

Form **1120S**

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation.

OMB No. 1545-0130

1999

Department of the Treasury
Internal Revenue Service

For calendar year 1999, or tax year beginning _____, and ending _____

A Effective date of election as an S corporation 01/01/1996	Use IRS label. Otherwise, please print or type.	Name IMAGE ONLINE DESIGN INCORPORATED	C Employer identification number 77-0414963
B Business code no. (see pages 26-28) 541990		Number, street, and room or suite no. (If a P.O. box, see page 10 of the instructions.) PMB 201 1241 JOHNSON	D Date incorporated 11/21/1995
		City or town, state, and ZIP code SAN LUIS OBISPO, CA 93401-3306	E Total assets (see page 10) \$ 73,390.

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Enter number of shareholders in the corporation at end of the tax year ▶ 8

Caution: Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.

Income	1 a Gross receipts or sales 109,636 - b Less returns and allowances c Bal ▶ 1c 109,636.
	2 Cost of goods sold (Schedule A, line 8) ▶ 2
	3 Gross profit. Subtract line 2 from line 1c ▶ 3 109,636.
	4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797) ▶ 4
	5 Other income (loss) (attach schedule) ▶ 5
	6 Total income (loss). Combine lines 3 through 5 ▶ 6 109,636.
Deductions (See instructions for limitations)	7 Compensation of officers ▶ 7
	8 Salaries and wages (less employment credits) ▶ 8
	9 Repairs and maintenance ▶ 9
	10 Bad debts ▶ 10
	11 Rents ▶ 11
	12 Taxes and licenses STATEMENT 1 ▶ 12 935.
	13 Interest ▶ 13 4,237.
	14 a Depreciation (if required, attach Form 4562) 14a 2,904.
	b Depreciation claimed on Schedule A and elsewhere on return 14b
	c Subtract line 14b from line 14a ▶ 14c 2,904.
	15 Depletion (Do not deduct oil and gas depletion.) ▶ 15
	16 Advertising ▶ 16 860.
	17 Pension, profit-sharing, etc., plans ▶ 17
	18 Employee benefit programs ▶ 18
19 Other deductions (attach schedule) STATEMENT 2 ▶ 19 101,553.	
20 Total deductions. Add the amounts shown in the far right column for lines 7 through 19 ▶ 20 110,489.	
21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6 ▶ 21 <853.>	
Tax and Payments	22 Tax: a Excess net passive income tax (attach schedule) 22a
	b Tax from Schedule D (Form 1120S) 22b
	c Add lines 22a and 22b ▶ 22c
	23 Payments: a 1999 estimated tax payments and amount applied from 1998 return 23a
	b Tax deposited with Form 7004 23b
	c Credit for Federal tax paid on fuels (attach Form 4136) 23c
	d Add lines 23a through 23c ▶ 23d
	24 Estimated tax penalty. Check if Form 2220 is attached ▶ <input type="checkbox"/> 24
	25 Tax due. If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See instructions for depository method of payment ▶ 25
	26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid ▶ 26
27 Enter amount of line 26 you want: Credited to 2000 estimated tax ▶ Refunded ▶ 27	

Please 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 officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed

Preparer's SSN or PTIN
568-62-4994

Firm's name (or yours if self-employed) and address

FARKE GUPTILL & COMPANY, LLP
2626 E. GARVEY AVENUE
WEST COVINA, CA

E.I. No.

95-3378831

ZIP code

91791

JWA For Paperwork Reduction Act Notice, see the separate instructions.

Form 1120S (1999)

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

- 9a Check all methods used for valuing closing inventory:
- (i) Cost as described in Regulations section 1.471-3
 - (ii) Lower of cost or market as described in Regulations section 1.471-4
 - (iii) Other (specify method used and attach explanation) ▶ _____
- b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ▶
- c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶
- d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d | _____
- e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes No
- f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 Check method of accounting: (a) <input checked="" type="checkbox"/> Cash (b) <input type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ _____		
2 Refer to the list on pages 26 through 28 of the instructions and state the corporation's principal: (a) Business activity ▶ <u>SERVICES</u> (b) Product or service ▶ <u>COMPUTER</u>		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?		X
5 At any time during calendar year 1999, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 15 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶ _____		X
6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520. See page 15 of the instructions		X
7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter ▶ <input type="checkbox"/>		
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ <input type="checkbox"/> If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years ▶ \$ _____		
10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year ▶ <input type="checkbox"/>		

Form 1120S (1999)

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

Table with columns for (a) Pro rata share items and (b) Total amount. Rows include Income (Loss), Deductions, Investment Interest, Credits, Adjustments and Tax Preference Items, Foreign Taxes, and Other. Total amount for line 23 is 995.

