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IN RE:

PETITION OF RECEIVERSHIP MANAGEMENT,
INC., SOLELY IN ITS CAPACITY AS RECEIVER
OF THE LAUREL HILLS WATER SYSTEM
IN RECEIVERSHIP FOR A PROVISIONAL
CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY

DOCKET NO.
17-00098

PETITIONER'S RESPONSE TO RENEGADE MOUNTAIN COMMUNITY CLUB'S
FIRST SET OF INTERROGATORIES AND FIRST REQUEST FOR PRODUCTION
OF DOCUMENTS UPON RECEIVERSHIP MANAGEMENT, INC.

COMES NOW, the petitioner, Receivership Management, Inc. solely in its capacity as Receiver of the Laurel Hills Water System [hereinafter the "Petitioner"], and provides this response to the Intervenor's, Renegade Mountain Community Club, First Set of Interrogatories and First Request for Production of Documents. In response to said discovery requests, Petitioner would respond as follows:

INTERROGATORIES

1. Please state Petitioner's full name, current address, and tax identification number.

ANSWER: Receivership Management, Inc., 1101 Kermit Drive, Suite 735,
Nashville, Tennessee 37217, Tax Identification Number: 20-0200514.

2. Please identify in detail all persons who are current employees of Petitioner, including name, address, position, and periods of employment.

ANSWER: Objection. The request is overbroad, unduly burdensome, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Without waiving such objection, the Petitioner will respond to a portion of this request. Names, positions and periods of employment for the current employees of the Petitioner who have provided services to the Petitioner relative to the Laurel Hills Water System in Receivership matter are:

- a. Jeanne Bryant, President (p.o.e. 11/1/2003-Present)
- b. Robert E. Moore, Jr., Chief Operating Officer (p.o.e. 9/1/2004-Present)
- c. Cody Smith, Controller (p.o.e. 12/14/2015-Present); and,
- d. Jere Cowan, Administrator (p.o.e. 11/1/2015-Present).

3. Please identify in detail all persons who are current customers of the Water System, including the name, address, account number, account billing history, and current account status.

ANSWER: Objection. The request is overbroad, unduly burdensome, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Without waiving such objection, the Petitioner is willing to respond to this request upon issuance of a protective order by the Commission to safeguard this customer information.

4. Please identify in detail all of the Petitioner's business records related to the Receivership.

ANSWER: Objection. The request is overbroad, unduly burdensome, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Many of the records are protected by various privileges and/or confidentiality doctrines and will not be identified. The request is so overbroad that it is impossible to

respond with any detail or specificity. Without waiving such objection, the Petitioner will respond generally to a portion of this request. The Petitioner's business records related to the Receivership include accounting records for the receivership estate; legal memoranda, draft, documents, records and other information; deeds, licenses, deeds of trusts and other real estate records; and correspondence and electronic mail and other documents evidencing communications with various individuals and entities (both governmental and business).

5. Please identify each person who is an expert witness and who Petitioner expects to call at the hearing of this matter. With regard to each expert witness, please describe: (a) the subject matter about which the expert is expected to testify; (b) the substance of the facts and opinions as to which expert is expected to testify; (c) give a summary for the grounds of each such opinion; (d) please attach to your answers to these interrogatories a copy of each expert's curriculum vitae; and (e) please state the dates of any reports prepared by such experts and attach to your answers to these interrogatories a copy of any report prepared by each such expert who Receivership Management, Inc. expects to call at the trial of this matter.

ANSWER: None.

6. Please identify each person associated with the Petitioner with personal knowledge of the facts related to the Receivership.

ANSWER: Robert E. Moore, Jr., Jeanne Bryant, Cody Smith, Heather Selby, Terry Stephens, Jacqueline Lawson, Gerald Williams, Everett Sinor (as counsel), and Graham Matherne (as counsel).

REQUEST FOR PRODUCTION OF DOCUMENTS

Please produce for inspection and copying the following:

1. **Copies of all communications between the Receiver and any other person relative to the Receivership.** Objection. The request is overbroad, unduly burdensome, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence.

2. **Copies of Petitioner's income tax records and returns related to the Receivership.** Objection. Many of the records are protected by various privileges and/or confidentiality doctrines and will not be produced. Without waiving such objection, the Petitioner will respond to a portion of this request. The Petitioner's income tax returns are provided herewith as Exhibit First RfP - 2, attached hereto and incorporated herein by reference.

3. **Copies of any and all records pertaining to all persons who are all current customers of the Water System, including the name, address, account number, account billing history, and current account status.** Objection. The request is overbroad, unduly burdensome, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Without waiving such objection, the Petitioner is willing to respond to this request upon issuance of a protective order by the Commission to safeguard this customer information. The LHWS does not maintain account numbers for customers.

