

TO: CAROLYN LAYTON

Law Office Report #21 March 7, 1978 page 1

from June

1. Hartford Insurance Co. group policy - this is an explanation of the question I asked on radio - Claire told us about a group policy which apparently was taken out for p.r. purposes to impress with numbers, at \$1.50 per member, and we listed membership as 8,000. This policy was a liability policy, and it expires April 24, 1978. Mayfield is the agent, is nosy about it, and thought we'd be interested in cancelling (he's angling to find out how many we have). This policy covers people here and in transit, traveling across the states. No claims have ever been filed on it, and Mayfield says that if we renew it, he can get it at \$1.00 per member now, but he will need an inventory of who and how many. We want to know if we should renew. Obviously, most of the people on it are now overseas. I don't know if when we took out the policy originally, whether names were supplied Mayfield of the members in the policy. Harold might remember this. *Chaikin says NO 3/13*  
**Please send us an answer via radio before April 24.**
2. Attached is a copy of a letter we've received from Academic Financial Services Association re Sarah's endowment loan; should we pay this? Total bill is \$180, first payment is due June 1. Will this cause problems for her degree if we don't pay? *Sandy 3/13*
3. Danny Kutulas, Declaration of Costs, Mendocino County: Attached is a form we've received addressed to Danny, "Earth Moving". What do you suggest we do with this? There is a signature line at the bottom; perhaps he should sign it and return it and fill it out saying no longer in operation... **The deadline is April 15.**
4. Don Fields - has an outstanding balance of \$42 in his bank account. This is a joint account with Shireley. Would you please ask them if they want to withdraw this \$, and have they draw up a letter, signed by both of them, if they want to withdraw it, and send it back here. They should request that the balance of the account be sent to them in a cashier's check c/o Eugene Chaikin, P.O. Box 15156, San Francisco. The account no. is 0891-PS13, and the bank is Bank of America, Northridge Office, Box F, Northridge, California. We will forward it on to the bank from here.
5. Wanda Johnson has called again, regarding Danny Pietila's trust account which was managed by Tim Stoen and Chaikin through the Bank of America in Ukiah. She claims he's threatening to sue because we haven't given him his balance. This case has floated back and forth between Chaikin and Bonnie for several months before Chaikin went over; now we have had Bonnie go through the records one more time and she has written a recap sheet of withdrawals, to prove that the trust account has been used up by writing checks to Danny for various expenses he requested. Several bank statements are missing, and to obtain microfilm copies of them to verify the recap sheet, we need a letter from Chaikin authorizing Bonnie or Jean Brown to get these copies. I have attached such a letter. Please have Chaikin sign it. Also see attached a recent opinion issued by the Calif State Bar in reference to attorneys trust accounts for clients. I am afraid that Danny's reason for messing with us on this is that he is being provoked by Stoen; and I think we better clear this matter up as soon as we can to stay ahead in the game. Please send back this signed letter as soon as possible, we can do nothing more til we get it. *(11) 40-elt BSe (9+) elt*

ACADEMIC FINANCIAL  
SERVICES ASSOCIATION

A Division of  Corporation

January 31, 1978

Harriet (Randolph) Tropp  
P O Box 15157  
San Francisco, CA 94117

Dear Borrower:

Our purpose in this letter is to introduce ourselves and to provide you with important information about your Endowment Loan which you obtained from Hastings College of the Law.

Academic Financial Services Association provides a billing and accounting service to your school and will be working with them and you while you repay your loan.

According to our records your current loan balance is \$180.00, your grace period will expire March 1, 1978 and your first quarterly payment of \$45.00 will be due June 1, 1978.

About 20 days before your first payment is due you will receive a bill and a pamphlet which will describe your rights and obligations.

Please do not contact us until you receive this bill even if you have returned to school. You should, of course, write to us if you change your address:

AFSA  
P.O. Box 54804 Terminal Annex  
Los Angeles, California 90054

In all correspondence please be sure to include your account number: 1819 085-42-9579-1.

Sincerely,

  
Debbie Gill  
Account Analyst

FORM **571**

TO: OFFICE OF ASSESSOR - COUNTY OF MENDOCINO - COURTHOUSE - UKIAH, CA 95482  
**BUSINESS PROPERTY STATEMENT**  
 DECLARATION OF COSTS AND OTHER RELATED PROPERTY INFORMATION  
 AS OF 12:01 A.M., MARCH 1, 1978

**1978**

OWNER NAME <b>BL</b> DBA <b>Kutulas, Danny K.</b> <b>- Barth Moving</b> STREET <b>P.O. Box 192</b> CITY <b>Redwood Valley, CA 95470</b>	RETURN THIS COPY BY - <b>APRIL 15, 1978</b> g. Enter location of general ledger and all related accounting records (including ZIP) _____ _____ h. Enter name and telephone no. of person to contact at location of accounting records. _____ _____
LOCATION CITY	ASSESSOR'S USE ONLY

**Part I GENERAL INFORMATION**  
 COMPLETE (a) THRU (h) AS REQUESTED

a. Make necessary corrections of the printed name and mailing address.

b. Enter type of business: \_\_\_\_\_

c. Enter local telephone no. (\_\_\_\_) \_\_\_\_\_

d.  (v) Check if ownership of land at LOCATION OF THE PROPERTY is in your name

e. When did you start business at this location? DATE: \_\_\_\_\_

f. Check (v) description of operation at this location.

Retail                       Manufacturer  
 Wholesale                   Professional  
 Distributor                   Service

**Part II DECLARATION OF PROPERTY BELONGING TO YOU**

Attach Schedule For Any Adjustment To Cost	COST (Omit Cents) (See Instructions)	Full Value
1. Inventory, March 1 (See Instructions)		
2. Supplies (From Line 37)		
3. Equipment Attach Schedule		
4. Equipment Out on, or Held For, Lease or Rent to Others Attach Schedule		
5. Bldgs., Bldg. Impr., and/or Leasehold Impr., Land Impr., Land Attach Schedule		
6. Construction In Progress Attach Schedule		
7.		
8.		

TOTAL FULL VALUE	LAND
	FIXTURES
	OTHER IMPR.
	TOTAL IMPR.
	INVENTORY
	OTHER PERS.
	TOTAL PERS.
	INVENTORY EX.

**Part III DECLARATION OF PROPERTY BELONGING TO OTHERS**

Name and Mailing Address of Owner (Attach Continuation Sheet If Necessary)	(SPECIFY TYPE BY CODE NUMBER) 1. Consignments      4. Other Businesses 2. Leased Equipment    5. Lease-Purchase 3. Vending Equipment    Option Equipment	Cost to Purchase New (If Available)	Annual Rent (If Applicable)	L I C E N S E D
9.				9.
10.				10.
11.				11.
12.				12.
13.				13.

**OWNERSHIP TYPE (v)**

Proprietorship   
 Partnership   
 Corporation   
 Other

**ATTACHMENTS (v)**

Supplemental Schs.   
 Computer Printouts   
 Other

**SIGNATURE:**  
 Under penalty 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 and covers all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named in the statement at 12:01 a.m. on March 1, 1978. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has knowledge.

Full Legal Name if Incorporated \_\_\_\_\_

Signature of Owner, Partner, Officer, or Authorized Agent \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_ 1978

Signature and Address of Preparer Other Than Taxpayer \_\_\_\_\_ Date \_\_\_\_\_ 1978

**ASSESSOR'S USE ONLY**

*BSe(11k)*

**SCHEDULE A - COST DETAIL EQUIPMENT**

Include equipment expensed and fully depreciated items. Include sales or use tax, freight and installation costs. Attach schedules as needed.

