STATE OF NEW YORK

DIVISION OF TAX APPEALS

In the Matter of the Petitions	:	
of	:	
BENACQUISTA, POLSINELLI & SERAFINI MANAGEMENT CORP.	:	DETERMINATION
for Revision of Determinations or for Refund of Tax on Gains Derived from Certain Real Property Transfers under Article 31-B of the Tax Law.	:	

Petitioner, Benacquista, Polsinelli & Serafini Management Corp., 2465 McGovern Drive, Schenectady, New York 12309, filed petitions for revision of determinations or for refund of tax on gains derived from certain real property transfers under Article 31-B of the Tax Law (File Nos. 804475, 804476 and 805785).

A hearing was commenced before Arthur S. Bray, Administrative Law Judge, at the offices of the Division of Tax Appeals, W.A. Harriman Campus, Albany, New York, on May 10, 1988 at 9:15 A.M. and concluded at the same offices on October 6, 1988 at 1:30 P.M., with all briefs to be filed by May 21, 1989. Petitioner appeared by DeGraff, Foy, Conway, Holt-Harris and Mealey (James H. Tully, Jr., Esq., of counsel), Dennis & Co. (John H. Dennis, Esq., of counsel) and by Rutnik & Rutnik, Esqs. (Polly N. Rutnik, Esq., of counsel). The Division of Taxation appeared by William F. Collins, Esq. (Thomas C. Sacca, Esq., of counsel).

ISSUES

I. Whether transfers of unimproved parcels of real property pursuant to a subdivision plan which was filed prior to the effective date of the Real Property Transfer Gains Tax Law should be aggregated solely on the basis that the parcels were part of the same subdivision plan.

II. Whether the fair market value of the roadbeds deeded to the City of Albany and land designated as greenspace should be included in the calculation of the original purchase price.

III. Whether attorney's fees incurred for appearing in this matter should be included in the calculation of the original purchase price.

IV. Whether petitioner has established that the penalties and interest penalty which were imposed by the Division of Taxation for failure to file certain returns and failure to remit tax when due should be abated.

FINDINGS OF FACT

KARNER ROAD INDUSTRIAL PARK

On July 23, 1978 petitioner, Benacquista, Polsinelli & Serafini Management Corp., filed

a subdivision plan known as the Karner Road Industrial Park ("Industrial Park"). At the time the plan for the Industrial Park was prepared, petitioner and its attorney were required to work with engineers and various governmental agencies in order to develop the conditions which would be placed on the development. Among other things, it was necessary for petitioner to show where the roads would be placed and the amount of acreage needed for services. Petitioner was also required to set aside a particular area for the protection of the Karner Blue butterfly and certain flora. In another area, known as the Kaikout Kill Preservation, all development was prohibited. The plan of the Industrial Park contained the following site data:

Total area - 86.60 acres (includes pump station)
Proposed development parcels - 13 parcels - 77.34 acres
Proposed roadways - 6.88 acres
Open space:

Dune preservation	1.49 acres
Kaikout Kill Preservation	0.85 acres
Additional open space (20% of development parcels)	15.48 acres
Total open space	17.82 acres

On or about November 21, 1986 the Division advised petitioner that the transfers arising from the Industrial Park were subject to real property gains tax. The Division also advised petitioner that it had been improperly filing Real Property Gains Tax Affidavits and that it had to "file a Gains Tax Questionnaire for each parcel of real property sold to date pursuant to the subdivision plans and file a transferors questionnaire for each subsequent transfer at least 20 days before the date of transfer of such subdivided lot."

On December 23, 1986, petitioner submitted a Real Property Transfer Gains Tax Transferor Questionnaire which described the sale of eleven parcels of real property between August 31, 1984 and October 3, 1986 and reported an anticipated tax due of $138,488.02. Two additional transferor questionnaires were submitted with respect to the transfer of additional lots in the Industrial Park. The latter questionnaires reported anticipated tax due, respectively, of $9,006.83 and $24,438.55. On the first questionnaire, petitioner submitted a chart which disclosed the date of sale, address, acreage of property, purchaser, sale price, basis, special assessment, cost per acre, property and school taxes during construction, deed stamps and recording fees, real estate commission and a net amount. In calculating the cost per acre, petitioner employed the following computation:

Accounting	$ 10,177.00
Engineering	107,762.30
Legal	203,000.00
Utilities	16,921.42

Road Construction Value of Land sold to City of Albany for $1.00 and other Good and Valuable Consideration for Road Bed Construction	
Corporate Circle	344,000.00
	$681,860.72

$681,860.72 divided by 77 acres = $8,855.33 cost per acre

The foregoing valuation of $344,000.00 for land sold to the City of Albany was based on assigning a value of $50,000.00 per acre and multiplying by the 6.88 acres which had been set aside for roadways. Petitioner's attorney arrived at a value of $50,000.00 per acre on the basis of an analysis of prior sales within the Industrial Park. The $344,000.00 amount did not include the total area which had been designated as open space.