4. **Copies of any and all documents that Petitioner may use to support the claims asserted in the Petition.** Petitioner has not yet determined what documents it will use in support of its claims, but the Petitioner will supplement its response when such documents are identified.

5. **Copies of any and all documents identified, referred to, or relied upon in preparing the answers to the foregoing Interrogatories.** Objection. The request is

overbroad, unduly burdensome, and the information sought is not reasonably calculated to lead to the discovery of admissible evidence. Without waiving such objection, the Petitioner will respond to a portion of this request. A copy of the notice from the Internal Revenue Service assigning the receivership estate its tax identification number is attached hereto as Exhibit First RfP - 5 and is incorporated herein by reference. Other documents identified, referred to or relied upon by the Petitioner are also provided in response to other requests for production, or are objected to being produced as otherwise delineated above.

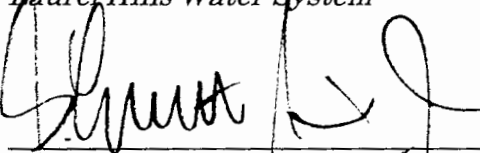
DATED: November 16, 2017.

Respectfully submitted,

Receivership Management, Inc., solely in its
Capacity as Receiver of the Laurel Hills
Water System in Receivership

By: 

Robert E. Moore, Jr. (BPR#013600)
Chief Operations Officer
Receivership Management Inc.
1101 Kermit Drive, Suite 735
Nashville, Tennessee 37217
615.370.0051 (Phone)
615.373.4336 (Facsimile)
rmoore@receivermgmt.com (email)
*Court Appointed Receiver for
Laurel Hills Water System*



G. Everett Sinor, Jr. (BPR #017564)
Attorney at Law
Counsel for Receivership Management, Inc.
3504 Robin Road
Nashville, Tennessee 37204
615.969.9027 (Phone)
Everett.Sinor@gmail.com (email)

Certificate of Service

The undersigned hereby certifies that a true and correct copy of the foregoing Petitioner's Response to Renegade Mountain Community Club's First Set of Interrogatories and First Request for Production of Documents Upon Receivership Management, Inc., has been served upon the parties hereto and the other persons listed below, at:

Aaron Conklin, Esq.
Staff Attorney
Tennessee Public Utility Commission
502 Deaderick Street, Fourth Floor
Nashville, Tennessee 37243

James L. Gass, Esq.
Ogle, Gass & Richardson
Counsel for Laurel Hills Condominiums
Property Owners Association
103 Bruce Street
Sevierville, Tennessee 37862

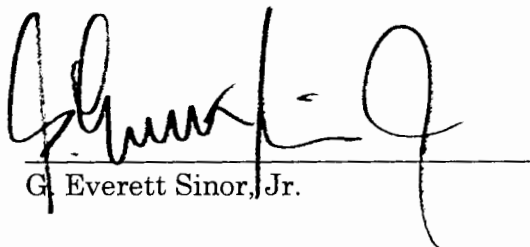
Scott D. Hall, Esq.
Counsel for Moy Toy, LLC
Counsel for Terra Mountain, LLC
374 Forks of the River Parkway
Sevierville, TN 37862

Vance Broemel, Esq.
Daniel P Whitaker, III, Esq.
Consumer Advocate and Protection Division
Tennessee Attorney General and Reporter
Post Office Box 20207
Nashville, Tennessee 37202

Gregory C. Logue, Esq.
Daniel J. Moore, Esq.
Woolf, McClane, Bright, Allen & Carpenter
Counsel for Renegade Mountain Community Club
Post Office Box 900
Knoxville, Tennessee 37901

Roger York, Esq.
York & Bilbrey
456 North Main Street, Suite 201
Crossville, Tennessee 38555

via the United States Mails, postage prepaid, and electronic mail, this 16th day of November, 2017.


G. Everett Sinor, Jr.

Information about Form 1041 and its separate instructions is at www.irs.gov/form1041.