LINE NO	Calendar Year of Acquis.	1. MACHINERY AND EQUIPMENT FOR INDUSTRY, PROFESSION OR TRADE		2. OFFICE FURNITURE AND EQUIPMENT		3. TOOLS, MOLDS, DIES, JIGS		4. OTHER EQUIPMENT Describe		LINE NO
		COST	ASSESSOR'S USE ONLY	COST	ASSESSOR'S USE ONLY	COST	ASSESSOR'S USE ONLY	COST	ASSESSOR'S USE ONLY	
14	1978									14
15	1977									15
16	1976									16
17	1975									17
18	1974									18
19	1973									19
20	1972									20
21	1971									21
22	1970									22
23	1969									23
24	1968									24
25	1967									25
26	1966									26
27	1965									27
28	1964									28
29	1963									29
30	1962									30
31	1961									31
32	1960									32
33	1959									33
34	1958									34
35	PRIOR									35
36	TOTAL									36
37	Add Totals on Line 36 and on supplemental schedules ENTER HERE AND ON LINE 3 PART II									37

ASSESSOR'S USE ONLY									
ADJUSTMENT									
NET FULL VALUE									
FIXTURE	%		%		%		%		%
PERSONAL PROPERTY									

*85. (141)*

**OFFICIAL REQUEST**

California Revenue Laws prescribe a yearly ad valorem tax based on property as it exists at 12:01 a.m. on March 1 (tax lien date). This form constitutes an official request that you declare all business property owned, claimed, possessed, controlled, or managed on the tax lien date situated in this county and that you sign (under penalty of perjury) and return the statement to the Assessor's office by the date cited on the face of the form as required by law. Failure to file on time may subject you to a penalty of 10 percent of the assessed value under provisions of the Revenue and Taxation Code.

If you own taxable personal property in any other county whose aggregate cost is \$30,000 or more, you must file a property statement with the Assessor of that county whether or not he requests you to do so. The Assessor of the county will supply you with a form upon request.

THIS STATEMENT IS SUBJECT TO AUDIT.	THIS STATEMENT IS NOT A PUBLIC DOCUMENT. THE INFORMATION DECLARED WILL BE HELD SECRET BY THE ASSESSOR.	IF ANY SITUATION EXISTS WHICH NECESSITATES A DEVIATION FROM TOTAL COST PER BOOKS AND RECORDS FULLY EXPLAIN ALL ADJUSTMENTS.	ASSESSED VALUE IS 25% OF FULL VALUE.
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**INSTRUCTIONS**

**COMPLETE THE STATEMENT AS FOLLOWS:**

**Part I GENERAL INFORMATION**

Complete items (a) through (h) as requested.

**NAME.** INDIVIDUALS report surname first, then first name and initial. PARTNERSHIPS enter at least two names. CORPORATIONS report full corporate name. If the business operates under a fictitious name, enter "DBA" and the fictitious name below the legal name.

**LOCATION OF THE PROPERTY.** Enter the complete street address. Forms for additional business or warehouse locations will be furnished upon request. A listing may be attached to a single property statement for your vending equipment, equipment leased or rented to others, or inventory consigned to others when any such properties are situated at many locations within this county.

**LOCATION OF RECORDS - (g and h).** If general ledger, journals and other related accounting records are not located as indicated under item g, you may be required to bring said records to your principal place of business in California. Multiple locations of records should be indicated.

**Part II DECLARATION OF PROPERTY BELONGING TO YOU.**

Report book cost (100 percent of actual cost). Include excise, sales, and use taxes, freight-in, installation charges, and all other relevant costs. Report any additional information which will assist the Assessor in arriving at a fair market value. Include finance charges, where applicable, for self-constructed equipment and for buildings. Do not include finance charges for inventory or for purchased equipment.

**LINE 1. INVENTORY.** Report all tangible inventories, paid for or not, on hand, in storage, and in transit. A business inventory exemption allowed by law will be computed by the Assessor.

If you have a physical or perpetual inventory as of March 1 and no adjustments are to be made, enter the amount on LINE 1, PART II of the Business Property Statement. If you operate at various levels of trade (i.e., manufacture, wholesale, retail), report an appropriate value added for each successive level. If adjustments are to be made, complete the inventory Schedule shown on the next page and enter the result on LINE 1, PART II.

*B5c(11A2)*

INVENTORY SCHEDULE (follow the instructions listed below)		
Line No.	WHEN USING PHYSICAL OR PERPETUAL INVENTORY, START AT LINE 2	AMOUNT
1.	COMPUTE MARCH 1ST INVENTORY (if book figure not current)	
	a. Inventory, beginning of fiscal year starting _____ 19__	\$
	b. Add purchases and freight from above date to March 1	
	c. Add direct and indirect labor cost from above date to March 1	
	d. Add manufacturing expense (burden <sup>1</sup> from above date to March 1	
	e. Total of Lines a through d	
	f. Net sales from above date to March 1 \$	
	g. Less gross profit @ _____ % \$	
	h. Cost of goods sold (Line f minus line g)	
2	MARCH 1ST INV. (Line e minus line h, or physical <input type="checkbox"/> , or perpetual <input type="checkbox"/> )	\$
	ANY ADJUSTMENTS MUST BE SHOWN BELOW	
3	ADD unrecorded inventory not included in Line 2	
4	" freight-in not included in inventory	
5	" direct and indirect labor cost not included in inventory	
6	" mfg. expense (burden) not included in inventory	
7	" unrecorded trade level not included in inventory	
8	" other inventory supplies not included in inventory	
9	" adjustment from L.I.F.O. to current replacement cost	
10	" adjustment from standard cost to actual cost	
11	" applicable research and development cost	
12	" other (specify)	
13	Total of Lines 2 through 12	\$
14	DEDUCT interstate or foreign shipments recorded but not on hand *	\$
15	" goods held for transshipment (file exemption claim)	
16	" cash, trade, and purchase discounts	
17	" inventory consigned to others	
18	" inventory out on, or held for, lease or rent to others	
19	" other (specify)	
20		
21		
22	TOTAL Deductions (Lines 14 through 21)	\$
23	NET INVENTORY (Line 13 minus Line 22; enter here and on Line 1, PART II)	\$

\* Claim form must be filed, see instructions.

**INCLUDE IN INVENTORY:**

- (1) Raw materials, work in process, and finished goods held for sale in the ordinary course of business.
- (2) Containers, wrappings, service materials (if title passes at time of sale), and materials which will become a component part of the product you manufacture or sell.

**DO NOT INCLUDE IN INVENTORY:**

- (3) Supplies (see Instructions for LINE 2, PART II).
- (4) Equipment in your inventory account that is out on, or held for, lease or rent to others (see Instructions for LINE 4, PART II).
- (5) Motor vehicles subject to registration or identification under Division 3 or Division 16.5 of the Motor Vehicle Code.
- (6) Inventory or equipment belonging to others (see Instructions for PART III).

**INVENTORY CONSIGNED TO OTHERS.** If included in your March 1st inventory, deduct your cost of inventory consigned to others on Line 17 of the Inventory Schedule shown on Page 2 of these instructions. Fully explain the deduction on an attached schedule, listing consignee's name, address, location of property, description of property, your cost, and the selling price to the consignee. This listing fulfills the requirement in the Instructions for LOCATION OF THE PROPERTY.

*BS (11/3)*

### INSTRUCTIONS FOR COMPLETION OF INVENTORY SCHEDULE

(It is not necessary to include the Inventory Schedule with the Property Statement)

Line 1. Compute March 1st Inventory using the gross profit method (If Book Figure Not Current).

