 idea --

19 A Yes.

20 Q -- of what happened to all of them than you
21 would?

22 A Yes.

23 Q Okay. Do you know where Jeff lives?

24 A Pardon me?

1 Q Do you know where Jeff lives, your son? His
2 address?

3 A I saw him last week. I don't know.

4 Q Would you be able to get that address for us?

5 MR. DOUGHERTY: Well, I object.

6 Asking him to produce, you know, that's outside
7 the scope of what he is required to do. I think
8 this is publicly available information. I mean,
9 if you want to make a request to our office --

10 MR. HOLMES: Okay. That's fair.

11 MR. DOUGHERTY: -- that's something
12 different, but I don't think he is obligated to
13 do any type of investigative work. That's my
14 objection.

15 MR. HOLMES: I can make the request
16 to your office. I'm just trying to move things
17 along.

18 MR. DOUGHERTY: Sure.

19 BY MR. HOLMES:

20 Q Okay. Could you turn the page, Mr. Zeh? There
21 is one, two, three, four, five assets listed on
22 the page 2.

23 A Yes.

24 Q Would Jeff have a better idea of what happened to

1 these assets as well?

2 A Yes.

3 Q Okay. I'm done with the document. You can set
4 it aside.

5 Was Jeff an officer of Alpine?

6 A At one time.

7 Q Do you recall when that was?

8 A No. At least 20 years ago. I would have to look
9 it up.

10 Q Okay. It wasn't recent.

11 A Wasn't what?

12 Q Wasn't recent?

13 A No.

14 MR. HOLMES: Could you mark this as
15 Exhibit 2.

16 (The document was thereupon
17 marked Zeh Deposition Exhibit
18 No. 2 for identification as of
19 March 25, 2010.)

20 BY MR. HOLMES:

21 Q Mr. Zeh, I'm handing you what's been marked as
22 Exhibit No. 2, and I would ask you to take a
23 brief look at that. Is this your 2008 corporate
24 income tax return?

1 A Yes.

2 MR. DOUGHERTY: Just for the record,
3 I note that it is not signed by Robert Zeh.

4 BY MR. HOLMES:

5 Q Mr. Zeh, if you could turn to approximately the
6 middle here. Actually, right there. This is the
7 Federal Asset Report for 2008, 1120. There is
8 assets listed on this schedule as well. Would
9 Jeff, again, have a better idea of what happened
10 to these?

11 A Yes.

12 Q Okay. Can you tell me why Jeff would have a
13 better idea of what happened? Was he more
14 involved in the day-to-day business?

15 A Yes.

16 Q Okay. When did you decide to shut the business
17 down?

18 A When -- I don't know the year. The exact year I
19 don't know.

20 Q I'm going to show you a document that I think
21 will help --

22 A Okay.

23 Q -- jog your memory.

24 MR. HOLMES: I didn't make a copy of

1 this. This is part of the quarterly tax filings.

2 MR. DOUGHERTY: Okay.

3 A I filed that. That's my signature.

4 BY MR. HOLMES:

5 Q Does this refresh your recollection as to
6 approximately when you -- when you shut the
7 business down?

8 A Yes.

9 Q Was it approximately the summer of 2009?

10 A Yes.

11 Q Okay. Did you shut the business down because you
12 were retired?

13 A No. I shut it down because he didn't want to
14 take it over.

15 Q You tried to offer it to Jeff?

16 A Yes.

17 Q Was it a formal offer? Like a written offer?

18 A No. Just verbal.

19 Q A conversation?

20 A Yeah. He is my only son.

21 Q Did Alpine have a credit -- corporate credit
22 card?

23 A No, not that I know of.

24 MR. HOLMES: Off the record for just

1 a second.

2 (There followed a discussion
3 outside the record.)

4 MR. HOLMES: Back on the record.

5 BY MR. HOLMES:

6 Q Mr. Zeh, I'm going to show you some bank
7 statements that were produced to me by your
8 counsel. These are your Harris Bank statements
9 for some period of time.

10 MR. DOUGHERTY: For Alpine
11 Irrigation?

12 MR. HOLMES: For Alpine; correct.

13 BY MR. HOLMES:

14 Q In the Harris Bank records you will see a payment
15 to Capital One. Is that a credit card?

16 A I don't know. I would think so.

17 Q Okay.

18 MR. DOUGHERTY: Well, are you
19 certain? Do you know if it is a credit card or
20 are you guessing?

21 THE WITNESS: I don't know.

22 MR. DOUGHERTY: Remember, don't
23 guess. If you know it is a credit card, say so,
24 but if you don't know, don't guess.