Schedule L Balance Sheets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		3,123.		33,167.
2 a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. Government obligations				
5 Tax-exempt securities				
6 Other current assets				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments				
10 a Buildings and other depreciable assets	43,770.		43,770.	
b Less accumulated depreciation	31,032.	12,738.	36,600.	7,170.
11 a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13 a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets STMT 6		25,341.		33,053.
15 Total assets		41,202.		73,390.
Liabilities and Shareholders' Equity				
16 Accounts payable		4,000.		
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities STMT 7		120.		45.
19 Loans from shareholders		5,590.		52,756.
20 Mortgages, notes, bonds payable in 1 year or more		9,234.		
21 Other liabilities				
22 Capital stock		1,000.		1,000.
23 Additional paid-in capital				
24 Retained earnings		21,258.		19,589.
25 Adjustments to shareholders' equity				
26 Less cost of treasury stock		()		()
27 Total liabilities and shareholders' equity		41,202.		73,390.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income (loss) per books	<1,669.>	5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize): a Tax-exempt interest \$	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize): a Depreciation \$	
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize): a Depreciation \$ b Travel and entertainment \$ STMT 8 2,664.	2,664.	7 Add lines 5 and 6	
4 Add lines 1 through 3	995.	8 Income (loss) (Schedule K, line 23). Line 4 less line 7	995.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	<278.>		
2 Ordinary income from page 1, line 21			
3 Other additions STMT 5	1,848.		
4 Loss from page 1, line 21	(853.)		
5 Other reductions	()	()	
6 Combine lines 1 through 5	717.		
7 Distributions other than dividend distributions			
8 Balance at end of tax year. Subtract line 7 from line 6	717.		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning Shareholder's identifying number ▶ 565-86-8739 Shareholder's name, address, and ZIP code JOHN FRANGIE PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA. 93401-3306	and ending Corporation's identifying number ▶ 77-0414963 Corporation's name, address, and ZIP code IMAGE ONLINE DESIGN INCORPORATED PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306
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A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ **52.472602%**

B Internal Revenue Service Center where corporation filed its return ▶ **FRESNO, CA**

C Tax shelter registration number (see Instructions for Schedule K-1) ▶ _____

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	<448.	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities		
	3 Net income (loss) from other rental activities		
	4 Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f)
	a Interest	970.	
	b Ordinary dividends		
	c Royalties		
	d Net short-term capital gain (loss)		
	e Net long-term capital gain (loss):		
	e(1) 28% rate gain (loss)		
	e(2) Total for year		Sch. D, line 12, col. (g) Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)		(Enter on applicable line of your return.)
	5 Net section 1231 gain (loss) (other than due to casualty or theft)		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
6 Other income (loss) (attach schedule)		(Enter on applicable line of your return.)	
Deductions	7 Charitable contributions (attach schedule)		Sch. A, line 15 or 16
	8 Section 179 expense deduction		See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)		
	10 Other deductions (attach schedule)		
Investment Interest	11a Interest expense on investment debts		Form 4952, line 1
	b(1) Investment income included on lines 4a, 4b, 4c, and 4f above	970.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b(2) Investment expenses included on line 9 above		
Credits	12a Credit for alcohol used as fuel		Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990		
	(2) Other than on line 12b(1) for property placed in service before 1990		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989		
	(4) Other than on line 12b(3) for property placed in service after 1989		See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	c Qualified rehabilitation expenditures related to rental real estate activities		
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities		
	e Credits related to other rental activities		
13 Other credits			