- a. Enter the cost, as indicated on your books and records, of the inventory at the beginning of your current fiscal year. Enter the beginning date (month, day, year) of that year. The cost of inventory must include applicable excise and other taxes and freight and handling charges.
- b-e. Enter as instructed on form.
- f. "Net sales" are gross sales from above date to March 1, less returns and allowances per your books and records.
- g. The gross profit percentage is to be from your latest full year's operation.
- h. Cost of goods sold (Line 1f minus Line 1g).

Line 2. This figure is Line 1e minus Line 1h or the physical or perpetual inventory as of March 1.

Line 3. Report goods received but not entered on the books (such as goods for which payment has not yet been made, raw materials extracted by natural resource enterprises, or produce held by farmers' cooperatives) and goods in transit to you from a supplier located within the state. Property on consignment to you should be reported in PART III (Property Belonging to Others).

Line 4-6. Enter as instructed on form.

Line 7. If you are operating at various trade levels, as would a manufacturer or wholesaler who also operates at the distributor or retail level, a trade-level adjustment is applicable to your inventory in accordance with Title 18, Section 10 of the California Administrative Code.

Line 8. Deduct from your supplies LINE 2, PART II, and report here all containers, wrappings, service supplies, and supplies which will become a component part of the product you manufacture or sell.

Line 9. The "Last In First Out" method of inventory valuation is not acceptable. Adjust to reflect current replacement cost.

Line 10. Add Adjustment From Standard Cost to Actual Cost.

Line 11. If research and development costs are NOT included in Line 1d or 6, enter here an allocation of research and development costs applicable to work-in-process and finished goods lien date inventories that result in a product satisfactory to put into production.

Line 12. Describe and add any other necessary upward adjustments.

Line 13. Total of Lines 2 through 12.

Line 14. Goods in transit in interstate or foreign commerce are not taxable. If your inventory records reflect the cost of goods in transit in interstate or foreign commerce you must include such costs in Line 2 and deduct them here. No entry is required here if the cost of such goods are not reflected in your inventory records nor in Line 2. "Immunity Claim For Goods In Interstate or Foreign Commerce" must be filed; obtain from the assessor.

Line 15. Personal property manufactured or produced, (1) outside this state and brought into this state for transshipment out of the United States, or (2) outside of the United States and brought into this state for transshipment out of this state, for sale in the ordinary course of trade or business are exempt from taxation. The exemption does not apply to personal property in manufacturing process or production. Such process or production does not include the breaking in bulk, labeling, packaging, relabeling, or repackaging of such property. "Exemption Claim For Goods Held For Transshipment" must be filed; obtain from the assessor.

Line 16. Cash, trade, and purchase discounts classified on your books as other income may be deducted if included in Line 13.

Line 17. If included in your March 1st inventory, deduct your cost of inventory consigned to others. Fully explain the deduction on an attached schedule, listing consignee's name, address, location of property, description of property, your cost, and the selling price to the consignee. This listing fulfills the requirement in the Instructions for LOCATION OF THE PROPERTY.

Line 18. Enter cost of inventory that is on lease or rent to others that is included in Line 13. Report this property on LINE 4, PART II because it is subject to depreciation.

Line 19-21. Report and describe in detail any other deduction.

Line 22. Total Deductions (Add Lines 14 through 21).

Line 23. Deduct Line 22 from Line 13 and enter the balance here and also on LINE 1, PART II.

**LINE 2. SUPPLIES.** Report supplies on hand, such as stationery and office supplies, janitorial and lavatory supplies, fuel, sandpaper and other items which will not become a component part of an inventory product. Include medical, legal, or accounting supplies held by a person in connection with a profession that is primarily a service activity. (See Instructions for LINE 1 of the Property Statement and Line 8 of the Inventory Schedule.)

**LINE 3. EQUIPMENT.** Enter total from Schedule A (see Instructions for Schedule A).

**LINE 4. EQUIPMENT OUT ON, OR HELD FOR, LEASE OR RENT TO OTHERS.** Report cost on Line 4 and attached schedules showing the following:

- Equipment out on lease or rent. (1) Name and address of party in possession, (2) location of the property, (3) quantity and description, (4) date of acquisition, (5) your cost, selling price, and monthly rent, (6) lease or identification number, (7) date and duration of lease, (8) how acquired (purchased, manufactured, other—explain). The inventory exemption is not allowed on this equipment. If the property is used by a free public library or a free public museum or is used exclusively by a public school, community college, state college, state university, church, or a nonprofit college it is exempt from property taxes. A claim for exemption must be filed by March 15, 1978. Obtain the "1978 Lessors' Exemption Claim" from the Assessor.

Equipment on your premises held for lease or rent which you have used or intend to use. Report your cost and your selling price by year of acquisition. The inventory exemption is not allowed on this equipment.

Other equipment on your premises held for lease or rent. Report cost by year of acquisition. The Assessor will allow the inventory exemption.

**LINE 5. BUILDINGS, BUILDING IMPROVEMENTS, AND/OR LEASEHOLD IMPROVEMENTS, LAND IMPROVEMENTS, LAND AND LAND DEVELOPMENT.** Report on a separate schedule the original or allocated costs (per your books and records) of buildings and building or leasehold improvements; land improvements; land and land development owned by you at this location on March 1st. Enter costs, including cost of fully depreciated items, by calendar year of acquisition and total each column. Do not include items that are reported in Schedule A. Enter the total on PART II, LINE 5.

Segregate the buildings and building or leasehold improvements into the two requested categories (items which have a dual purpose will be classified as structures):

**STRUCTURE ITEMS, Column 1**

An improvement will be classified as a structure when its primary use or purpose is for housing or accommodation of personnel, personalty, or fixtures and has no direct application to the process or function of the industry, trade, or profession.

- Air conditioning (except process cooling).
- Boilers (except manufacturing process).
- Central heating & cooling plants.
- Craneways.
- Elevators.
- Environmental control devices (if an integral part of the structure).
- Fans & ducts (part of an air circulation system for the building).
- Fire alarm systems.
- Partitions (floor to ceiling).
- Pipelines, pipe supports & pumps used to operate the facilities, of a building.
- Pits not used in the trade or process.
- Railroad spurs.
- Refrigeration systems (integral part of the building).
- Refrigerators, walk-in (excluding operating equipment) which are an integral part of the building.
- Restaurants — rough plumbing to fixtures.
- Sales — imbedded.
- Signs which are an integral part of the building (excluding sign cabinet (face & lettering).
- Silos or tanks when primarily used for storage or distribution.
- Sprinkler systems.
- Store fronts.
- Television & radio antenna towers.

**FIXTURE ITEMS, Column 2**

An improvement will be classified as a fixture if its use or purpose directly applies to or augments the process or function of a trade, industry, or profession.

- Air conditioning (process cooling).
- Boilers (manufacturing process).
- Burglar alarm systems.
- Conveyors (to move materials and products).
- Cranes — traveling.
- Environmental control devices (used in production process).
- Fans & ducts (used for processing).
- Floors, raised computer rooms.
- Furnances, process.
- Ice dispensers, coin operated.
- Machinery fdns. & pits (not part of normal flooring fdns).
- Partitions (less than floor to ceiling).
- Pipelines, pipe supports, pumps used in the production process.
- Pits used as clarifiers, skimmers, sumps & for greasing in the trade or manufacturing process.
- Plumbing — special purpose.
- Power wiring, switch gear & power panels used in mfg. process.
- Refrigeration systems (not an integral part of the building).
- Refrigerators, walk-in, unitized; including operating equipment.
- Restaurant equipment used in food & drink preparation of service (plumbing fixtures, sinks, bars, soda fountains, booths & counters, garbage disposals, dishwashers, hoods, etc.).
- Scales including platform & pit.
- Signs — all sign cabinets (face) & free standing signs including supports.
- Silos or tanks when primarily used for processing.