A Check all that apply: <input type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input checked="" type="checkbox"/> Complex trust <input type="checkbox"/> Qualified disability trust <input type="checkbox"/> ESBT (S portion only) <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate-Ch. 7 <input type="checkbox"/> Bankruptcy estate-Ch. 11 <input type="checkbox"/> Pooled income fund		For calendar year 2015 or fiscal year beginning _____, 2015, and ending _____, 20____ Name of estate or trust (if a grantor type trust, see the instructions.) LAUREL HILLS WATER IN RCVRSHP Name and title of fiduciary RECEIVER RECEIVERSHIP MANAGEMENT INC Number, street, and room or suite no. (if a P.O. box, see the instructions.) PO BOX 2307 City or town, state or province, country, and ZIP or foreign postal code BRENTWOOD TN 37024	C Employer identification number 47-7386855 D Date entity created 10-26-2015 E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions. <input type="checkbox"/> Described in sec. 4947(a)(1). Check here if not a private foundation <input type="checkbox"/> <input type="checkbox"/> Described in sec. 4947(e)(2) <input type="checkbox"/> Net operating loss carryback <input type="checkbox"/> Change in fiduciary's address
B Number of Schedules K-1 attached (see instructions) <input type="checkbox"/>		F Check applicable boxes: <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Change in trust's name <input type="checkbox"/> Change in fiduciary <input type="checkbox"/> Change in fiduciary's name	

G Check here if the estate or filing trust made a section 645 election <input type="checkbox"/> Trust TIN <input type="checkbox"/>			
Income	1 Interest income	1	
	2 a Total ordinary dividends	2a	
	b Qualified dividends allocable to: (1) Beneficiaries (2) Estate or trust		
	3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040)	3	7,425
	4 Capital gain or (loss). Attach Schedule D (Form 1041)	4	
	5 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)	5	
	6 Farm income or (loss). Attach Schedule F (Form 1040)	6	
	7 Ordinary gain or (loss). Attach Form 4797	7	
	8 Other income. List type and amount	8	
9 Total income. Combine lines 1, 2a, and 3 through 8	9	7,425	
Deductions	10 Interest. Check if Form 4952 is attached <input type="checkbox"/>	10	
	11 Taxes	11	
	12 Fiduciary fees	12	
	13 Charitable deduction (from Schedule A, line 7)	13	
	14 Attorney, accountant, and return preparer fees	14	
	15 a Other deductions not subject to the 2% floor (attach schedule)	15a	
	b Net operating loss deduction (see instructions)	15b	
	c Allowable miscellaneous itemized deductions subject to the 2% floor	15c	0
	16 Add lines 10 through 15c	16	0
	17 Adjusted total income or (loss). Subtract line 16 from line 9	17	7,425
	18 Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)	18	
19 Estate tax deduction including certain generation-skipping taxes (attach computation)	19		
20 Exemption	20	100	
21 Add lines 18 through 20	21	100	
Tax and Payments	22 Taxable income. Subtract line 21 from line 17. If a loss, see instructions	22	7,325
	23 Total tax (from Schedule G, line 7)	23	1,624
	24 Payments: a 2015 estimated tax payments and amount applied from 2014 return	24a	
	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)	24b	
	c Subtract line 24b from line 24a	24c	0
	d Tax paid with Form 7004 (see instructions)	24d	
	e Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/>	24e	
	Other payments: f Form 2439; g Form 4136; Total	24h	
	25 Total payments. Add lines 24c through 24e, and 24h	25	0
	26 Estimated tax penalty (see instructions)	26	
27 Tax due. If line 25 is smaller than the total of lines 23 and 26, enter amount owed	27	1,624	
28 Overpayment. If line 25 is larger than the total of lines 23 and 26, enter amount overpaid	28		
29 Amount of line 28 to be: a Credited to 2016 estimated tax; b Refunded	29		

Sign Here

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

Signature of fiduciary or officer representing fiduciary

Date

EIN of fiduciary if a financial institution

May the IRS discuss this return with the preparer shown below (see instr.)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name

TERRY STEPHENS CPA

Preparer's signature

Terry Stephens CPA

Date

8-22-2016

Check ☒ if self-employed

PTIN

P00010092

Firm's name

LANSFORD & STEPHENS CPAs

Firm's address

92 Rockwood Avenue
Crossville TN 38555

20-1965405

931-484-6105

EXHIBIT
Firm RFP-2

Schedule A Charitable Deduction. Do not complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income (see instructions)	1	
2	Tax-exempt income allocable to charitable contributions (see instructions)	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes (see instructions)	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction

1	Adjusted total income (see instructions)	1	
2	Adjusted tax-exempt interest	2	
3	Total net gain from Schedule D (Form 1041), line 19, column (1) (see instructions)	3	
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1 (see instructions)	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	0
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	
9	Income required to be distributed currently	9	0
10	Other amounts paid, credited, or otherwise required to be distributed	10	
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	0
12	Enter the amount of tax-exempt income included on line 11	12	
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	0
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	0
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	0

Schedule G Tax Computation (see instructions)

