The Falkens: A Tax Case

Lynda S. Livingston, University of Puget Sound

ABSTRACT

Personal finance students want to learn about taxes. Personal finance texts, however, often concentrate on an overview of the tax system; since rules and forms change annually, textbook authors concentrate their short problems on the fundamentals. The Falken case allows students to use actual forms and schedules to complete a comprehensive example. Instructors can include only those "modules" that meet their students' needs, and they easily can update the exhibits as laws change.

INTRODUCTION

It is difficult for personal finance textbooks to provide comprehensive tax examples. Laws and forms change annually, and students' needs vary. Once a comprehensive example is published, it is already obsolete; it is much easier, then, for textbook authors to concentrate on big-picture concepts, such as distinguishing among exemptions, deductions, and credits.

However, students may want more. They will be much more confident and competent if they have the chance to complete a full tax return. The Falken case requires students to prepare the tax return for a married couple with six children. It is much more comprehensive than the example problems presented in most current personal finance textbooks: it not only covers more aspects of tax planning and preparation, but it also uses realistic tax forms and reports. The project as presented here requires completion of Form 1040; Schedules A, B, and D; Forms 2441, 8863, and 8812; and supporting worksheets. However, the instructor can tailor the project to her desired level of difficulty and to her students' interests by adding or deleting "modules" (e.g., tax benefits for higher education, investment income). She can also add new details that address issues unique to the current tax year (e.g., the telephone tax credit that is illustrated in the 2006 version). Thus, the Falken case is a template that is highly flexible and easily modified.

This project is intended for students in personal finance courses at the sophomore level and above. Most of the situations facing the Falkens are those that students are likely to encounter during their early years out of college. Students in personal finance courses suggested many other details of the project, reflecting their immediate concerns (e.g., gifts of tuition from grandparents, identification of "dependent" children). In the following sections, we present the project, as it would be given to students.

THE PROJECT

You will be preparing the tax return for Persephone and Stephen Falken, a married couple. Below is a full list of the members of Persephone and Stephen's household, followed by information on various tax-related aspects of their lives.

Name	Family Member	Date Of Birth	SSN
Persephone	wife/mother	12/5/63	765-33-1093
Stephen	husband/father	6/9/54	453-02-2864
Joshua	son	12/5/80	525-75-9684
Lawrence	son	10/10/86	525-12-3925
Chamberlain	son	10/10/86	525-00-1129
Xena	daughter	2/3/95	525-13-3245
Artemis	daughter	9/26/98	525-86-8564
Demeter	daughter	7/8/06	525-86-9006

Background

- ♦ No Falken has ever been convicted of a felony.
- ♦ Stephen’s job at WOPR Industries includes the use of a waterfront condo in downtown Seattle (once per month) plus a membership to the Experience Music Project. The fair market value of these benefits is $7,500, but Stephen pays nothing for them. Also, Stephen is allowed to attend WOPR’s monthly “game nights” at no charge (members of the public pay $25 each to attend). None of these perks has been included on the attached W-2 form for Stephen, nor has WOPR withheld any amounts for them. (Did WOPR handle this correctly?)
- ♦ Both Stephen and Persephone are allowed a 10% employee discount on game strategy services they receive at Games ‘R’Us. They estimate that this saves them about $100 per year.
- ♦ Joshua earned $10,000 from his job at Wizards of the Coast. However, it wasn’t enough to allow Joshua to support himself, so he still lives in Stephen and Persephone’s basement.
- ♦ None of the other Falken children had any earned income for the year.

Higher Education

- ♦ Lawrence and Chamberlain, the twins, are full-time students at the renowned University of Puget Sound, an eligible education institution.
- ♦ Even though they’re twins, Lawrence started school a year after Chamberlain (he took a year off after high school to study at the Sorbonne). Chamberlain is now a junior; Lawrence is a sophomore.
- ♦ Lawrence entered UPS with a full year’s worth of AP credit.
- ♦ The twins’ tuition payments are shown on their form 1098-T. Their additional expenses included:

Type Of Expense	Chamberlain	Lawrence
room and board	$5,451	$5,451
textbooks	$987.50	$165.12
fraternity dues	$500.00	-$0-