The Timesaver Statement

If you have any questions about this statement, please call us or bring this copy to your Bank of America branch.  
NORTHRIDGE OFFICE  
NORTHRIDGE CALIF

PERIOD END  
JAN 30, 1978  
BRANCH NO. 213-344-2170

13 DONALD J. FIELDS  
SHIRLEY FIELDS  
P. O. BOX 15156  
SAN FRANCISCO CA 94115

0891-PS15

BUYING A HOME...ASK ABOUT OUR NEW FIVE-YEAR VARI-RATE HOME LOAN AT YOUR BRANCH.

SUMMARY OF BANKING SERVICES (BALANCES SHOWN ARE AS OF STATEMENT DATE)

TYPE OF SERVICE	ACCOUNT NO.	CHECKS NO.	DEBITS AMOUNT	DEPOSITS AMOUNT	NEW BALANCE
CHECKING	0891-7-04560	1	200	0	4200
BANKAMERICARD/INSTANT CASH					155000

CHECKING ACCOUNT ACTIVITY USE REVERSE SIDE FOR RECONCILING TO YOUR RECORDS

CHECK NO.	DATE PAID	CHECKS AND OTHER DEBITS AMOUNT	CHECK NO.	DATE PAID	AMOUNT	DATE	DEPOSITS AMOUNT
SERV.CHGE.	110	200					
PREVIOUS BALANCE			AMOUNT OF ENTRIES				
\$44.00			DEBITS		\$ 2.00		\$44.00MN 0

Key to Symbols > Gap in Check Sequence  
 \* Includes Interest Payment Last Period  
 MN or AV Minimum or Average Balance used for Service Charge  
 B BankAmericard Instant Cash  
 R Reversing Entry  
 M Minimum Deposit  
 OD Overdraft

35e(11c)

Phone 415 931-9107  
922 6418

EUGENE CHAIKIN, Attorney-at-Law  
Post Office Box 15156 San Francisco, California 94115

Bank of America  
Ukiah Office  
P.O. Box 299  
Ukiah, California 95482

Re: Account No. 1289-01923, Savings  
Account No. 0128-6-00663, Trust Account Daniel L. Pietila

Dear Sirs:

Would you please release to Bonnie Beck and/or Jean F. Brown copies of bank statements which they may request in reference to the above Trust Account and Savings Account, to assist them in compilation of a summary of these accounts for our records. Thank you.

Sincerely,

*Eugene Chaikin*  
Eugene Chaikin

B5e (11d)

FORMAL OPINION NO. 1975-36

State Bar of California Reports  
December 1977/January 1978

(Adopted by Committee on Professional Ethics of the State Bar of California)

**SUBJECT:** Preserving identity of funds, trust accounts, commingling.  
**DIGEST:** It is improper for an attorney to transfer clients' funds held in a trust account to the attorney's general account even if the client can no longer be located.  
**RULES:** Rule 8-101  
**ABA CODE:** DR 9-102 (former Canon 11)  
**STATUTES:** CCP 1518

The Committee has been requested to render an opinion as to the status of monies long held in a trust account of a legal aid society, the attorneys having been unable in good faith to locate said clients. The attorneys wish to be advised with respect to the propriety of transferring said trust funds to their general account, with the express provision that said amounts will be payable to said clients when and if said clients appear to claim the monies. For reasons hereinafter stated, the Committee is of the opinion that such transfer would be improper.

The applicable provision of the Rules of Professional Conduct of the State Bar, as adopted by the Board of Governors and approved by the California Supreme Court effective Jan. 1, 1975, is Rule 8-101 which, in relevant part, reads as follows:

**"Rule 8-101. Preserving Identity of Funds and Property of a Client.**

(A) All funds received or held for the benefit of clients by a member of the State Bar or firm of which he is a member, including advances for costs and expenses, shall be deposited in one or more identifiable bank accounts labelled 'Trust Account', 'Client's Funds Account' or words of similar import, maintained in the State of California, or with written consent of the client, in such other jurisdiction where there is a substantial relationship between his client or his client's business and the other jurisdiction and no funds belonging to the member of the State Bar or firm of which he is a member shall be deposited therein or otherwise com-

(1) Funds reasonably sufficient to pay bank charges may be deposited therein.

(2) Funds belonging in part to a client and in part presently or potentially to the member of the State Bar or firm of which he is a member must be deposited therein and the portion belonging to the member must be withdrawn at the earliest reasonable time after the member's interest in that portion becomes fixed. However, when the right of the member of the State Bar or firm of which he is a member to receive a portion or trust funds is disputed by the client, the disputed portion shall not be withdrawn until the dispute is finally resolved . . ."

No other exceptions are either noted or, by inference, approved. The relevant portions of ABA Code DR-9-102 are identical to the above quoted portion of Rule 8-101.

ABA Informal Opinion No. 991 (1967) held that an attorney may not even offset the expense of running a trust account by putting trust funds in a separate savings account, stating:

"The language of this Canon (former Canon 11) is too plain to receive or permit interpretation. When the Canon states that money of the client or collected for the client or other trust property coming into the possession of the lawyer should not under any circumstances be used by him, it means exactly what it says . . ." (Emphasis added by the Committee)

The Committee suggests that said unclaimed monies may be subject to distribution pursuant to California Code of Civil Procedure 1518. The Committee observes that if the provisions pertaining

to trust funds contained in the Unclaimed Property Law (Code of Civil Procedure (Sections 1518 et seq)) were followed, the Committee would see no impropriety.

This opinion is issued by the Committee on Professional Ethics of the State Bar and is advisory only. It does not bind the State Bar of California, its Board of Governors, any of its disciplinary boards, or any member of the State Bar.

Committee on Professional Ethics  
of the State Bar of California

RESIGNATIONS  
ACCEPTED WHILE  
DISCIPLINARY  
MATTERS PENDING  
December 31, 1977

The address appearing below is the last street address as shown by State Bar membership records.

The Supreme Court has accepted the voluntary resignation of the following member of the State Bar without prejudice to further proceedings in any disciplinary matters pending against him should he thereafter seek reinstatement.

The effective date of the order is shown.