1	a Tax on taxable income (see instructions)	1a	1,624	
	b Tax on lump-sum distributions. Attach Form 4972	1b		
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c		
	d Total. Add lines 1a through 1c	1d		1,624
2a	Foreign tax credit. Attach Form 1116	2a		
	b General business credit. Attach Form 3800	2b		
	c Credit for prior year minimum tax. Attach Form 8801	2c		
	d Bond credits. Attach Form 8912	2d		
	e Total credits. Add lines 2a through 2d	2e		0
3	Subtract line 2e from line 1d. If zero or less, enter -0-	3		1,624
4	Net investment income tax from Form 8960, line 21	4		
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5		
6	Household employment taxes. Attach Schedule H (Form 1040)	6		
7	Total tax. Add lines 3 through 6. Enter here and on page 1, line 23	7		1,624

Other Information

	Yes	No
1 Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$		X
2 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		X
3 At any time during calendar year 2015, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		
4 During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		X
5 Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		X
6 If this is an estate or a complex trust making the section 663(b) election, check here (see instructions) ▶ <input type="checkbox"/>		
7 To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here (see instructions) ▶ <input type="checkbox"/>		
8 If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9 Are any present or future trust beneficiaries skip persons? See instructions		X

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2015

Attachment
Sequence No. **09**

- Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor LAUREL HILLS WATER IN RCVRSH	Social security number (SSN)
A Principal business or profession, including product or service (see instructions) WATER SERVICE	B Enter code from instructions ► 221000
C Business name. If no separate business name, leave blank.	D Employer ID number (EIN), (see instr.) 47-7386855

E Business address (including suite or room no.) ► PO BOX 2307	
City, town or post office, state, and ZIP code BRENTWOOD TN 37024	
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►	
G Did you "materially participate" in the operation of this business during 2015? If "No," see instructions for limit on losses	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2015, check here	
I Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions)	Yes <input checked="" type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?	Yes <input type="checkbox"/> No

Part I Income	
1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	1 10,989
2 Returns and allowances	2 0
3 Subtract line 2 from line 1	3 10,989
4 Cost of goods sold (from line 42)	4
5 Gross profit. Subtract line 4 from line 3	5 10,989
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7 Gross income. Add lines 5 and 6	7 10,989

Part II Expenses. Enter expenses for business use of your home only on line 30.			
8 Advertising	8	18 Office expense (see instructions)	18 46
9 Car and truck expenses (see instructions)	9	19 Pension and profit-sharing plans	19
10 Commissions and fees	10	20 Rent or lease (see instructions):	
11 Contract labor (see instructions)	11	a Vehicles, machinery, and equipment	20a
12 Depletion	12	b Other business property	20b
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13 175	21 Repairs and maintenance	21
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22
15 Insurance (other than health)	15	23 Taxes and licenses	23
16 Interest		24 Travel, meals, and entertainment	
a Mortgage (paid to banks, etc.)	16a	a Travel	24a
b Other	16b	b Deductible meals and entertainment (see instructions)	24b
17 Legal and professional services	17	25 Utilities	25 2,843
		26 Wages (less employment credits)	26
		27 a Other expenses (from line 48)	27a 500
		b Reserved for future use	27b
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28		28 3,564
29 Tentative profit or (loss). Subtract line 28 from line 7	29		29 7,425
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions).			
Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30			
31 Net profit or (loss). Subtract line 30 from line 29.			
<ul style="list-style-type: none"> • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32. 			
32 If you have a loss, check the box that describes your investment in this activity (see instructions).			
<ul style="list-style-type: none"> • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited. 			
		32a <input type="checkbox"/> All investment is at risk.	
		32b <input type="checkbox"/> Some investment is not at risk.	

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2015

Name(s)

SSN

LAUREL HILLS WATER IN RCVRSH

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year)	
44	Of the total number of miles you drove your vehicle during 2015, enter the number of miles you used your vehicle for:	
a	Business	
b	Commuting (see instructions)	
c	Other	
45	Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
47 a	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

WATER TESTING	500
48 Total other expenses. Enter here and on line 27a	500

11:00 AM
08/18/16
Cash Basis

Laurel Hills Water System In Receivable
Profit & Loss
October 26 through December 31, 2015

	Oct 26 - Dec 31, 15
Ordinary Income/Expense	
Income	
Water Income	10,989.20
Total Income	10,989.20
Gross Profit	10,989.20
Expense	
Water Testing	500.00
Depreciation	175.00
Office Expense	45.58
Utilities	
Water	2,384.32
Electric	458.46
Total Utilities	2,842.78
Total Expense	3,563.36
Net Ordinary Income	7,425.84
Net Income	7,425.84

* Item was disposed
of during current year.