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a	Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b	Adjusted gain or loss	14b	
	c	Depletion (other than oil and gas)	14c	
	d (1)	Gross income from oil, gas, or geothermal properties	d(1)	
	d (2)	Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e	Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15 a	Type of income		Form 1116, Check boxes
	b	Name of foreign country or U.S. possession		Form 1116, Part I
	c	Total gross income from sources outside the United States (attach schedule)	15c	
	d	Total applicable deductions and losses (attach schedule)	15d	
	e	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f	Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g	Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16	Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b	Amount	16b	
	17	Tax-exempt interest income	17	Form 1040, line 8b
	18	Other tax-exempt income	18	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19	Nondeductible expenses	19	
	20	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21	Amount of loan repayments for "Loans From Shareholders"	21	
	22	Recapture of low-income housing credit:		Form 8611, line 8
a	From section 42(j)(5) partnerships	22a		
b	Other than on line 22a	22b		
Supplemental Information	23	Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning

and ending

Shareholder's identifying number ▶ 570-92-8102

Corporation's identifying number ▶ 77-0414963

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

CHRISTOPHER AMBLER
PMB 201 1241 JOHNSON
SAN LUIS OBISPO, CA 93401-3306

IMAGE ONLINE DESIGN INCORPORATED
PMB 201 1241 JOHNSON
SAN LUIS OBISPO, CA 93401-3306

A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ 36.958197%

B Internal Revenue Service Center where corporation filed its return ▶ FRESNO, CA

C Tax shelter registration number (see Instructions for Schedule K-1) ▶

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1 <315.	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2	Net income (loss) from rental real estate activities	2	
	3	Net income (loss) from other rental activities	3	
	4	Portfolio income (loss):		
	a	Interest	4a 683.	Sch. B, Part I, line 1
	b	Ordinary dividends	4b	Sch. B, Part II, line 5
	c	Royalties	4c	Sch. E, Part I, line 4
	d	Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f)
	e	Net long-term capital gain (loss):		
		(1) 28% rate gain (loss)	e(1)	Sch. D, line 12, col. (g)
		(2) Total for year	e(2)	Sch. D, line 12, col. (f)
	f	Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return.)
		5	Net section 1231 gain (loss) (other than due to casualty or theft)	5
	6	Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)
Deductions	7	Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16
	8	Section 179 expense deduction	8	See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9	Deductions related to portfolio income (loss) (attach schedule)	9	
	10	Other deductions (attach schedule)	10	
Investment Interest	11a	Interest expense on investment debts	11a	Form 4952, line 1
	b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1) 683.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b(2)	(2) Investment expenses included on line 9 above	b(2)	
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10
	b	Low-income housing credit:		Form 8586, line 5
		(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
		(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
		(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
		(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities	12c	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e	Credits related to other rental activities	12e	
13	Other credits	13		

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	14e		
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
22 Recapture of low-income housing credit:			
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

SCHEDULE K-1
(Form 1120S)

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning Shareholder's identifying number ▶ 558-70-0065 Shareholder's name, address, and ZIP code PEGGY PIERCE PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306	and ending Corporation's identifying number ▶ 77-0414963 Corporation's name, address, and ZIP code IMAGE ONLINE DESIGN INCORPORATED PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306
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A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1)▶ 4.994351%

B Internal Revenue Service Center where corporation filed its return ▶ FRESNO, CA

C Tax shelter registration number (see Instructions for Schedule K-1)▶

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities 1	<42.	} See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities 2		
	3 Net income (loss) from other rental activities 3		
	4 Portfolio income (loss):		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest 4a	92.	
	b Ordinary dividends 4b		
	c Royalties 4c		
	d Net short-term capital gain (loss) 4d		
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss) e(1)		
(2) Total for year e(2)			
f Other portfolio income (loss) (attach schedule) 4f		(Enter on applicable line of your return.)	
5 Net section 1231 gain (loss) (other than due to casualty or theft) 5		See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule) 6		(Enter on applicable line of your return.)	
Deductions	7 Charitable contributions (attach schedule) 7		Sch. A, line 15 or 16
	8 Section 179 expense deduction 8		} See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule) 9		
	10 Other deductions (attach schedule) 10		
Investment Interest	11a Interest expense on investment debts 11a		Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above b(1)	92.	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above b(2)		
Credits	12a Credit for alcohol used as fuel 12a		Form 6478, line 10
	b Low-income housing credit:		} Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990 b(1)		
	(2) Other than on line 12b(1) for property placed in service before 1990 b(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989 b(3)		
	(4) Other than on line 12b(3) for property placed in service after 1989 b(4)		
	c Qualified rehabilitation expenditures related to rental real estate activities 12c		} See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities 12d		
e Credits related to other rental activities 12e			
13 Other credits 13			