ARMEKA THEOPHILUS JACKSON, 2946 Grove Street, Berkeley, California 94703, effective December 26, 1977. The Court further ordered Mr. Jackson to comply with the provisions of Rule 955, California Rules of Court.\*

\*Re Rule 955, see above

1. Hartford Insurance Co. group policy - this is an explanation of the question I asked on radio - Claire told us about a group policy which apparently was taken out for p.r. purposes to impress with numbers, at \$1.50 per member, and we listed membership as 8,000. This policy was a liability policy, and it expires April 24, 1978. Mayfield is the agent, is nosy about it, and thought we'd be interested in cancelling (he's angling to find out how many we have). This policy covers people here and in transit, traveling across the states. No claims have ever been filed on it, and Mayfield says that if we renew it, he can get it at \$1.00 per member now, but he will need an inventory of who and how many. We want to know if we should renew. Obviously, most of the people on it are now overseas. I don't know if when we took out the policy originally, whether names were supplied Mayfield of the members in the policy. Harold might remember this.  
Please send us an answer via radio before April 24.
2. Attached is a copy of a letter we've received from Academic Financial Services Association re Sarah's endowment loan; should we pay this? Total bill is \$180, first payment is due June 1. Will this cause problems for her degree if we don't pay?
3. Danny Kutulas, Declaration of Costs, Mendocino County: Attached is a form we've received addressed to Danny, "Earth Moving". What do you suggest we do with this? There is a signature line at the bottom; perhaps he should sign it and return it and fill it out saying no longer in operation... ~~the~~ the deadline is April 15.
4. Don Fields - has an outstanding balance of \$42 in his bank account. This is a joint account with Shireley. Would you please ask them if they want to withdraw this \$, and have them draw up a letter, signed by both of them, if they want to withdraw it, and send it back here. They should request that the balance of the account be sent to them in a cashier's check c/o Eugene Chaikin, P.O. Box 15156, San Francisco. The account no. is 0891-PS13, and the bank is Bank of America, Northridge Office, Box F, Northridge, California. We will forward it on to the bank from here.
5. Wanda Johnson has called again, regarding Danny Pietila's trust account which was managed by Tim Stoen and Chaikin through the Bank of America in Ukiah. She claims he's threatening to sue because we haven't given him his balance. This case has floated back and forth between Chaikin and Bonnie for several months before Chaikin went over; now we have had Bonnie go through the records one more time and she has written a recap sheet of withdrawals, to prove that the trust account has been used up by writing checks to Danny for various expenses he requested. Several bank statements are missing, and to obtain microfilm copies of them to verify the recap sheet, we need a letter from Chaikin authorizing Bonnie or Jean Brown to get these copies. I have attached such a letter. Please have Chaikin sign it. Also see attached a recent opinion issued by the Calif State Bar in reference to attorneys trust accounts for clients. I am afraid that Danny's reason for messing with us on this is that he is being provoked by Stoen; and I think we better clear this matter up as soon as we can to stay ahead in the game. Please send back this signed letter as soon as possible, we can do nothing more til we get it.

752(12)

ACADEMIC FINANCIAL  
SERVICES ASSOCIATION

A Division of **AFSA** Corporation  
DATA

January 31, 1978

Harriet (Randolph) Tropp  
P O Box 15157  
San Francisco, CA 94117

Dear Borrower:

Our purpose in this letter is to introduce ourselves and to provide you with important information about your Endowment Loan which you obtained from Hastings College of the Law.

Academic Financial Services Association provides a billing and accounting service to your school and will be working with them and you while you repay your loan.

According to our records your current loan balance is \$180.00, your grace period will expire March 1, 1978 and your first quarterly payment of \$45.00 will be due June 1, 1978.

About 20 days before your first payment is due you will receive a bill and a pamphlet which will describe your rights and obligations.

Please do not contact us until you receive this bill even if you have returned to school. You should, of course, write to us if you change your address:

AFSA  
P.O. Box 54804 Terminal Annex  
Los Angeles, California 90054

In all correspondence please be sure to include your account number: 1819 085-42-9579-1.

Sincerely,

*M. Sanders for*  
Pebble Gill  
Account Analyst

B5e (12a)

FORM 571

TO: OFFICE OF ASSESSOR - COUNTY OF MENDOCINO - COURTHOUSE - UKIAH, CA 95482  
**BUSINESS PROPERTY STATEMENT**  
 DECLARATION OF COSTS AND OTHER RELATED PROPERTY INFORMATION  
 AS OF 12:01 A.M., MARCH 1, 1978

1978

OWNER NAME	RETURN THIS COPY BY - APRIL 15, 1978
DBA	g. Enter location of general ledger and all related accounting records (including ZIP)
STREET	
CITY	
LOCATION CITY	h. Enter name and telephone no. of person to contact at location of accounting records.
CITY	

**Part I GENERAL INFORMATION**  
 COMPLETE (a) THRU (h) AS REQUESTED

a. Make necessary corrections of the printed name and mailing address.

b. Enter type of business: \_\_\_\_\_

c. Enter local telephone no. (\_\_\_\_) \_\_\_\_\_

d.  (v) Check if ownership of land at LOCATION OF THE PROPERTY is in your name

e. When did you start business at this location? DATE: \_\_\_\_\_

f. Check (v) description of operation at this location.

Retail  Manufacturer  
 Wholesale  Professional  
 Distributor  Service

ASSESSOR'S USE ONLY

TOTAL FULL VALUE	LAND
	FIXTURES
	OTHER IMPR.
	TOTAL IMPR.
	INVENTORY
	OTHER PERS.
	TOTAL PERS.
	INVENTORY EX.

**Part II DECLARATION OF PROPERTY BELONGING TO YOU**

Attach Schedule For Any Adjustment To Cost	COST (Omit Cents) (See Instructions)	Full Value
1. Inventory, March 1 (See Instructions)		
2. Supplies		
3. Equipment (From Line 3)		
4. Equipment Out on, or Held For, Lease or Rent to Others Attach Schedule		
5. Bldgs., Bldg. Impr., and/or Leasehold Impr., Land Impr., Land Attach Schedule		
6. Construction In Progress Attach Schedule		
7.		
8.		

**Part III DECLARATION OF PROPERTY BELONGING TO OTHERS**

Name and Mailing Address of Owner (Attach Continuation Sheet If Necessary)	(SPECIFY TYPE BY CODE NUMBER) 1. Consignments 4. Other Businesses 2. Leased Equipment 5. Lease-Purchase 3. Vending Equipment Option Equipment	Cost to Purchase New (If Available)	Annual Rent (If Applicable)	L I C N O
9.				9
10.				10
11.				11
12.				12
13.				13

<b>OWNERSHIP TYPE (v)</b> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> Other <input type="checkbox"/>	<b>SIGNATURE.</b> <i>Under penalty 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, and covers all property required to be reported which is owned, claimed, possessed, controlled, or managed by the person named in the statement as of 12:01 a.m. on March 1, 1978. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has knowledge.</i>	<b>ASSESSOR'S USE ONLY</b>
<b>ATTACHMENTS (v)</b> Supplemental Schs. <input type="checkbox"/> Computer Printouts <input type="checkbox"/> Other <input type="checkbox"/>	Full Legal Name of Incorporated _____	
	Signature of Owner, Partner, Officer, or Authorized Agent _____ Title _____ Date _____ 1978	
	Signature and Address of Preparer Other Than Taxpayer _____ Date _____ 1978	

85e (126)

**SCHEDULE A - COST DETAIL EQUIPMENT**

Include equipment expensed and fully depreciated items. Include sales or use tax, freight and installation costs. Attach schedules as needed.

LINE NO	Calendar Year of Acquis.	1. MACHINERY AND EQUIPMENT FOR INDUSTRY, PROFESSION OR TRADE		2. OFFICE FURNITURE AND EQUIPMENT		3. TOOLS, MOLDS, DIES, JIGS		4. OTHER EQUIPMENT Describe		LINE NO
		COST	ASSESSOR'S USE ONLY	COST	ASSESSOR'S USE ONLY	COST	ASSESSOR'S USE ONLY	COST	ASSESSOR'S USE ONLY	
14	1978									14
15	1977									15
16	1976									16
17	1975									17
18	1974									18
19	1973									19
20	1972									20
21	1971									21
22	1970									22
23	1969									23
24	1968									24
25	1967									25
26	1966									26
27	1965									27
28	1964									28
29	1963									29
30	1962									30
31	1961									31
32	1960									32
33	1959									33
34	1958									34
35	PRIOR									35
36	TOTAL									36
37	Add Totals on Line 36 and any supplemental schedules ENTER HERE AND ON LINE 3, PART II									37

ASSESSOR'S USE ONLY									
ADJUSTMENT									
NET FULL VALUE									
FIXTURE	%		%		%		%		%
PERSONAL PROPERTY									

SBE-ASC AH 571-S BACK 7-27-77

B52(126D)



**OFFICIAL REQUEST**

California Revenue Laws prescribe a yearly ad valorem tax based on property as it exists at 12:01 a.m. on March 1 (tax lien date). This form constitutes an official request that you declare all business property owned, claimed, possessed, controlled, or managed on the tax lien date situated in this county and that you sign (under penalty of perjury) and return the statement to the Assessor's office by the date cited on the face of the form as required by law. Failure to file on time may subject you to a penalty of 10 percent of the assessed value under provisions of the Revenue and Taxation Code.