Depreciation Detail Listing

Schedule C - 1
For your records only

2015
PAGE 1

Name(s) as shown on return

Social security number/EIN

LAUREL HILLS WATER IN RCVRSHP

47-7386855

LAKESIDE WILLOW WATER TREATMENT PLANT													47-1388633		
No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
1	PUMP STATION	06212011	15,747		100.00		15,747	15	SL HY	6.667	175	4,725			1,050

U.S. Income Tax Return for Estates and Trusts

2016

OMB No. 1545-0092

Information about Form 1041 and its separate instructions is at www.irs.gov/form1041.

A Check all that apply: <input type="checkbox"/> Decedent's estate <input type="checkbox"/> Simple trust <input checked="" type="checkbox"/> Complex trust <input type="checkbox"/> Qualified disability trust <input type="checkbox"/> ESBT (S portion only) <input type="checkbox"/> Grantor type trust <input type="checkbox"/> Bankruptcy estate—Ch. 7 <input type="checkbox"/> Bankruptcy estate—Ch. 11 <input type="checkbox"/> Pooled income fund		For calendar year 2016 or fiscal year beginning _____, 2016, and ending _____, 20____ Name of estate or trust (If a grantor type trust, see the instructions.) LAUREL HILLS WATER IN RCVRSEHP Name and title of fiduciary RECEIVER RECEIVERSHIP MANAGEMENT INC Number, street, and room or suite no. (If a P.O. box, see the instructions.) PO BOX 2307 City or town, state or province, country, and ZIP or foreign postal code BRENTWOOD TN 37024		C Employer identification number 47-7386855 D Date entity created 10-26-2015 E Nonexempt charitable and split-interest trusts, check applicable box(es), see instructions. <input type="checkbox"/> Described in sec. 4947(a)(1). Check here if not a private foundation <input type="checkbox"/> <input type="checkbox"/> Described in sec. 4947(a)(2) <input type="checkbox"/> Net operating loss carryback <input type="checkbox"/> Change in fiduciary's address	
B Number of Schedules K-1 attached (see instructions) ▶		F Check applicable boxes: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Change in trust's name <input type="checkbox"/> Change in fiduciary <input type="checkbox"/> Change in fiduciary's name <input type="checkbox"/> Change in fiduciary's address			
G Check here if the estate or filing trust made a section 645 election <input type="checkbox"/> Trust TIN <input type="checkbox"/>					
Income	1 Interest income				1
	2 a Total ordinary dividends				2a
	b Qualified dividends allocable to: (1) Beneficiaries _____ (2) Estate or trust _____				
	3 Business income or (loss). Attach Schedule C or C-EZ (Form 1040)				3 (4,577)
	4 Capital gain or (loss). Attach Schedule D (Form 1041)				4
	5 Rents, royalties, partnerships, other estates and trusts, etc. Attach Schedule E (Form 1040)				5
	6 Farm income or (loss). Attach Schedule F (Form 1040)				6
	7 Ordinary gain or (loss). Attach Form 4797				7
	8 Other income. List type and amount _____				8
9 Total income. Combine lines 1, 2a, and 3 through 8				9 (4,577)	
Deductions	10 Interest. Check if Form 4952 is attached <input type="checkbox"/>				10
	11 Taxes				11
	12 Fiduciary fees				12
	13 Charitable deduction (from Schedule A, line 7)				13
	14 Attorney, accountant, and return preparer fees				14
	15 a Other deductions not subject to the 2% floor (attach schedule)				15a
	b Net operating loss deduction. See instructions				15b
	c Allowable miscellaneous itemized deductions subject to the 2% floor				15c 0
	16 Add lines 10 through 15c				16 0
	17 Adjusted total income or (loss). Subtract line 16 from line 9				17 (4,577)
	18 Income distribution deduction (from Schedule B, line 15). Attach Schedules K-1 (Form 1041)				18
19 Estate tax deduction including certain generation-skipping taxes (attach computation)				19	
20 Exemption				20 100	
21 Add lines 18 through 20				21 100	
Tax and Payments	22 Taxable income. Subtract line 21 from line 17. If a loss, see instructions				22 (4,677)
	23 Total tax (from Schedule G, line 7)				23 0
	24 Payments: a 2016 estimated tax payments and amount applied from 2015 return				24a
	b Estimated tax payments allocated to beneficiaries (from Form 1041-T)				24b
	c Subtract line 24b from line 24a				24c 0
	d Tax paid with Form 7004. See instructions				24d
	e Federal income tax withheld. If any is from Form(s) 1099, check <input type="checkbox"/> Other payments: f Form 2439 _____; g Form 4136 _____; Total ▶				24e
	25 Total payments. Add lines 24c through 24e, and 24h				25 0
	26 Estimated tax penalty. See instructions				26
	27 Tax due. If line 25 is smaller than the total of lines 23 and 26, enter amount owed				27
28 Overpayment. If line 25 is larger than the total of lines 23 and 26, enter amount overpaid				28	
29 Amount of line 28 to be: a Credited to 2017 estimated tax ▶ ; b Refunded ▶				29	
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.					
Sign Here Signature of fiduciary or officer representing fiduciary _____ Date _____ EIN of fiduciary if a financial institution _____		May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Paid Preparer Use Only Print/Type preparer's name TERRY STEPHENS CPA Firm's name LANSFORD & STEPHENS CPAs Firm's address 92 Rockwood Avenue Crossville TN 38555		Preparer's signature <i>Terry Stephens CPA</i> Date 9-7-2017		Check <input checked="" type="checkbox"/> if self-employed PTIN P00010092 Firm's EIN 20-1965405 Phone no. 931-484-6105	

