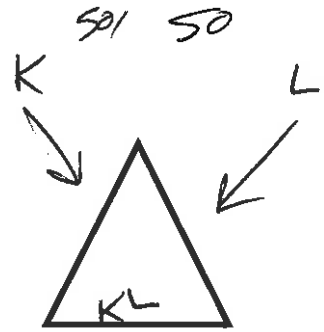
Exam Number 1685

Question 1

Exhibit A



	Assets			Liabilities	
	Basis	Value		Basis	Value
cash	200 000	200 000		*Debt*	Ø
metals investment	400 000	600 000 FMV			
Closely Stock	1,000,000	600 000 FMV			
				Equity	
			K	800 000	700 000 FMV
			L	800 000	700 000 FMV
Total Assets	1,600,000	1,400,000	Total Liabilities	1,600,000	1,400,000