If you own taxable personal property in any other county whose aggregate cost is \$30,000 or more, you must file a property statement with the Assessor of that county whether or not he requests you to do so. The Assessor of the county will supply you with a form upon request.

THIS STATEMENT IS SUBJECT TO AUDIT.	THIS STATEMENT IS NOT A PUBLIC DOCUMENT. THE INFORMATION DECLARED WILL BE HELD SECRET BY THE ASSESSOR.	IF ANY SITUATION EXISTS WHICH NECESSITATES A DEVIATION FROM TOTAL COST PER BOOKS AND RECORDS FULLY EXPLAIN ALL ADJUSTMENTS.	ASSESSED VALUE IS 25% OF FULL VALUE.
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**INSTRUCTIONS**

COMPLETE THE STATEMENT AS FOLLOWS:

**Part I GENERAL INFORMATION**

Complete items (a) through (h) as requested.

**NAME.** INDIVIDUALS report surname first, then first name and initial. PARTNERSHIPS enter at least two names. CORPORATIONS report full corporate name. If the business operates under a fictitious name, enter "DBA" and the fictitious name below the legal name.

**LOCATION OF THE PROPERTY.** Enter the complete street address. Forms for additional business or warehouse locations will be furnished upon request. A listing may be attached to a single property statement for your vending equipment, equipment leased or rented to others, or inventory consigned to others when any such properties are situated at many locations within this county.

**LOCATION OF RECORDS - (g and h).** If general ledger, journals and other related accounting records are not located as indicated under item g, you may be required to bring said records to your principal place of business in California. Multiple locations of records should be indicated.

**Part II DECLARATION OF PROPERTY BELONGING TO YOU.**

Report book cost (100 percent of actual cost). Include excise, sales, and use taxes, freight-in, installation charges, and all other relevant costs. Report any additional information which will assist the Assessor in arriving at a fair market value. Include finance charges, where applicable, for self-constructed equipment and for buildings. Do not include finance charges for inventory or for purchased equipment.

**LINE 1. INVENTORY.** Report all tangible inventories, paid for or not, on hand, in storage, and in transit. A business inventory exemption allowed by law will be computed by the Assessor.

If you have a physical or perpetual inventory as of March 1 and no adjustments are to be made, enter the amount on LINE 1, PART II of the Business Property Statement. If you operate at various levels of trade (i.e., manufacture, wholesale, retail), report an appropriate value added for each successive level. If adjustments are to be made, complete the inventory Schedule shown on the next page and enter the result on LINE 1, PART II.

*485e (12/2)*

INVENTORY SCHEDULE (follow the instructions listed below)		
Line No.	WHEN USING PHYSICAL OR PERPETUAL INVENTORY, START AT LINE 2	AMOUNT
<b>COMPUTE MARCH 1ST INVENTORY (if book figure not current)</b>		
1.	a. Inventory, beginning of fiscal year starting _____ 19____	\$ _____
	b. Add purchases and freight from above date to March 1	_____
	c. Add direct and indirect labor cost from above date to March 1	_____
	d. Add manufacturing expense (burden <sup>1</sup> ) from above date to March 1	_____
	e. Total of Lines a through d	_____
	f. Net sales from above date to March 1 \$ _____	_____
	g. Less gross profit @ _____ % \$ _____	_____
	h. Cost of goods sold (Line f minus line g)	_____
2	MARCH 1ST INV. (Line e minus line h, or physical <input type="checkbox"/> , or perpetual <input type="checkbox"/> )	\$ _____
<b>ANY ADJUSTMENTS MUST BE SHOWN BELOW</b>		
3	ADD unrecorded inventory not included in Line 2	_____
4	" freight-in not included in inventory	_____
5	" direct and indirect labor cost not included in inventory	_____
6	" mfg. expense (burden) not included in inventory	_____
7	" unrecorded trade level not included in inventory	_____
8	" other inventory supplies not included in inventory	_____
9	" adjustment from L.I.F.O. to current replacement cost	_____
10	" adjustment from standard cost to actual cost	_____
11	" applicable research and development cost	_____
12	" other (specify)	_____
13	Total of Lines 2 through 12	\$ _____
14	DEDUCT interstate or foreign shipments recorded but not on hand *	\$ _____
15	" goods held for transshipment (file exemption claim)	_____
16	" cash, trade, and purchase discounts	_____
17	" inventory consigned to others	_____
18	" inventory out on, or held for, lease or rent to others	_____
19	" other (specify)	_____
20		_____
21		_____
22	TOTAL Deductions (Lines 14 through 21)	\$ _____
23	NET INVENTORY (Line 13 minus Line 22; enter here and on Line 1, PART II)	\$ _____

\* Claim form must be filed, see instructions.

**INCLUDE IN INVENTORY:**

- (1) Raw materials, work in process, and finished goods held for sale in the ordinary course of business.
- (2) Containers, wrappings, service materials (if title passes at time of sale), and materials which will become a component part of the product you manufacture or sell.

**DO NOT INCLUDE IN INVENTORY:**

- (3) Supplies (see Instructions for LINE 2, PART II).
- (4) Equipment in your inventory account that is out on, or held for, lease or rent to others (see Instructions for LINE 4, PART II).
- (5) Motor vehicles subject to registration or identification under Division 3 or Division 16.5 of the Motor Vehicle Code.
- (6) Inventory or equipment belonging to others (see Instructions for PART III).

**INVENTORY CONSIGNED TO OTHERS.** If included in your March 1st inventory, deduct your cost of inventory consigned to others on Line 17 of the Inventory Schedule shown on Page 2 of these instructions. Fully explain the deduction on an attached schedule, listing consignee's name, address, location of property, description of property, your cost, and the selling price to the consignee. This listing fulfills the requirement in the Instructions for LOCATION OF THE PROPERTY.