- ♦ Chamberlain bought his books from the University Bookstore, while Lawrence (a personal finance student) got his on-line.
- ♦ Chamberlain paid some of his college expenses with a $5,000 Webster Storm Drain Engineering (WSDE) scholarship. His grandmother, Ariadne Falken, also contributed, sending UPS a check for $15,000 for Chamberlain’s tuition.
- ♦ The Falkens have taken the Hope credit twice for Chamberlain and once for Lawrence.
- ♦ Stephen and Persephone paid $750 for Joshua to take a bookkeeping certificate class at South Seattle Community College. They hope that his successful completion of this program will hasten his departure from their basement.
- ♦ Persesphone graduated from UPS two years ago. She is currently repaying two student loans. The proceeds of all of these loans were used solely for Persephone’s tuition, fees, books, room, and board while she was getting her Master’s in Classics. She paid no loan origination fees when she took out these loans, and there is no capitalized interest included in either of the outstanding principal balances.
- ♦ Persephone also paid $1,000 toward interest on her nephew Ares’ student loan. Ares graduated from WSU last year and, not surprisingly, has been unable to find work.

Daycare

- ♦ Artemis and Demeter are both in daycare, so that Persephone and Stephen can work. The associated costs are shown on statements from the daycare providers (included below).
- ♦ Neither Persephone nor Stephen uses a dependent-care expense account to pay these costs.

Non-Retirement Investments

- ♦ Persephone and Stephen have several savings accounts at local financial institutions. Interest earned on these accounts for the year is shown on the attached 1099-INT forms.
- ♦ The Falkens also have several mutual fund accounts at Vanguard, and a brokerage account at TD Ameritrade. (See statements, below.)
- ♦ Persephone purchased 569 shares of Hydrogenics Corp. a few shares at a time during her employment there. Her last shares were purchased 2/6/04. Her total basis in these shares is $856.14. She decided this year to sell the stock (in part to raise money for her gift to her niece—see below).

IRAs

- ♦ Stephen has both a traditional IRA and a Roth IRA. He has already contributed $4,500 to the traditional account for this year, and would like to contribute an additional $1,500 to either this account or the Roth. He needs your advice on this.
- ♦ Stephen's basis in his traditional IRA, before his 2006 contributions, was $7,800.
- ♦ Persephone would like to contribute $4,500 to her traditional IRA. She doesn't have a Roth.

Gifts

- ♦ Persephone gave a birthday gift of $10,000 to her niece Ceres (on 9/15/07).
- ♦ Stephen gave Persephone a gorgeous diamond ring (which cost $25,000) for their 25th anniversary on 2/14/07.
- ♦ For Easter, 2007, Grandma Ariadne gave baby Demeter $7,500 to start a college fund.

Expenses For The Year That May Be Tax-Related

♦ safety deposit box rental: (used for storage of insurance and investment documents, plus Stephen's collection of Magic cards)	$80
♦ tax preparation fees (paid to you):	$450
♦ dues to Kent County Club:	$2,000
♦ summer camp tuition for Xena at Camp Huston's summer camp:	$590
♦ medical expenses:	
• liposuction and Botox for Persephone:	$350
• various out-of-pocket copayments and/deductibles for kids	$650
• heart stent for Stephen (paid by Stephen's group insurance plan at WOPR, less $2,000 deductible)	$56,475.99
♦ gifts to charity:	
• Persephone donated 6 formal gowns (average original cost: $500 each); 24 paperback Western novels; 1 framed poster of Donny Osmond; 2, 2-lb. dumbbells; and a DVD copy of *Dr. Strangelove* to the Society of American Veterans	
• donations of usable household goods to NW Center:	$150
• cash donation to Northwest Harvest:	$200
• cash donation to Happy Little Animals Rescue Mission (a 501(c)(3)):	$50
• cash donation to Lafayette PTA (a 501(c)(4)):	$200
• membership dues to Woodland Park Zoo (a 501(c)(3)):	$85
• cash donations to Diocese of Olympia: (all deemed to be solely for intangible religious benefits: Hurricane Katrina relief for sister parish in New Orleans)	$5,000

- ♦ The Falkens bought a new 2006 Toyota Prius on February 14, 2006 and paid sales tax on it of $2,075. They also paid licensing fees of $865.00 ($33.00 of this is a flat, county-wide fee; the rest was based on the value of the car).
- ♦ The Falkens also have another car. The customer's copy of the license renewal form for this car is included below. On this form, only the fees labeled "monorail" and "RTA tax" are based on the value of the vehicle; all other charges are standard for all.
- ♦ Documents supporting other possible tax-related expenses are attached below. You may assume that the Falkens also have supporting documentation for all of the expenses listed above; they just haven't collected them all yet.