1 THE WITNESS: Capital One is a credit
2 card, I'm sure, but I never had it.

3 BY MR. HOLMES:

4 Q Do you know who did?

5 A No.

6 Q Okay.

7 A At the end of '08 and 9 -- Jeff was making
8 these -- he was running the tax deposits.

9 Q Was there a point in time where Jeff started to
10 run the more day-to-day operations of Alpine?

11 A He always ran day-to-day operations but in the
12 office I run it and --

13 Q Could you explain to me what you mean by "in the
14 office"? I'm trying to get an idea of what
15 you did.

16 MR. DOUGHERTY: Do you understand
17 what day-to-day operations means?

18 A Yeah, the day-to-day operations. In other words,
19 I filed the taxes and the tax deposit and then
20 when he came in the office, he wanted to do it on
21 the computer.

22 BY MR. HOLMES:

23 Q Who was in charge of getting bids or
24 proposing bids?

1 A I was --

2 Q Okay.

3 A -- at that time.

4 Q When you say "at that time," was there a time
5 where it switched from you to Jeff?

6 A No -- yes. Yes, there was.

7 Q Do you recall approximately when that was?

8 A No, I don't know. He kept calling me an old
9 fuddy-duddy.

10 Q Do you have any plans to reopen Alpine?

11 A No. As it said on that thing, I'm retired.

12 Q I wish I was retired.

13 MR. HOLMES: Can you mark this as
14 Group 3.

15 (The document was thereupon
16 marked Zeh Deposition Exhibit
17 No. 3 for identification as of
18 March 25, 2010.)

19 MR. HOLMES: I think I will do this a
20 different way so it is a little more clear on the
21 record.

22 BY MR. HOLMES:

23 Q Mr. Zeh, I'm going to hand you documents that
24 were produced by your counsel that appear to be

1 your checkbook register for checks written
2 in 2007.

3 MR. DOUGHERTY: You can ask him
4 questions.

5 BY MR. HOLMES:

6 Q Does that look like a true and accurate copy of
7 your check register?

8 A Pardon me?

9 Q Do you believe that to be your check register
10 from 2007?

11 A Yes.

12 Q I have one quick question, if you can flip to the
13 second page. There is a column right here that
14 says C slash S.

15 A Yes.

16 Q Is that child support?

17 A Yes.

18 Q Okay. Did you pay your child support obligations
19 out of the corporate account?

20 A No. That was for Jeff and it was court ordered.

21 Q That was Jeff's child support?

22 A Yes.

23 Q Okay. So Jeff's wages were garnished and you had
24 to pay --

1 A I did deduct it out of his wage.

2 Q Okay. That's actually all the questions that I
3 have on that. I just have a few more questions
4 and we'll take a short break and I think that we
5 are going to be done.

6 Who were the officers of the corporation as
7 of 2008?

8 A Myself and that was it. In 2008 you said?

9 Q Correct.

10 A Yeah.

11 MR. HOLMES: I think that's all that
12 I have. Can we take a short break and I want to
13 go through some things and we'll come back on the
14 record?

15 MR. DOUGHERTY: Okay.

16 (Whereupon, a recess was had at
17 11:13 a.m., after which the
18 proceedings were resumed at
19 11:21 a.m. as follows:)

20 MR. HOLMES: Back on.

21 BY MR. HOLMES:

22 Q Mr. Zeh, I just have a few follow-up questions
23 and then we'll be done.

24 Did Alpine ever own a '96 Civic?

- 1 A Own a what?
- 2 Q 1996 Honda Civic?
- 3 A Yes.
- 4 Q Okay. Do you know what happened to that Civic?
- 5 A Yes.
- 6 Q What happened?
- 7 A I bought it.
- 8 Q Do you recall when you bought it?
- 9 A '86 -- wait it minute.
- 10 Q 1996?
- 11 A '96, yeah.
- 12 Q Did you buy that?
- 13 A Yes.
- 14 Q Do you recall approximately when?
- 15 A Middle of the summer.
- 16 Q The summer of 2009?
- 17 A 9, yes.
- 18 Q Do you recall how much you paid for it?
- 19 A \$460.
- 20 Q Where did the \$460 you paid for the car go?
- 21 A I paid for it out of my personal account.
- 22 Q Correct. But you paid it to the business;
- 23 correct? Was that deposited in the checking
- 24 account?