B5e(1263)

## INSTRUCTIONS FOR COMPLETION OF INVENTORY SCHEDULE

(It is not necessary to include the Inventory Schedule with the Property Statement)

- Line 1. Compute March 1st Inventory using the gross profit method (If Book Figure Not Current).
- a. Enter the cost, as indicated on your books and records, of the inventory at the beginning of your current fiscal year. Enter the beginning date (month, day, year) of that year. The cost of inventory must include applicable excise and other taxes and freight and handling charges.
  - b-e. Enter as instructed on form.
  - f. "Net sales" are gross sales from above date to March 1, less returns and allowances per your books and records.
  - g. The gross profit percentage is to be from your latest full year's operation.
  - h. Cost of goods sold (Line 1f minus Line 1g).
- Line 2. This figure is Line 1e minus Line 1h or the physical or perpetual inventory as of March 1.
- Line 3. Report goods received but not entered on the books (such as goods for which payment has not yet been made, raw materials extracted by natural resource enterprises, or produce held by farmers' cooperatives) and goods in transit to you from a supplier located within the state. Property on consignment to you should be reported in PART III (Property Belonging to Others).
- Line 4-6. Enter as instructed on form.
- Line 7. If you are operating at various trade levels, as would a manufacturer or wholesaler who also operates at the distributor or retail level, a trade-level adjustment is applicable to your inventory in accordance with Title 18, Section 10 of the California Administrative Code.
- Line 8. Deduct from your supplies LINE 2, PART II, and report here all containers, wrappings, service supplies, and supplies which will become a component part of the product you manufacture or sell.
- Line 9. The "Last In First Out" method of inventory valuation is not acceptable. Adjust to reflect current replacement cost.
- Line 10. Add Adjustment From Standard Cost to Actual Cost.
- Line 11. If research and development costs are NOT included in Line 1d or 6, enter here an allocation of research and development costs applicable to work-in-process and finished goods lien date inventories that result in a product satisfactory to put into production.
- Line 12. Describe and add any other necessary upward adjustments.
- Line 13. Total of Lines 2 through 12.
- Line 14. Goods in transit in interstate or foreign commerce are not taxable. If your inventory records reflect the cost of goods in transit in interstate or foreign commerce you must include such costs in Line 2 and deduct them here. No entry is required here if the cost of such goods are not reflected in your inventory records nor in Line 2. "Immunity Claim For Goods In Interstate or Foreign Commerce" must be filed; obtain from the assessor.
- Line 15. Personal property manufactured or produced, (1) outside this state and brought into this state for transshipment out of the United States, or (2) outside of the United States and brought into this state for transshipment out of this state, for sale in the ordinary course of trade or business are exempt from taxation. The exemption does not apply to personal property in manufacturing process or production. Such process or production does not include the breaking in bulk, labeling, packaging, relabeling, or repackaging of such property. "Exemption Claim For Goods Held For Transshipment" must be filed; obtain from the assessor.
- Line 16. Cash, trade, and purchase discounts classified on your books as other income may be deducted if included in Line 13.
- Line 17. If included in your March 1st inventory, deduct your cost of inventory consigned to others. Fully explain the deduction on an attached schedule, listing consignee's name, address, location of property, description of property, your cost, and the selling price to the consignee. This listing fulfills the requirement in the Instructions for LOCATION OF THE PROPERTY.
- Line 18. Enter cost of inventory that is on lease or rent to others that is included in Line 13. Report this property on LINE 4, PART II because it is subject to depreciation.
- Line 19-21. Report and describe in detail any other deduction.
- Line 22. Total Deductions (Add Lines 14 through 21).
- Line 23. Deduct Line 22 from Line 13 and enter the balance here and also on LINE 1, PART II.

**LINE 2. SUPPLIES.** Report supplies on hand, such as stationery and office supplies, janitorial and lavatory supplies, fuel, sandpaper and other items which will not become a component part of an inventory product. Include medical, legal, or accounting supplies held by a person in connection with a profession that is primarily a service activity. (See Instructions for LINE 1 of the Property Statement and Line 8 of the Inventory Schedule.)

**LINE 3. EQUIPMENT.** Enter total from Schedule A (see Instructions for Schedule A).

**LINE 4. EQUIPMENT OUT ON, OR HELD FOR, LEASE OR RENT TO OTHERS.** Report cost on Line 4 and attached schedules showing the following:

• Equipment out on lease or rent. (1) Name and address of party in possession, (2) location of the property, (3) quantity and description, (4) date of acquisition, (5) your cost, selling price, and monthly rent, (6) lease or identification number, (7) date and duration of lease, (8) how acquired (purchased, manufactured, other—explain). The inventory exemption is not allowed on this equipment. If the property is used by a free public library or a free public museum or is used exclusively by a public school, community college, state college, state university, church, or a nonprofit college it is exempt from property taxes. A claim for exemption must be filed by March 15, 1978. Obtain the "1978 Lessors' Exemption Claim" from the Assessor.

Equipment on your premises held for lease or rent which you have used or intend to use. Report your cost and your selling price by year of acquisition. The inventory exemption is not allowed on this equipment.

Other equipment on your premises held for lease or rent. Report cost by year of acquisition. The Assessor will allow the inventory exemption.

**LINE 5. BUILDINGS, BUILDING IMPROVEMENTS, AND/OR LEASEHOLD IMPROVEMENTS, LAND IMPROVEMENTS, LAND AND LAND DEVELOPMENT.** Report on a separate schedule the original or allocated costs (per your books and records) of buildings and building or leasehold improvements; land improvements; land and land development owned by you at this location on March 1st. Enter costs, including cost of fully depreciated items, by calendar year of acquisition and total each column. Do not include items that are reported in Schedule A. Enter the total on PART II, LINE 5.

Segregate the buildings and building or leasehold improvements into the two requested categories (items which have a dual purpose will be classified as structures):

STRUCTURE ITEMS, Column 1

An improvement will be classified as a structure when its primary use or purpose is for housing or accommodation of personnel, personalty, or fixtures and has no direct application to the process or function of the industry, trade, or profession.

Air conditioning (except process cooling).  
Boilers (except manufacturing process).  
Central heating & cooling plants.  
Craneways.  
Elevators.  
Environmental control devices (if an integral part of the structure).  
Fans & ducts (part of an air circulation system for the building).  
Fire alarm systems.  
Partitions (floor to ceiling).  
Pipelines, pipe supports & pumps used to operate the facilities, of a building.  
Pits not used in the trade or process.  
Railroad spurs.  
Refrigeration systems (integral part of the building).  
Refrigerators, walk-in (excluding operating equipment) which are an integral part of the building.  
Restaurants - rough plumbing to fixtures.  
Safes - imbedded.  
Signs which are an integral part of the building (excluding sign cabinet (face & lettering)).  
Silos or tanks when primarily used for storage or distribution.  
Sprinkler systems.  
Store fronts.  
Television & radio antenna towers.

FIXTURE ITEMS, Column 2

An improvement will be classified as a fixture if its use or purpose directly applies to or augments the process or function of a trade, industry, or profession.

Air conditioning (process cooling).  
Boilers (manufacturing process).  
Burglar alarm systems.  
Conveyors (to move materials and products).  
Cranes - traveling.  
Environmental control devices (used in production process).  
Fans & ducts (used for processing).  
Floors, raised computer rooms.  
Furnances, process.  
Ice dispensers, coin operated.  
Machinery Idns. & pits (not part of normal flooring Idns).  
Partitions (less than floor to ceiling).  
Pipelines, pipe supports, pumps used in the production process.  
Pits used as clarifiers, skimmers, sumps & for greasing in the trade or manufactureing process.  
Plumbing - special purpose.  
Power wiring, switch gear & power panels used in mfg. process.  
Refrigeration systems (not an integral part of the building).  
Refrigerators, walk-in, unitized, including operating equipment.  
Restaurant equipment used in food & drink preparation of service (plumbing fixtures, sinks, bars, soda fountains, booths & counters, garbage disposals, dishwashers, hoods, etc.).  
Scales including platform & pit.  
Signs - all sign cabinets (face) & free standing signs including supports.  
Silos or tanks when primarily used for processing.

435e (12 & 5)

**Additions** - Describe in detail and show the cost of all additions made between March 1, 1977 and the close of business on February 28, 1978. Do not include items reported as unallocated construction in progress on LINE 6.

**Retirements** - Describe in detail and show the original year acquired and the cost of acquisition of all retirements made between March 1, 1977 and the close of business on February 28, 1978.