You are responsible for identifying and obtaining all relevant forms and schedules for preparing Perspehone and Stephen's return. You then must prepare that return.

CONCLUSION

The Falken tax project allows students to get hands-on practice with real tax forms, an experience that they will not get from their textbook alone. The project is flexible, so that instructors can add or delete "modules" to suit their preferences. The forms are also easily updated, making incorporation of new tax laws straightforward. Instructors can also "tweak" the given numbers to create new challenges: for example, if the Falkens made a bit more money, Stephen's IRA deduction would be subject to phase-out. (A list of example questions, with answers—covering daycare, retirement, education, gifts, investments, and other topics—is available from the author upon request.) Whatever level of difficulty their instructor chooses, students will appreciate having the opportunity to practice their tax-preparation skills on a realistic, comprehensive case.

BIBLIOGRAPHY

1. Burton, Jonathan, Three Mutual Funds That End the Guesswork: Simple, Low-Cost Stock and Bond Portfolio Has Been High Achiever, *MarketWatch*, 12/5/06.
2. Form 8910: Alternative Motor Vehicle Credit, http://www.irs.gov/pub/irs-pdf/f8910.pdf.
3. Form W-4: Employee's Withholding Allowance Certificate, http://www.irs.gov/pub/irs-pdf/fw4.pdf?portlet=3.
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5. Publication 15: Circular E: Employer's Tax Guide, http://www.irs.gov/pub/irs-pdf/p15_06.pdf
6. Publication 15-B: Employer's Tax Guide to Fringe Benefits, http://www.irs.gov/pub/irs-pdf/p15b.pdf
7. Publication 590: Individual Retirement Arrangements (IRAs), http://www.irs.gov/pub/irs-pdf/p590.pdf.
8. Publication 600: State and Local General Sales Taxes, http://www.irs.gov/pub/irs-pdf/p600.pdf.
9. Publication 950: Introduction to Estate and Gift Taxes, http://www.irs.gov/pub/irs-pdf/p950.pdf.
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11. Swensen, David F., *Unconventional Success: A Fundamental Approach to Personal Investment*, 2005.
12. Trillion-Dollar Baby, *Wall Street Journal* (Eastern edition), New York, N.Y., 10/26/07, p. A.16.
13. 2006 1040 Instructions, http://www.irs.gov/pub/irs-pdf/i1040.pdf.
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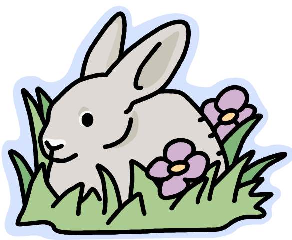
SUPPORTING DOCUMENTS



FLUFFY LITTLE BUNNIES DAYCARE

1313 Mockingbird Lane
Seattle, WA 98106

FEDERAL ID NUMBER: 91-2756655

CHILD: *Demeter Falken*

TOTAL DAYCARE CHARGES PAID IN 2007: $ *3895.00*

THANK YOU FOR CHOOSING FLUFFY LITTLE BUNNIES!

Winky-Pooky Montessori Baby Daycare

when you sorta care about your kids!

Parents' Names: Persephone Falken

Child's Name: Demeter Falken

Childcare Expenses for 2007: $ 1,575.00

Winky-Pooky Montessori Baby Daycare
Burien, WA 98146

7724 Candycane Lane
EIN: 91-9946334

WeBeKids!

7415 Des Moines Memorial Drive
Des Moines, WA 98156
Federal ID #91-4657489

Your Kid: **Artemis Falken**

Child Care Expenses for Current Tax Year: **$850.00**

"Because when it comes to your kids, why pay more?"