Schedule A Charitable Deduction Don't complete for a simple trust or a pooled income fund.

1	Amounts paid or permanently set aside for charitable purposes from gross income. See instructions	1	
2	Tax-exempt income allocable to charitable contributions. See instructions	2	
3	Subtract line 2 from line 1	3	
4	Capital gains for the tax year allocated to corpus and paid or permanently set aside for charitable purposes	4	
5	Add lines 3 and 4	5	
6	Section 1202 exclusion allocable to capital gains paid or permanently set aside for charitable purposes. See instructions	6	
7	Charitable deduction. Subtract line 6 from line 5. Enter here and on page 1, line 13	7	

Schedule B Income Distribution Deduction

1	Adjusted total income. See instructions	1	
2	Adjusted tax-exempt interest	2	
3	Total net gain from Schedule D (Form 1041), line 19, column (1). See instructions	3	
4	Enter amount from Schedule A, line 4 (minus any allocable section 1202 exclusion)	4	
5	Capital gains for the tax year included on Schedule A, line 1. See instructions	5	
6	Enter any gain from page 1, line 4, as a negative number. If page 1, line 4, is a loss, enter the loss as a positive number	6	
7	Distributable net income. Combine lines 1 through 6. If zero or less, enter -0-	7	0
8	If a complex trust, enter accounting income for the tax year as determined under the governing instrument and applicable local law	8	
9	Income required to be distributed currently	9	0
10	Other amounts paid, credited, or otherwise required to be distributed	10	
11	Total distributions. Add lines 9 and 10. If greater than line 8, see instructions	11	0
12	Enter the amount of tax-exempt income included on line 11	12	
13	Tentative income distribution deduction. Subtract line 12 from line 11	13	0
14	Tentative income distribution deduction. Subtract line 2 from line 7. If zero or less, enter -0-	14	0
15	Income distribution deduction. Enter the smaller of line 13 or line 14 here and on page 1, line 18	15	0

Schedule G Tax Computation (see instructions)

1	Tax: a Tax on taxable income. See instructions	1a		
	b Tax on lump-sum distributions. Attach Form 4972	1b		
	c Alternative minimum tax (from Schedule I (Form 1041), line 56)	1c		
	d Total. Add lines 1a through 1c	1d		0
2a	Foreign tax credit. Attach Form 1116	2a		
	b General business credit. Attach Form 3800	2b		
	c Credit for prior year minimum tax. Attach Form 8801	2c		
	d Bond credits. Attach Form 8912	2d		
	e Total credits. Add lines 2a through 2d	2e		0
3	Subtract line 2e from line 1d. If zero or less, enter -0-	3		0
4	Net investment income tax from Form 8960, line 21	4		
5	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	5		
6	Household employment taxes. Attach Schedule H (Form 1040)	6		
7	Total tax. Add lines 3 through 6. Enter here and on page 1, line 23	7		0