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	Form 1116, Part II
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (attach schedule)	15f	
	g Other foreign tax information (attach schedule)	15g	Form 1116, Part III See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:		Form 8611, line 8
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning Shareholder's identifying number ▶ 548-63-9034 Shareholder's name, address, and ZIP code TRACY THOMAS PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306	and ending Corporation's identifying number ▶ 77-0414963 Corporation's name, address, and ZIP code IMAGE ONLINE DESIGN INCORPORATED PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306
--	--

A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1)▶ **4.994351%**

B Internal Revenue Service Center where corporation filed its return ▶ **FRESNO, CA**

C Tax shelter registration number (see Instructions for Schedule K-1)▶

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	<43.	} See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f)
	a Interest	92.	
	b Ordinary dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	e(1)	
	(2) Total for year	e(2)	Sch. D, line 12, col. (g) Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return.)
	5 Net section 1231 gain (loss) (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)	
Deductions	7 Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	} See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	92.	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above	b(2)	
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		} Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	} See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
	e Credits related to other rental activities	12e	
	13 Other credits	13	

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	14e		
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	Form 1040, line 8b
	17 Tax-exempt interest income	17	
	18 Other tax-exempt income	18	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning

and ending

Shareholder's identifying number ▶ 551-38-2940

Corporation's identifying number ▶ 77-0414963

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

WILLIAM LUND
7453 E. MCLELLAN LANE
SCOTTSDALE, AZ 85206-4641

IMAGE ONLINE DESIGN INCORPORATED
PMB 201 1241 JOHNSON
SAN LUIS OBISPO, CA 93401-3306

A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ .199774%

B Internal Revenue Service Center where corporation filed its return ▶ FRESNO, CA

C Tax shelter registration number (see Instructions for Schedule K-1) ▶

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

		(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:	
Income (Loss)	1	Ordinary income (loss) from trade or business activities	1	<2.	
	2	Net income (loss) from rental real estate activities	2	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S). Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.) See Shareholder's Instructions for Schedule K-1 (Form 1120S). (Enter on applicable line of your return.)	
	3	Net income (loss) from other rental activities	3		
	4	Portfolio income (loss):			
	a	Interest	4a		4.
	b	Ordinary dividends	4b		
	c	Royalties	4c		
	d	Net short-term capital gain (loss)	4d		
	e	Net long-term capital gain (loss):			
	(1)	28% rate gain (loss)	e(1)		
(2)	Total for year	e(2)			
f	Other portfolio income (loss) (attach schedule)	4f			
	5	Net section 1231 gain (loss) (other than due to casualty or theft)	5		
	6	Other income (loss) (attach schedule)	6		
Deductions	7	Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16	
	8	Section 179 expense deduction	8	See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	9	Deductions related to portfolio income (loss) (attach schedule)	9		
	10	Other deductions (attach schedule)	10		
Investment Interest	11a	Interest expense on investment debts	11a		Form 4952, line 1
	b(1)	(1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1)	See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	b(2)	(2) Investment expenses included on line 9 above	b(2)		
Credits	12a	Credit for alcohol used as fuel	12a	Form 6478, line 10	
	b	Low-income housing credit:		Form 8586, line 5	
	(1)	From section 42(j)(5) partnerships for property placed in service before 1990	b(1)		
	(2)	Other than on line 12b(1) for property placed in service before 1990	b(2)		
	(3)	From section 42(j)(5) partnerships for property placed in service after 1989	b(3)		
	(4)	Other than on line 12b(3) for property placed in service after 1989	b(4)		
	c	Qualified rehabilitation expenditures related to rental real estate activities	12c	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d		
e	Credits related to other rental activities	12e			
13	Other credits	13			