NAME, ADDRESS, AND TELEPHONE NUMBER

WASHINGTON MUTUAL BANK
P.O. BOX 1174
NORTHRIDGE, CA 98328

800-788-7000

CUSTOMER NAME, ADDRESS, AND ZIP CODE

Stephen R. Falken
17 JSF Lane
Seattle, WA 98118

W **Washington Mutual**

FEDERAL
ID. NO. **91-9297584**

TAX STATEMENT
FOR CALENDAR YEAR
2007

1099-INT

OMB No. 1545-0112
Interest Income

TAXPAYER IDENTIFICATION NUMBER
453-02-2864
Please make sure that the number directly above is correct for these accounts, since there are penalties for incorrect numbers.

ACCOUNT NUMBER	ACCOUNT TYPE	IRS DESCRIPTION	IRS BOX #	AMOUNT
177-0564738-0	SAVINGS-DEMAND	INTEREST INCOME	1	$44.99
7-2947566-0	TIME DEPOSIT	INTEREST INCOME	1	$75.66
476-837261-1	TIME DEPOSIT	INTEREST INCOME	1	$501.23
7-47463-8	TIME DEPOSIT	INTEREST INCOME	1	$984.77
TOTAL INTEREST INCOME				$1,606.65

KEEP THIS FORM FOR YOUR RECORDS.

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

9292 ☐ VOID ☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone number BECU 767 Airbus Avenue Chicago, IL 21223	Payer's RTN (optional) 1 Interest income $ 506.78 2 Early withdrawal penalty $ 15.14	OMB No. 1545-0112 2007 Form **1099-INT**	**Interest Income**
PAYER'S Federal identification no. 91-1119263 | RECIPIENT'S social security number 765-33-1093	3 Interest on U.S. Savings Bonds and Treas. obligations $		**Copy A** **For** **Internal Revenue Service Center** **File with Form 1096** For Privnacy Act and Paperwork Notice, see the **2007 General Instructions for Forms 1099, 2098, 5498, and W-2G.**
RECIPIENT'S name Persephone J. Falken	4 Federal income tax withheld $	5 Investment expenses	
Street address (including apt. no.) 17 JSF Lane	6 Foreign tax paid $	7 Foreign country or U.S. possession $	
City, state, and ZIP code Seattle, WA 98118	8 Tax-exempt interest $	9 Specified private activity bond interest	
Account number (optional) | 2nd TIN not. ☐			

Form **1099-INT**

Do Not Cut or Separate Forms on This Page **Do Not Cut or Separate Forms on This Page**

a Control number	22222	OMB No. 1545-0008	
b Employer identification number 91-7366205		1 Wages, tips, other compensation $ 2400.00	2 Federal income tax withheld $ 225.00
c Employer's name, address, and ZIP code Games 'R' Us 77356 Chess Street Redmond, WA 98165		3 Social security wages $ 2400.00	4 Social security tax withheld $ 148.80
		5 Medicare wages and tips $ 2400.00	6 Medicare tax withheld $ 34.80
		7 Social security tips	8 Allocated tips
d Employee's social security number 765-33-1093		9 Advance EIC payment	10 Dependent care benefits
e Employee's first name and initial Persephone	Last name Falken	11 Nonqualified plans	12a
		13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b
f Employee's address and ZIP code 17 JSF Lane Seattle, WA 98118		14 Other	12c
			12d

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

2 0 0 7

Wage and Tax

Form **W-2** **Statement**

a Control number	22222	OMB No. 1545-0008	
b Employer identification number 91-7334656		1 Wages, tips, other compensation $ 31,788.33	2 Federal income tax withheld $ 7,234.96
c Employer's name, address, and ZIP code WOPR Industries 1977 Norad Avenue Seattle, WA 98135		3 Social security wages $ 31,788.33	4 Social security tax withheld $ 1,970.88
		5 Medicare wages and tips $ 31,788.33	6 Medicare tax withheld $ **460.93**
		7 Social security tips	8 Allocated tips
d Employee's social security number 453-02-2864		9 Advance EIC payment	10 Dependent care benefits
e Employee's first name and initial Stephen	Last name Falken	11 Nonqualified plans	12a
		13 Statutory employee ☐ Retirement plan ☒ Third-party sick pay ☐	12b
f Employee's address and ZIP code 17 JSF Lane Seattle, WA 98118		14 Other	12c
			12d