Other Information

	Yes	No
1 Did the estate or trust receive tax-exempt income? If "Yes," attach a computation of the allocation of expenses. Enter the amount of tax-exempt interest income and exempt-interest dividends ▶ \$		X
2 Did the estate or trust receive all or any part of the earnings (salary, wages, and other compensation) of any individual by reason of a contract assignment or similar arrangement?		X
3 At any time during calendar year 2016, did the estate or trust have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ▶		X
4 During the tax year, did the estate or trust receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the estate or trust may have to file Form 3520. See instructions		X
5 Did the estate or trust receive, or pay, any qualified residence interest on seller-provided financing? If "Yes," see the instructions for required attachment		X
6 If this is an estate or a complex trust making the section 663(b) election, check here. See instructions ▶ <input type="checkbox"/>		
7 To make a section 643(e)(3) election, attach Schedule D (Form 1041), and check here. See instructions ▶ <input type="checkbox"/>		
8 If the decedent's estate has been open for more than 2 years, attach an explanation for the delay in closing the estate, and check here ▶ <input type="checkbox"/>		
9 Are any present or future trust beneficiaries skip persons? See instructions		X
10 Was the trust a specified domestic entity required to file Form 8938 for the tax year (see the instructions for Form 8938)?		X

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business

(Sole Proprietorship)

OMB No. 1545-0074

2016

Attachment
Sequence No. **09**

- Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor LAUREL HILLS WATER IN RCVRSHP		Social security number (SSN)
A Principal business or profession, including product or service (see instructions) WATER SERVICE		B Enter code from instructions ► 221000
C Business name. If no separate business name, leave blank.		D Employer ID number (EIN), (see instr.) 47-7386855
E Business address (including suite or room no.) ► PO BOX 2307 City, town or post office, state, and ZIP code BRENTWOOD, TN 37024		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you "materially participate" in the operation of this business during 2016? If "No," see instructions for limit on losses		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2016, check here		<input type="checkbox"/> Yes <input type="checkbox"/> No
I Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
J If "Yes," did you or will you file required Forms 1099?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	1	96,312
2 Returns and allowances	2	0
3 Subtract line 2 from line 1	3	96,312
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	96,312
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	96,312

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	624
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):	20a	
11 Contract labor (see instructions)	11	846	a Vehicles, machinery, and equipment	20b	
12 Depletion	12		b Other business property	21	350
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	1,050	21 Repairs and maintenance	22	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	23	49
15 Insurance (other than health)	15	13,956	23 Taxes and licenses	24	
16 Interest:	16a		24 Travel, meals, and entertainment:	24a	
a Mortgage (paid to banks, etc.)	16b		a Travel	24b	
b Other	17	4,193	b Deductible meals and entertainment (see instructions)	25	51,194
17 Legal and professional services	17		25 Utilities	26	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	100,889	26 Wages (less employment credits)	27a	28,627
29 Tentative profit or (loss). Subtract line 28 from line 7	29	(4,577)	27 a Other expenses (from line 48)	27b	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		b Reserved for future use	31	(4,577)
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31			31	
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.	32a	<input checked="" type="checkbox"/>	All investment is at risk.	32b	<input type="checkbox"/>
	32b		Some investment is not at risk.		

For Paperwork Reduction Act Notice, see the separate instructions.

Schedule C (Form 1040) 2016

Name(s)

SSN

LAUREL HILLS WATER IN RCVRSHIP

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year)	►
44	Of the total number of miles you drove your vehicle during 2016, enter the number of miles you used your vehicle for:	
a	Business	b Commuting (see instructions)
c	Other	
45	Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
47 a	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

WATER TESTING	5,005
BANK CHARGES	12
RECEIVERSHIP FEES	23,610
48 Total other expenses. Enter here and on line 27a	28,627

Schedule A - NOL (see instructions)

1	Enter the amount from your 2016 Form 1040, line 41, or Form 1040NR, line 39. Estates and trusts, enter taxable income increased by the total of the charitable deduction, income distribution deduction, and exemption amount (see instructions)		1	(4,577)
2	Nonbusiness capital losses before limitation. Enter as a positive number	2		
3	Nonbusiness capital gains (without regard to any section 1202 exclusion)	3		
4	If line 2 is more than line 3, enter the difference. Otherwise, enter -0-	4		
5	If line 3 is more than line 2, enter the difference. Otherwise, enter -0-	5		
6	Nonbusiness deductions (see instructions)	6		
7	Nonbusiness income other than capital gains (see instructions)	7		
8	Add lines 5 and 7	8		
9	If line 6 is more than line 8, enter the difference. Otherwise, enter -0-	9		
10	If line 8 is more than line 6, enter the difference. Otherwise, enter -0-. But don't enter more than line 5	10		
11	Business capital losses before limitation. Enter as a positive number	11		
12	Business capital gains (without regard to any section 1202 exclusion)	12		
13	Add lines 10 and 12	13		
14	Subtract line 13 from line 11. If zero or less, enter -0-	14		
15	Add lines 4 and 14	15		
16	Enter the loss, if any, from line 16 of your 2016 Schedule D (Form 1040). (Estates and trusts, enter the loss, if any, from line 19, column (3), of Schedule D (Form 1041).) Enter as a positive number. If you don't have a loss on that line (and don't have a section 1202 exclusion), skip lines 16 through 21 and enter on line 22 the amount from line 15	16		
17	Section 1202 exclusion. Enter as a positive number	17		
18	Subtract line 17 from line 16. If zero or less, enter -0-	18		
19	Enter the loss, if any, from line 21 of your 2016 Schedule D (Form 1040). (Estates and trusts, enter the loss, if any, from line 20 of Schedule D (Form 1041).) Enter as a positive number	19		
20	If line 18 is more than line 19, enter the difference. Otherwise, enter -0-	20		
21	If line 19 is more than line 18, enter the difference. Otherwise, enter -0-	21		
22	Subtract line 20 from line 15. If zero or less, enter -0-	22		
23	Domestic production activities deduction from your 2016 Form 1040, line 35, or Form 1040NR, line 34 (or included on Form 1041, line 15a)	23		
24	NOL deduction for losses from other years. Enter as a positive number	24		
25	NOL. Combine lines 1, 9, 17, and 21 through 24. If the result is less than zero, enter it here and on page 1, line 1a. If the result is zero or more, you don't have an NOL	25		(4,577)