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	14e		
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S). Form 1040, line 8b
	b Amount	16b	
	17 Tax-exempt interest income	17	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	Form 8611, line 8
	21 Amount of loan repayments for "Loans From Shareholders"	21	
22 Recapture of low-income housing credit:			
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning

and ending

Shareholder's identifying number ▶ 561-94-1234

Corporation's identifying number ▶ 77-0414963

Shareholder's name, address, and ZIP code

Corporation's name, address, and ZIP code

ROBERT HATHER
3675 SEQUOIA
SAN LUIS OBISPO, CA. 63401

IMAGE ONLINE DESIGN INCORPORATED
PMB 201 1241 JOHNSON
SAN LUIS OBISPO, CA 93401-3306

A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ .099887%

B Internal Revenue Service Center where corporation filed its return ▶ FRESNO, CA

C Tax shelter registration number (see Instructions for Schedule K-1) ▶

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1 <1.	See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f)
	a Interest	4a 2.	
	b Ordinary dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	e(1)	Sch. D, line 12, col. (g)
	(2) Total for year	e(2)	Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)	4f	(Enter on applicable line of your return.)
	5 Net section 1231 gain (loss) (other than due to casualty or theft)	5	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
6 Other income (loss) (attach schedule)	6	(Enter on applicable line of your return.)	
Deductions	7 Charitable contributions (attach schedule)	7	Sch. A, line 15 or 16
	8 Section 179 expense deduction	8	See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule)	9	
	10 Other deductions (attach schedule)	10	
Investment Interest	11a Interest expense on investment debts	11a	Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above	b(1) 2.	See Shareholder's Instructions for Schedule K-1 (Form 1120S).
(2) Investment expenses included on line 9 above	b(2)		
Credits	12a Credit for alcohol used as fuel	12a	Form 6478, line 10
	b Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	b(1)	
	(2) Other than on line 12b(1) for property placed in service before 1990	b(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	b(3)	
	(4) Other than on line 12b(3) for property placed in service after 1989	b(4)	
	c Qualified rehabilitation expenditures related to rental real estate activities	12c	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities	12d	
e Credits related to other rental activities	12e		
13 Other credits	13		

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	Form 1116, Part II
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	Form 1040, line 8b
	17 Tax-exempt interest income	17	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	Form 8611, line 8
	22 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.
For calendar year 1999 or tax year

OMB No. 1545-0130

1999

beginning Shareholder's identifying number ▶ 566-68-3210 Shareholder's name, address, and ZIP code ANNE GILLESPIE 18755 BERNARDO TRAILS DR. SAN DIEGO, CA. 92128-0000	and ending Corporation's identifying number ▶ 77-0414963 Corporation's name, address, and ZIP code IMAGE ONLINE DESIGN INCORPORATED PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306
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A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) **.099887%**
 B Internal Revenue Service Center where corporation filed its return ▶ **FRESNO, CA**
 C Tax shelter registration number (see Instructions for Schedule K-1)
 D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities 1		} See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities 2		
	3 Net income (loss) from other rental activities 3		
	4 Portfolio income (loss):		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest 4a	2.	
	b Ordinary dividends 4b		
	c Royalties 4c		
	d Net short-term capital gain (loss) 4d		
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss) e(1)		} Sch. D, line 12, col. (g) Sch. D, line 12, col. (f)
(2) Total for year e(2)			
f Other portfolio income (loss) (attach schedule) 4f		(Enter on applicable line of your return.)	
5 Net section 1231 gain (loss) (other than due to casualty or theft) 5		} See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule) 6		(Enter on applicable line of your return.)	
Deductions	7 Charitable contributions (attach schedule) 7		} Sch. A, line 15 or 16
	8 Section 179 expense deduction 8		} See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule) 9		
	10 Other deductions (attach schedule) 10		
Investment Interest	11a Interest expense on investment debts 11a		} Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above b(1)	2.	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above b(2)		
Credits	12a Credit for alcohol used as fuel 12a		} Form 6478, line 10
	b Low-income housing credit:		} Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990 b(1)		
	(2) Other than on line 12b(1) for property placed in service before 1990 b(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989 b(3)		
	(4) Other than on line 12b(3) for property placed in service after 1989 b(4)		
	c Qualified rehabilitation expenditures related to rental real estate activities 12c		} See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities 12d		
e Credits related to other rental activities 12e			
13 Other credits 13			