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

2 0 0 7

Wage and Tax

Form **W-2** **Statement**

a Control number 22222	OMB No. 1545-0008	
b Employer identification number 91-733210	1 Wages, tips, other compensation $ 27912	2 Federal income tax withheld $ 2,810.00
c Employer's name, address, and ZIP code Games 'R' Us 77356 Chess Street Redmond, WA 98165	3 Social security wages $ 27912	4 Social security tax withheld $ 1730.544
	5 Medicare wages and tips $ 27912	6 Medicare tax withheld $ 404.724
	7 Social security tips	8 Allocated tips
d Employee's social security number 453-02-2864	9 Advance EIC payment	10 Dependent care benefits
e Employee's first name and initial Last name Stephen R. Falken	11 Nonqualified plans	12a
	13 Statutory employee ☐ Retirement plan ☐ Third-party sick pay ☐	12b
f Employee's address and ZIP code 17 JSF Lane Seattle, WA 98118	14 Other	12c
		12d

15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

2 0 0 7

Form **W-2** **Wage and Tax Statement**

STATE OF WASHINGTON
Department of
LICENSING

LIC/PLT	ISS-DT	TAD-ND	REG-EXP	UAL-CD/YI	DEP	MD-REG	MD-GVW	PWR	USE	MDYR	MAKE	BODY	VIN	DR	SERIAL	HD	RES-CD	SCLWT	SEATS	BATCH	ND
756BYT	Jul-07	6574	46567	334456677	1	12	1	G	pas	2007	H2	HUM	998474757993\							9999	

GWT	GWT-ST	GWT-EXP	FLT	EQUIP	PREV-PLT	FILING	MONORAIL	RTA TAX	SUBAGENT	OTHER	TOTAL FEES	CHECK	CASH
0	0.0000	0.00000				$3.00	$285.00	$358.00	$0.00	$30.75	$676.75	$676.75	$0.00

VALIDATION CODE 39394756272811929940500 50

DISPLAY TAB ON BACK LICENSE PLATE ONLY-- FRONT PLATE IS STILL REQUIRED

Stephen Falken
17 JSF Lane
Seattle, WA 98118

THIS CERTIFICATE IS NOT PROOF OF OWNERSHIP. SIGNATURE OF REGISTERED OWNER(S): ______________________

8383 ☐ VOID ☐ CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number University of Puget Sound 1500 North Warner Tacoma, WA 989416		1 Payments received for qualified tuition and related expenses $ 2 Amounts billed for qualified tuition and related expenses $ 35,812.00	OMB No. 1545-1574 **2007** Form **1098-T**	**Tuition Statement**
FILER'S Federal identification no. 91-0294656	STUDENT'S social security number 525-12-3925	3 Adjustments made for a prior year $	4 Scholarships or grants $	**Copy A For Internal Revenue Service Center** **File with Form 1096** For Privnacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 2098, 5498, and W-2G.**
SERVICE PROVIDER Account Number (optional)		5 Adjustments to scholarships or grants for a prior year $		
STUDENT'S name Lawrence Falken Street address (including apt. no.) 17 JSF Lane		6 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2008 > ☐	7 Reimbursements or refunds of qualified tuition and related expenses from an insurance contract $	
City, state, and ZIP code Seattle, WA 98118		8 Check if at least half-time student ☒	9 Check if a graduate student ☐	

Form **1098-T**

Do Not Cut or Separate Forms on This Page **Do Not Cut or Separate Forms on This Page**