- 1 A I really don't know.
- 2 Q Okay. Did Alpine ever own a 2001 Ford F450?
- 3 A Yes.
- 4 Q Do you know what happened to that vehicle?
- 5 A It is on there. The F450?
- 6 Q Yes. 2001 Ford F450. Do you know what happened
- 7 to that?
- 8 A No, I don't know.
- 9 Q Okay. Again, would your son Jeff know?
- 10 A Yes, he would know.
- 11 Q Okay. Did Alpine ever own a 1995 Dodge Ram?
- 12 A Yes.
- 13 Q Okay. Do you know what happened to that vehicle?
- 14 A Yes. It is sitting out there parked.
- 15 Q Sitting out --
- 16 A In Plainfield.
- 17 Q Okay. Does Alpine still own that vehicle?
- 18 A Yes, as far as I know.
- 19 Q Okay. Did Alpine ever own a 2005 Ford
- 20 Econoline van?
- 21 A Yes.
- 22 Q Do you know what happened to the van?
- 23 A I don't know.
- 24 Q Does Alpine still own it?

1 A No.

2 Q Okay. Again, would your son Jeff know what
3 happened to the van?

4 A Yes.

5 Q Okay. Did Alpine own a 2002 Tilt Tandem?

6 A A what?

7 Q A 2002 Tilt Tandem?

8 A Tamper?

9 Q Tandem.

10 MR. DOUGHERTY: Do you know what
11 that is?

12 A I don't know about any tandem. Maybe I'm calling
13 it wrong.

14 BY MR. HOLMES:

15 Q Maybe I'm calling it wrong.

16 Like a truck with dual wheels in the back?

17 A Well, it did at one time a long time ago.

18 Q It doesn't own it now?

19 A No.

20 Q Did Alpine ever own a 1995 Ford Econoline van?

21 A Yes.

22 Q Does Alpine still own that van?

23 A Yes.

24 Q Okay. Is that on your property in Plainfield

1 as well?

2 A Yes.

3 Q Okay. Are there any other vehicles that we
4 haven't mentioned that are sitting at the
5 Plainfield property?

6 A No.

7 Q Okay. Did you transfer any corporate assets
8 after January 26th of 2010?

9 MR. DOUGHERTY: I will object to the
10 form of the question. Calls for a legal
11 conclusion.

12 If you understand the question, you can
13 answer it.

14 A Did I transfer any assets?

15 BY MR. HOLMES:

16 Q Yes.

17 A When?

18 MR. DOUGHERTY: Same objection.

19 BY MR. HOLMES:

20 Q Did you transfer any assets after January 26th
21 of 2010?

22 A No.

23 Q I just have a couple more questions about the
24 Capital One statements.

1 A Yes.

2 Q Am I correct that you have no knowledge of any of
3 those?

4 A No.

5 MR. HOLMES: Mr. Zeh, I have no
6 further questions. Your attorney may have a
7 follow-up question and then we'll explain
8 signature to you.

9 THE WITNESS: Okay.

10 CROSS-EXAMINATION

11 BY MR. DOUGHERTY:

12 Q I have a quick follow-up, Mr. Zeh.

13 Early on in the deposition counsel asked
14 you if Alpine Irrigation Company was in good
15 standing with the State of Illinois.

16 Do you remember that question?

17 A Yes, I do.

18 Q And you said yes.

19 A Yes.

20 Q Do you know what it means for the corporation,
21 Alpine, to be in good standing?

22 A It means -- I think it means that you have paid
23 all the taxes and everything, because I got a
24 letter the other day and I called them up, showed

1 them -- told them that I was retired and the
2 business was closed and they said don't worry
3 about it. Throw it away.

4 Q And what did this letter say?

5 A What?

6 Q Did the letter say that the company was not in
7 good standing?

8 A No. It said on there that I had no -- zero taxes
9 to pay. I don't know why they sent it to me.

10 MR. DOUGHERTY: Okay. That's my only
11 question. I just wanted to clarify that.

12 REDIRECT EXAMINATION

13 BY MR. HOLMES:

14 Q Do you still have a copy of the letter?

15 A Pardon me?

16 Q Do you still have a copy of that letter that you
17 just talked about?

18 A No. I think I threw it away.

19 MR. HOLMES: Did you want to explain
20 to him signature or did you want me to do it?

21 MR. DOUGHERTY: We'll reserve
22 signature.

23 AND FURTHER DEPONENT SAITH NOT AT 11:27 A.M.

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I have read the above and foregoing, and it
is a true and correct transcript of my deposition
given on the day and date aforesaid.

ROBERT F. ZEH

Subscribed and sworn to before me
this _____ day of _____, 2011.

Notary Public

My Commission Expires
_____.

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I further certify that I am not counsel for
nor in any way related to any of the parties to
this suit, nor am I in any way interested in the
outcome thereof.

IN TESTIMONY WHEREOF I have hereunto set my
hand and affixed by Notarial Seal this 28th day
of January, 2011.



Certified Shorthand Reporter

My commission expires
March 29, 2014