JWA For Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 1999

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
e Other adjustments and tax preference items (attach schedule)	14e		
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		Form 1116, Part I
	c Total gross income from sources outside the United States (attach schedule)	15c	
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	Form 1040, line 8b
	17 Tax-exempt interest income	17	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	18 Other tax-exempt income	18	
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
22 Recapture of low-income housing credit:		Form 8611, line 8	
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

**SCHEDULE K-1
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Shareholder's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.
For calendar year 1999 or tax year
and ending

OMB No. 1545-0130

1999

beginning Shareholder's identifying number ▶ 477-30-3526 Shareholder's name, address, and ZIP code PAUL H. POBOR 2679 SPYGLASS DR. SHELL BEACH, CA. 93449	and ending Corporation's identifying number ▶ 77-0414963 Corporation's name, address, and ZIP code IMAGE ONLINE DESIGN INCORPORATED PMB 201 1241 JOHNSON SAN LUIS OBISPO, CA 93401-3306
--	--

A Shareholder's percentage of stock ownership for tax year (see Instructions for Schedule K-1) ▶ .180951%

B Internal Revenue Service Center where corporation filed its return ▶ FRESNO, CA

C Tax shelter registration number (see Instructions for Schedule K-1) ▶

D Check applicable boxes: (1) Final K-1 (2) Amended K-1

	(a) Pro rata share items	(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities 1	<2.	} See pages 4 and 5 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	2 Net income (loss) from rental real estate activities 2		
	3 Net income (loss) from other rental activities 3		
	4 Portfolio income (loss):		} Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) (Enter on applicable line of your return.)
	a Interest 4a	3.	
	b Ordinary dividends 4b		
	c Royalties 4c		
	d Net short-term capital gain (loss) 4d		
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss) e(1)		} Sch. D, line 12, col. (g) Sch. D, line 12, col. (f)
(2) Total for year e(2)			
f Other portfolio income (loss) (attach schedule) 4f		(Enter on applicable line of your return.)	
5 Net section 1231 gain (loss) (other than due to casualty or theft) 5		See Shareholder's Instructions for Schedule K-1 (Form 1120S).	
6 Other income (loss) (attach schedule) 6		(Enter on applicable line of your return.)	
Deductions	7 Charitable contributions (attach schedule) 7		Sch. A, line 15 or 16
	8 Section 179 expense deduction 8		} See page 6 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	9 Deductions related to portfolio income (loss) (attach schedule) 9		
	10 Other deductions (attach schedule) 10		
Investment Interest	11a Interest expense on investment debts 11a		Form 4952, line 1
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f above b(1)	3.	} See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	(2) Investment expenses included on line 9 above b(2)		
Credits	12a Credit for alcohol used as fuel 12a		Form 6478, line 10
	b Low-income housing credit:		} Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990 b(1)		
	(2) Other than on line 12b(1) for property placed in service before 1990 b(2)		
	(3) From section 42(j)(5) partnerships for property placed in service after 1989 b(3)		
	(4) Other than on line 12b(3) for property placed in service after 1989 b(4)		
	c Qualified rehabilitation expenditures related to rental real estate activities 12c		} See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	d Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities 12d		
	e Credits related to other rental activities 12e		
13 Other credits 13			