8383 ☐ VOID ☐ CORRECTED

FILER'S name, street address, city, state, ZIP code, and telephone number University of Puget Sound 1500 North Warner Tacoma, WA 989416		1 Payments received for qualified tuition and related expenses $ 2 Amounts billed for qualified tuition and related expenses $ 35,812.00	OMB No. 1545-1574 **2007** Form **1098-T**	**Tuition Statement**
FILER'S Federal identification no. 91-0294656	STUDENT'S social security number 525-00-1129	3 Adjustments made for a prior year $	4 Scholarships or grants $	**Copy A For Internal Revenue Service Center** **File with Form 1096** For Privnacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 2098, 5498, and W-2G.**
SERVICE PROVIDER Account Number (optional)		5 Adjustments to scholarships or grants for a prior year $		
STUDENT'S name Chamberlain Falken Street address (including apt. no.) 17 JSF Lane		6 Check this box if the amount in box 1 or 2 includes amounts for an academic period beginning January-March 2008 > ☐	7 Reimbursements or refunds of qualified tuition and related expenses from an insurance contract $	
City, state, and ZIP code Seattle, WA 98118		8 Check if at least half-time student ☒	9 Check if a graduate student ☐	

Form **1098-T**

Do Not Cut or Separate Forms on This Page **Do Not Cut or Separate Forms on This Page**

CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, street address, city, state, ZIP code, and telephone number

Washington Mutual
P.O. Box 1174
Northridge, CA 98328

Caution: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.

OMB No. 1545-0901

2007

Form **1098**

Mortgage Interest Statement

RECIPIENT'S Federal identification no.	PAYER'S social security number
91-9297582	453-02-2864

RECIPIENT'S name
Stephen Falken

Street address (including apt. no.)
17 JSF Lane

City, state, and ZIP code
Seattle, WA 98118

Account number (optional)

1 Mortgage interest received from payer(s)/borrower(s)
$ 14364.44

2 Points paid on purchase of principal residence.
$

3 Refund of overpaid interest.
$

4 Property Taxes Paid
$

Copy B For Payer

The information in boxes 1,2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are requried to file a return, a negligence penalty or other sanctions may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.

Form **1098** **Do Not Cut or Separate Forms on This Page**

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property tax account number 714-5647-39957746-0

KEEP THIS PORTION

BRING ALL PARTS WHEN PAYING IN PERSON

name and address
Stephen and Persephone Falken
17 JSF Lane

LOT	BLOCK	CODE	SEC	TWP	RG
5	6	0010			

MAURY BEACH PARK REPLAT

PROPERTY ADDRESS
17 JSF Lane
Seattle, WA 98118

2007 KING COUNTY, WA, REAL ESTATE TAX

CURRENT BILLING DISTRIBUTION	
State	865.03
Local School Support	746.28
County	479.72
City	1198.13
Unincorporated/Road	
Port	86.14
Fire	
Sewer &/or Water	
Library	
Other	
Emergency Medical Service	76.71
*Other Charges	153.48
TOTAL CURRENT BILLING	3605.49

CURRENT BILLING INFORMATION	
Land Value	150,000
Improvements	222,000
Less: Exempt Value	
TAXABLE VALUE	372,000
Levy Rate	9.27960
General Tax	3452.011
*Other Charges	153.48
TOTAL CURRENT BILLING	3605.49
Omitted Taxes	
TOTAL CURRENT BILLING INCLUDING OMITS	3605.49
VOTER APPROVED	1358.04

*OTHER CHARGES

NOX WEED	1.50	SOIL CON	9.98
SWM	142.00		

First half must be paid or postmarked by April 30, or **FULL AMOUNT BECOMES DELINQUENT** and accrues interest and penalty as prescribed by law. If first half paid by April 30 second half must be paid by October 31 or it becomes delinquent and accrues interest and penalty.

FULL AMOUNT MAY BE PAID BY APRIL 30th

DELINQUENCY INFORMATION		
YEAR	INTEREST PENALTY	PRINCIPAL
DELINQUENT TOTAL		

GRAND TOTAL 3605.49

VOID CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, street address, city, state, ZIP code, and telephone number

BECU

767 Airbus Avenue

Chicago, IL 21223

OMB No. 1545-1576

20**07**

Form **1098-E**

Student Loan Interest Statement

RECIPIENT'S federal identification no.	BORROWER'S social security number	1 Student loan interest received by lender
91-1119263	765-33-1093	$ 500.00

BORROWER'S name

Persephone Falken

Street address (including apt. no.)