**LINE 6. CONSTRUCTION IN PROGRESS.** If you have unallocated costs of construction in progress for improvements to land, machinery, equipment, furniture, buildings or other improvements, or leasehold improvements, attach an itemized listing. Include all tangible property, even though not entered on your books and records. Enter the total on LINE 6, PART II.

**LINES 7-8.** Report tangible property not reported elsewhere.

### Part III DECLARATION OF PROPERTY BELONGING TO OTHERS.

1. **CONSIGNMENTS:** Report your cost had you purchased the property; do not include in PART II or in the Inventory Schedule on Page 2 of the instructions.
2. **LEASED EQUIPMENT:** Report the year of acquisition and the year of manufacture if known, the total installed cost to purchase, including sales tax, and the annual rent; do not include in Schedule A.
3. **VENDING EQUIPMENT:** Report the model and description of the equipment; do not include in Schedule A.
4. **OTHER BUSINESSES:** Report other businesses on your premises.
5. **LEASE-PURCHASE OPTION EQUIPMENT:** Report here all equipment acquired on a lease-purchase option on which the final payment remains to be made. Enter the year of acquisition, the year of manufacture if known, the total installed cost to purchase (including sales tax) and the annual rent. If final payment has been made, report full cost in Schedule A.

### SCHEDULE A - COST DETAIL: EQUIPMENT

**LINES 14-36.** Enter in the appropriate column the cost of your equipment segregated by calendar year of acquisition, include short-lived or expensed equipment. Total each column. Report full cost; do not deduct investment credits, trade-in allowances or depreciation. Include equipment acquired through a lease-purchase agreement at the selling price effective at the inception of the lease and report the year of the lease as the year of acquisition. (If final payment has not been made, report such equipment in PART III.) Report self-constructed equipment used by you at the proper trade level in accordance with Title 18, Section 10, of the California Administrative Code. Segregate and report on LINE 4, PART II the cost of equipment held for lease, or out on lease.

Exclude motor vehicles licensed for operation on the highways. However, you must report overweight and oversized rubber-tired vehicles, except licensed commercial vehicles and cranes, which require permits issued by the Department of Public Works to operate on the highways. If you have paid a license fee prior to March 1st on these large vehicles, contact the Assessor for an "Application for Deduction of Vehicle License Fees from Property Tax" and file it with the Tax Collector. Report overweight and oversized vehicles in column 4, Other Equipment.

If necessary, asset titles in Schedule A may be changed to better fit your property holdings; however, the titles should be of such clarity that the property is adequately defined.

**LINE 37.** Add totals on LINE 36 and any supplemental schedules. Enter the same figure on LINE 3, PART II that you entered in the box.

NORTHRIDGE OFFICE  
NORTHRIDGE CALIF

JAN 10, 1978  
213-344-2170

13 DONALD J. FIELDS  
SHIRLEY FIELDS  
P. O. BOX 15156  
SAN FRANCISCO CA 94115

0671-PS15

BUYING A HOME...ASK ABOUT OUR NEW FIVE-YEAR  
VARI-RATE HOME LOAN AT YOUR BRANCH.

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0  
B5e (12c)

Phone 415 931-9107  
922 6418

EUGENE CHAIKIN, Attorney-at-Law  
Post Office Box 15156 San Francisco, California 94115

Bank of America  
Ukiah Office  
P.O. Box 299  
Ukiah, California 95482

Re: Account No. 1289-01923, Savings  
Account No. 0128-6-00663, Trust Account Daniel L. Pietila

Dear Sirs:

Would you please release to Bonnie Beck and/or Jean F. Brown copies of bank statements which they may request in reference to the above Trust Account and Savings Account, to assist them in compilation of a summary of these accounts for our records. Thank you.

Sincerely,

Eugene Chaikin

*BBe (rd)*

FORMAL OPINION NO. 1975-36

WALL, RICHARD B. ...  
December 1977 January 1978

(Adopted by Committee on Professional Ethics of the State Bar of California)

**SUBJECT:** Preserving identity of funds, trust accounts, commingling.  
**DIGEST:** It is improper for an attorney to transfer clients' funds held in a trust account to the attorney's general account even if the client can no longer be located.  
**RULES:** Rule 8-101  
**ABA CODE:** DR 9-102 (former Canon 11)  
**STATUTES:** CCP 1518

The Committee has been requested to render an opinion as to the status of monies long held in a trust account of a legal aid society, the attorneys having been unable in good faith to locate said clients. The attorneys wish to be advised with respect to the propriety of transferring said trust funds to their general account, with the express provision that said amounts will be payable to said clients when and if said clients appear to claim the monies. For reasons hereinafter stated, the Committee is of the opinion that such transfer would be improper.

The applicable provision of the Rules of Professional Conduct of the State Bar, as adopted by the Board of Governors and approved by the California Supreme Court effective Jan. 1, 1975, is Rule 8-101 which, in relevant part, reads as follows:

"Rule 8-101. Preserving Identity of Funds and Property of a Client.

(A) All funds received or held for the benefit of clients by a member of the State Bar or firm of which he is a member, including advances for costs and expenses, shall be deposited in one or more identifiable bank accounts labelled 'Trust Account', 'Client's Funds Account' or words of similar import, maintained in the State of California, or with written consent of the client, in such other jurisdiction where there is a substantial relationship between his client or his client's business and the other jurisdiction and no funds belonging to the member of the State Bar or firm of which he is a member shall be deposited therein or otherwise com-

(1) Funds reasonably sufficient to pay bank charges may be deposited therein.

(2) Funds belonging in part to a client and in part presently or potentially to the member of the State Bar or firm of which he is a member must be deposited therein and the portion belonging to the member must be withdrawn at the earliest reasonable time after the member's interest in that portion becomes fixed. However, when the right of the member of the State Bar or firm of which he is a member to receive a portion or trust funds is disputed by the client, the disputed portion shall not be withdrawn until the dispute is finally resolved . . ."

No other exceptions are either noted or, by inference, approved. The relevant portions of ABA Code DR-9-102 are identical to the above quoted portion of Rule 8-101.

ABA Informal Opinion No. 991 (1967) held that an attorney may not even offset the expense of running a trust account by putting trust funds in a separate savings account, stating:

"The language of this Canon (former Canon 11) is too plain to receive or permit interpretation. When the Canon states that money of the client or collected for the client or other trust property coming into the possession of the lawyer should not under any circumstances be used by him, it means exactly what it says . . ." (Emphasis added by the Committee)

The Committee suggests that said unclaimed monies may be subject to distribution pursuant to California Code of Civil Procedure 1518. The Committee observes that if the provisions pertaining

to trust funds contained in the Unclaimed Property Law (Code of Civil Procedure (Sections 1518 et seq)) were followed, the Committee would see no impropriety.

This opinion is issued by the Committee on Professional Ethics of the State Bar and is advisory only. It does not bind the State Bar of California, its Board of Governors, any of its disciplinary boards, or any member of the State Bar.  
Committee on Professional Ethics  
of the State Bar of California

RESIGNATIONS  
ACCEPTED WHILE  
DISCIPLINARY  
MATTERS PENDING  
December 31, 1977

The address appearing below is the last street address as shown by State Bar membership records.

The Supreme Court has accepted the voluntary resignation of the following member of the State Bar without prejudice to further proceedings in any disciplinary matters pending against him should he thereafter seek reinstatement.

The effective date of the order is shown.

ARMENIA THEOPHILUS JACKSON, 2946 Grove Street, Berkeley, California 94703, effective December 26, 1977. The Court further ordered Mr. Jackson to comply with the provisions of Rule 955, California Rules of Court.\*

\*Re Rule 955, see above.

B5e(122)