(a) Pro rata share items		(b) Amount	(c) Form 1040 filers enter the amount in column (b) on:
Adjustments and Tax Preference Items	14 a Depreciation adjustment on property placed in service after 1986	14a	See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251
	b Adjusted gain or loss	14b	
	c Depletion (other than oil and gas)	14c	
	d (1) Gross income from oil, gas, or geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, or geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	14e	
Foreign Taxes	15 a Type of income		Form 1116, Check boxes
	b Name of foreign country or U.S. possession		
	c Total gross income from sources outside the United States (attach schedule)	15c	Form 1116, Part I
	d Total applicable deductions and losses (attach schedule)	15d	
	e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	Form 1116, Part II
	f Reduction in taxes available for credit (attach schedule)	15f	Form 1116, Part III
	g Other foreign tax information (attach schedule)	15g	See Instructions for Form 1116
Other	16 Section 59(e)(2) expenditures: a Type		See Shareholder's Instructions for Schedule K-1 (Form 1120S).
	b Amount	16b	
	17 Tax-exempt interest income	17	Form 1040, line 8b
	18 Other tax-exempt income	18	See pages 7 and 8 of the Shareholder's Instructions for Schedule K-1 (Form 1120S).
	19 Nondeductible expenses	19	
	20 Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV	20	
	21 Amount of loan repayments for "Loans From Shareholders"	21	
	22 Recapture of low-income housing credit:		Form 8611, line 8
a From section 42(j)(5) partnerships	22a		
b Other than on line 22a	22b		
Supplemental Information	23 Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed):		

Depreciation and Amortization
 (Including Information on Listed Property) OTHER

1999
 Attachment
 Sequence No. 67

▶ See separate instructions. ▶ Attach this form to your return.

Name(s) shown on return IMAGE ONLINE DESIGN INCORPORATED	Business or activity to which this form relates OTHER DEPRECIATION	Identifying number 77-0414963
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Part I Election To Expense Certain Tangible Property (Section 179) (Note: If you have any "listed property," complete Part V before you complete Part I.)

1 Maximum dollar limitation. If an enterprise zone business, see instructions	1	19,000.
2 Total cost of section 179 property placed in service. See instructions	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7 Listed property. Enter amount from line 27	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from 1998	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)

Section A - General Asset Account Election

14 If you are making the election under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See instructions

Section B - General Depreciation System (GDS) (See instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Alternative Depreciation System (ADS) (See instructions.)

16 a Class life					S/L
b 12-year			12 yrs.		S/L
c 40-year	/		40 yrs.	MM	S/L

Part III Other Depreciation (Do Not Include Listed Property.) (See instructions.)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1999	17	2,904.
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	

Part IV Summary (See instructions.)

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	2,904.
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

Part V Listed Property - Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement
 Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

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

23a Do you have evidence to support the business/investment use claimed? Yes No 23b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
25 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
26 Add amounts in column (h). Enter the total here and on line 20, page 1							26	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								27

Section B - Information on Use of Vehicles

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

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

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

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

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

Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
40 Amortization of costs that begins during your 1999 tax year:					
41 Amortization of costs that began before 1999				41	
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	

FORM 1120S	TAXES AND LICENSES	STATEMENT	1
DESCRIPTION		AMOUNT	
OTHER TAXES		135.	
CALIFORNIA TAXES - BASED ON INCOME		800.	
TOTAL TO FORM 1120S, PAGE 1, LINE 12		935.	

FORM 1120S	OTHER DEDUCTIONS	STATEMENT	2
DESCRIPTION		AMOUNT	
BANK SERVICE CHARGES		2,211.	
COMPUTER EXPENSE		1,073.	
COMPUTER SUPPLIES		349.	
INSURANCE		650.	
LICENSES		745.	
POSTAGE		171.	
PROFESSIONAL FEES		34,508.	
REGISTRATION SERVICES		665.	
OFFICE SUPPLIES		395.	
TELEPHONE EXPENSE		31,714.	
CONSULTING		29,072.	
TOTAL TO FORM 1120S, PAGE 1, LINE 19		101,553.	