17 JSF Lane

City, state, and ZIP code

Seattle, WA 98118

Account number (see instructions)

177-17-002736

2 Check if box 1 includes loan origination fees and/or capitalized interest . . . .

Copy C
For Recipient

For Privacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form **1098-E** Department of the Treasury - Internal Revenue Service

VOID CORRECTED (if checked)

RECIPIENT'S/LENDER'S name, street address, city, state, ZIP code, and telephone number

WaMu

P.O. Box 1174

Northridge, CA 98328

OMB No. 1545-1576

20**07**

Form **1098-E**

Student Loan Interest Statement

RECIPIENT'S federal identification no.	BORROWER'S social security number	1 Student loan interest received by lender
91-9297584	765-33-1093	$ 1000.00

BORROWER'S name

Persephone Falken

Street address (including apt. no.)

17 JSF Lane

City, state, and ZIP code

Seattle, WA 98118

Account number (see instructions)

120-993

2 Check if box 1 includes loan origination fees and/or capitalized interest . . . .

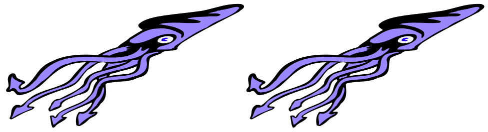
Copy C
For Recipient

For Privacy Act and Paperwork Reduction Act Notice, see the **2007 General Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form **1098-E** Department of the Treasury - Internal Revenue Service

PEOPLE FOR THE ETHICAL TREATMENT OF SQUID

2007 GIVING STATEMENT



Dear Stephen R. Falken,

Thank you! Your generous contribution of $200.00 to PETS will help fund our ongoing research efforts on the symbiotic relationship between humans and squid. This important work could not continue except for the generous support of patrons like you.

Sincerely,

Karen Loligo

President

PETS is a 501(c)(3) tax exempt organization.

BC'08

Contributor: **Stephen R. Falken**
Contribution Date: **5/15/07**
Amount: **$650.00**

Dear Mr. Falken: **Thank you for your generous contribution in support of good government. With the help of supporters like you, we enhance the spread of democracy and the American way!**

Sincerely,

Todd Johnson **Chair, BC'08**
(Note: BC'08 has been designated as a 501(c)4 organization by the Internal Revenue Service.)

SOCIETY OF AMERICAN VETERANS

Thank you for your donation of clean and reusable household goods.

DATE: ______________________________

AMOUNT: ______________________________

ST. CLARE'S EPISCOPAL CHURCH
Annual Giving Statement for 2007

pledge number: 107

DATE	MEMO	CASH AMOUNT	OTHER AMOUNT
3/1/01	quarterly pledge	$300.00	
4/1/01	goods donation:		
	rummage sale		$50.00
			(fair market value)
6/1/01	quarterly pledge	$300.00	
7/15/01	donation:		
	Episcopal Charities Appeal	$75.00	
8/2/01	donation:		
	Goodharvest Food Bank	$25.00	
9/1/09	quarterly pledge	$300.00	
1/1/09	quarterly pledge	$300.00	

ANNUAL TOTALS: CASH DONATIONS $1,300.00 GOODS DONATIONS $50.00

Thank you for your continued support!

NO GOODS OR SERVICES OR SERVICES WERE GIVEN IN RETURN FOR THE ABOVE DONATIONS. ALL WERE SOLELY FOR INTANGIBLE RELIGIOUS BENEFITS.

2007 FORM 1099-DIV

THE**Vanguard**GROUP

Dividends and Distributions

Stephen and Persephone Falken
17 JSF Lane
Seattle, WA 98118

Recipient's Taxpayer Identification Number
453-02-2864 765-33-1093

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
DEPARTMENT OF THE TREASURY -- INTERNAL REVENUE SERVICE

Fund Name		**Fund's Fed. I.D. No.**	**Recipient's Acct. No.**				
Box 1a: Total Ordinary Dividends	Box 1b: Qualified Dividends	Box 2a: Total Capital Gains Distr.	Box 2b: Qualified 5-year Gain	Box 2c: Unrecap. Sec. 1250 Gain	Box 3: Nontaxable Distributions	**Box 4: Federal Income Tax Withheld**	Box 6: Foreign Tax Paid
SMALL-CAP VALUE INDEX							
$1,405.66	$750.65	$0	$0	$0	$0	$0.00	$0
INTERNATIONAL VALUE FUND							
$1,204.55	$65.00	$0	$0	$0	$0	$0	$100.84