Elections**2016** PG01

Name(s) as shown on return

Your Social Security Number

LAUREL HILLS WATER IN RCVRSH

47-7386855

I/We are electing under section 172(b)(3) to relinquish the entire carryback period for any 2016 NOL

9:58 AM

Lafayette Hills Water System In Receivership

Profit & Loss

08/31/17

January through December 2016

Cash Basis

	Jan - Dec 16
Ordinary Income/Expense	
Income	
Water Tap Fees	1,000.00
Water Income	95,311.68
Total Income	96,311.68
Gross Profit	96,311.68
Expense	
Accounting Services	4,080.00
Bank Service Charges	12.00
Contract Labor	845.56
Depreciation	1,050.00
Insurance Expense	13,955.97
Legal Fees	113.48
Miscellaneous	493.80
Office Expense	130.00
Receivership Fees	23,609.51
Recording & Title Fees	49.00
Repair & Maintenance	
Machinery & Equipment	349.78
Total Repair & Maintenance	349.78
Taxes - Federal	1,692.26 ND
Utilities	
Water	44,708.33
Electric	6,485.55
Total Utilities	51,193.88
Water Testing	5,005.00
Total Expense	102,580.24
Net Ordinary Income	-6,268.56
Net Income	-6,268.56

1692 ND Fed. Tax

Schedule C Line 31 - <4577>

Name(s) as shown on return

WATER SERVICE
For your records only

PAGE 1

47-7386855

Land Amount
Net Depreciable Cost

15,747

ST ADJ:



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
PHILADELPHIA PA 19255-0023

DATE OF THIS NOTICE: 09-16-2003
NUMBER OF THIS NOTICE: CP 575 A
EMPLOYER IDENTIFICATION NUMBER: 20-0200514
FORM: SS-4 NOBOD 0000001293
0534147107 B

FOR ASSISTANCE CALL US AT:
1-800-829-0115

OR WRITE TO THE ADDRESS
SHOWN AT THE TOP LEFT.

IF YOU WRITE, ATTACH THE
STUB OF THIS NOTICE.

RECEIVERSHIP MANAGEMENT INC
% JEANNE BARNES BRYANT
215 CENTERVIEW DR STE 100
BRENTWOOD TN 37027

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER (EIN)

Thank you for your Form SS-4, Application for Employer Identification Number (EIN). We assigned you EIN 20-0200514. This EIN will identify your business account, tax returns, and documents even if you have no employees. Please keep this notice in your permanent records.

Use your complete name and EIN shown above on all federal tax forms, payments and related correspondence. If you use any variation of your name or EIN, it may cause a delay in processing and may result in incorrect information in your account. It also could cause you to be assigned more than one EIN.

Based on the information shown on your Form SS-4, you must file the following form(s) by the date we show.

Form 941	10/31/2003
Form 1120	03/15/2004
Form 940	01/31/2004

Your assigned tax classification is based on information obtained from your Form SS-4. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a determination of your tax classification, you may seek a private letter ruling from the IRS under the procedures set forth in Revenue Procedure 98-01, 1998-1 I.R.B.7 (or the superceding revenue procedure for the year at issue).

If you need help in determining what your tax year is, you can get Publication 538, Accounting Periods and Methods, at your local IRS office.

If you have questions about the form(s) or the due date(s) shown, you can call us at 1-800-829-0115 or write to us at the address shown above.

SEP 16 2003