FORM 1120S CHANGES IN SHAREHOLDER INTERESTS STATEMENT 3

TOTAL NUMBER OF DAYS IN THE TAX YEAR: 365
 TOTAL NUMBER OF SHARES
 OUTSTANDING AT THE END OF THE YEAR: 1,000.00

SHAREHOLDER NAME AND ID NUMBER	PERIOD HELD FROM - TO	DAYS	NUMBER OF SHRS HELD	PCT. OF STOCK OWNED	ALLOC. PERCENT	SHARE- HOLDER TOTAL
JOHN FRANGIE 565-86-8739						
	01/01/99 - 01/21/99	21	530.00	52.736	3.034	
	01/22/99 - 03/10/99	48	529.00	52.689	6.929	
	03/11/99 - 03/21/99	11	528.00	52.590	1.585	
	03/22/99 - 03/24/99	3	527.00	52.542	0.432	
	03/25/99 - 04/25/99	32	526.00	52.495	4.602	
	04/26/99 - 12/31/99	250	524.00	52.400	35.890	52.47
CHRISTOPHER AMBLER 570-92-8102						
	01/01/99 - 01/21/99	21	370.00	36.816	2.118	
	01/22/99 - 03/10/99	48	370.00	36.853	4.846	
	03/11/99 - 03/21/99	11	370.00	36.853	1.111	
	03/22/99 - 03/24/99	3	370.00	36.889	0.303	

03/25/99 - 04/25/99	32	370.00	36.926	3.237	
04/26/99 - 12/31/99	250	370.00	37.000	25.342	36.96

PEGGY PIERCE
558-70-0065

01/01/99 - 01/21/99	21	50.00	4.975	0.286	
01/22/99 - 03/10/99	48	50.00	4.980	0.655	
03/11/99 - 03/21/99	11	50.00	4.980	0.150	
03/22/99 - 03/24/99	3	50.00	4.985	0.041	
03/25/99 - 04/25/99	32	50.00	4.990	0.437	
04/26/99 - 12/31/99	250	50.00	5.000	3.425	4.99

TRACY THOMAS
548-63-9034

01/01/99 - 01/21/99	21	50.00	4.975	0.286	
01/22/99 - 03/10/99	48	50.00	4.980	0.655	
03/11/99 - 03/21/99	11	50.00	4.980	0.150	
03/22/99 - 03/24/99	3	50.00	4.985	0.041	
03/25/99 - 04/25/99	32	50.00	4.990	0.437	
04/26/99 - 12/31/99	250	50.00	5.000	3.425	4.99

WILLIAM LUND
551-38-2940

01/01/99 - 01/21/99	21	2.00	0.199	0.011	
01/22/99 - 03/10/99	48	2.00	0.199	0.026	
03/11/99 - 03/21/99	11	2.00	0.199	0.006	
03/22/99 - 03/24/99	3	2.00	0.199	0.002	
03/25/99 - 04/25/99	32	2.00	0.200	0.018	
04/26/99 - 12/31/99	250	2.00	0.200	0.137	.20

ROBERT HATHER
561-94-1234

01/01/99 - 01/21/99	21	1.00	0.100	0.006	
01/22/99 - 03/10/99	48	1.00	0.100	0.013	
03/11/99 - 03/21/99	11	1.00	0.100	0.003	
03/22/99 - 03/24/99	3	1.00	0.100	0.001	
03/25/99 - 04/25/99	32	1.00	0.100	0.009	
04/26/99 - 12/31/99	250	1.00	0.100	0.068	.10

ANNE GILLESPIE
566-68-3210

01/01/99 - 01/21/99	21	1.00	0.100	0.006	
01/22/99 - 03/10/99	48	1.00	0.100	0.013	

03/11/99 - 03/21/99	11	1.00	0.100	0.003	
03/22/99 - 03/24/99	3	1.00	0.100	0.001	
03/25/99 - 04/25/99	32	1.00	0.100	0.009	
04/26/99 - 12/31/99	250	1.00	0.100	0.068	.10
PAUL H. POBOR 477-30-3526					
01/01/99 - 01/21/99	21	1.00	0.100	0.006	
01/22/99 - 03/10/99	48	1.00	0.100	0.013	
03/11/99 - 03/21/99	11	2.00	0.199	0.006	
03/22/99 - 03/24/99	3	2.00	0.199	0.002	
03/25/99 - 04/25/99	32	2.00	0.200	0.018	
04/26/99 - 12/31/99	250	2.00	0.200	0.137	.18

SCHEDULE K	INTEREST INCOME	STATEMENT	4
DESCRIPTION	US	OTHER	
PORTFOLIO INTEREST INCOME	0.	1,848.	
TOTAL TO SCHEDULE K, LINE 4A	0.	1,848.	