FORM 1099-DIV
OMB NO. 1545-0110

TD AMERITRADE **2007 CONSOLIDATED 1099**

Stephen Falken
17 JSF Lane
Seattle, WA 98118

Tax Identification Number: 453-02-2864
Account Number: 736-02834110

This is important tax information and is being furnished to the Internal Revenue Service (IRS). If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
Ameritrade, Inc.

Form 1099-DIV Dividends and Distributions		(OMB No. 1545-0110)
Line #	**Category**	**Amount**
1a	Total Ordinary Dividends	$166.10
1b	Qualified Dividends	$149.98
2a	Total Capital Gain Distributions (Includes Line 2b, 2c, 2d)	$0.00
2b	Unrecaptured Section 1250 Gain	$0.00
2d	Collectibles (28% Gain)	$0.00
3	Nontaxable Distributions	$0.00
4	**Federal Income Tax Withheld**	$0.00
5	Investment Expenses	$0.00
6	Foreign Tax Paid	$10.47
7	Foreign Country or U.S. Possession	See Details
8	Liquidation Distribution - Cash	$0.00
9	Liquidation Distribution - Noncash	$0.00

Form 1099-B Proceeds From Broker & Barter Exchange Transactions		(OMB No. 1545-0715)
Line #	**Category**	**Amount**
1a	Date of Sale or Exchange	See Details
1b	CUSIP No.	See Details
2	Stocks, Bonds, Etc. Reported to IRS - Gross Proceeds Less Commissions and Option Premiums	$1,338.05
4	**Federal Income Tax Withheld**	
5	No. of Shares Exchanged	569
6	Classes of stock exchanged	See Details
7	Description	See Details
	REGULATED FUTURES CONTRACTS	
8	Profit or (loss) realized in 2007	$0.00
9	Unrealized profit or (loss) on open contracts - 12/31/06	$0.00
10	Unrealized profit or (loss) on open contracts - 12/31/07	$0.00
11	**Aggregate profit or (loss)**	$0.00

Page 1 of 2

TD AMERITRADE 2007 CONSOLIDATED 1099

Details of Form 1099-B - Proceeds From Broker and Barter Exchange Transactions (OMB No: 1545-0715)

LINE #2 STOCKS, BONDS, ETC. REPORTED TO IRS - GROSS PROCEEDS LESS COMMISSIONS AND OPTIONS PREMIUMS

DATE (LINE #1A)	DESCRIPTION (LINE #7)	CUSIP (LINE #1B)	INFORMATION	# SHARES EXCHANGE (LINE #5)	CLASS (LINE #6)	AMOUNT (LINE #2)
05/17/07	HYDROGENICS CORP COM	448882100	SELL	569	C	$1,338.05
			TOTALS	**569**		**$1,338.05**

Details of Form 1099-DIV - Dividends and Distributions (OMB No: 1545-0110)

LINE #1a ORDINARY DIVIDENDS (INCLUDING QUALIFIED DIVIDENDS)

DESCRIPTION	CUSIP	INFORMATION	AMOUNT
C S&P 400 MID-CAP DET RECPT COM	595635103	NONQUALIFIED DIVIDEND	$3.18
C *C* S&P 400 MID-CAP DET RECPT COM	595635193	QUALIFIED DIVIDEND	$16.95
VANGUARD FUNDS EMERGING MARKETS VIPERS	922042858	NONQUALIFIED DIVIDEND	$12.94
VANGUARD FUNDS EMERGING MARKETS VIPERS	922042858	QUALIFIED DIVIDEND	$133.03
	TOTAL LINE #1a		**$166.10**

LINE #6 FOREIGN TAX PAID

DESCRIPTION	CUSIP	COUNTRY (LINE #7)	AMOUNT
VANGUARD FUNDS EMERGING MARKETS VIPERS	922042858	VARIOUS	$10.47
	TOTAL LINE #6		**$10.47**

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NOTES