On December 24, 1986, the Division issued two tentative assessments and returns on the basis of the latter transferor questionnaires which explained that tax was due in the amounts of, respectively, $9,006.83 and $24,438.55.

On March 27, 1987, the Division issued a Notice of Determination of Tax Due under Gains Tax Law which assessed tax, penalty and interest of $65,286.94. The notice, which took into account prior payments, was based on the Division's position that each of the parcels should be aggregated because they were transferred pursuant to the same subdivision plan and explained that the Division was disallowing the $344,000.00 for the value of the land sold to the City of Albany for $1.00 as part of the cost of capital improvements. Therefore, the Division recalculated the per acre cost of capital improvements by dividing the remaining amount by the 77 acres to calculate a per acre cost of capital improvements of $4,387.80. The Division also rejected petitioner's attempt to reduce the gain subject to tax by the amounts spent for deed stamps and recording fees.

Upon making the foregoing modifications, the Division calculated the gain on the sale of the lots as follows: the sale price was accepted as the gross consideration. This amount was reduced by the brokerage fees to find the net consideration. The gain subject to tax was determined by reducing the net consideration by the original purchase price consisting of the purchase price plus special assessments, capital improvements, and property and school taxes during construction. The amount of tax due was determined by multiplying the gain subject to tax by the tax rate of 10 percent.

In making the foregoing calculations the amounts which the Division used for the purchase price per parcel of real estate were obtained from the values which petitioner reported as the basis of the respective parcels. The basis, in turn, was calculated by an accounting firm in 1980 for corporate income tax purposes. The amounts which the Division used for capital improvements were obtained by multiplying the number of acres per respective parcel by the cost per acre of $4,387.80 which had previously been calculated by the Division.

On August 7, 1987, petitioner filed Real Property Transfer Gains Tax Transferor Questionnaires with respect to transfers at 28 Corporate Circle and 30 Corporate Circle which reported anticipated tax due in the amounts of, respectively, $15,146.79 and $14,114.27. On November 2, 1987 these amounts were paid to the Division under protest. Although it is not included in the record, it may be inferred from the existence of a refund claim and the denial thereof that a Real Property Transfer Gains Tax Questionnaire was filed with respect to a transfer of a parcel of property at 16 Corporate Circle and that it reported an anticipated tax due of $7,837.50. On June 21, 1988, the Division denied each of these claims for a refund.

In 1979, petitioner requested an appraisal of the undeveloped land at the Industrial Park.

In September 1980 the appraisers submitted a report which stated that the fair market value of a portion of the undeveloped land was $19,610.00 per acre.

WASHINGTON AVENUE EXTENSION SUBDIVISION

On or about December 13, 1982 petitioner filed a subdivision plan for 2080 Washington Avenue Extension ("Office Park") in the Office of the County Clerk of Albany County. The subdivision consisted of approximately 41.59 acres which were subdivided into four unimproved lots. Petitioner conveyed each of the four lots between October 26, 1983 and November 26, 1986.

On March 19, 1987, in response to a letter from the Division, petitioner filed a Real Property Transfer Gains Tax Transferor Questionnaire which reported the sales of the four lots in the Washington Avenue Extension Subdivision. In this questionnaire, petitioner calculated the per acre cost of the subdivision as follows:

Accounting	$ 2,676.00
Legal	50,000.00
Engineering	100,000.00
Road Construction Labor Materials Supplies for Construction of Road Beds	294,146.00
Value of land sold for $1 and other good and valuable consideration to City of Albany for Pitch Pine Road and Executive Centre Drive	225,850.00
Black Top	17,000.00
	$689,672.00

$689,672.00 divided by 41.59 acres benefited = $16,582.64 per acre cost

On or about March 27, 1987, the Division issued a Notice of Determination of Tax Due Under Gains Tax Law which recalculated the gain subject to tax as well as determined that penalties and interest were due. The notice, which was premised on the Division's position that each of the parcels should be aggregated because they were transferred pursuant to the same subdivision plan, explained that a portion of the asserted deficiency arose from the Division's disallowance of $225,850.00 as part of the purchase price for the value of land which petitioner had sold to the City of Albany for $1.00. The disallowance, in turn, resulted in a reduction of the cost per acre from $16,582.64, which was reported by petitioner, to $11,152.25. The balance of the asserted deficiency of tax was calculated in the same manner as the previous notice. That is, consideration was calculated by subtracting the brokerage fees from the gross consideration. The gain subject to tax was determined by reducing the consideration by the original purchase price consisting of the cost per acre of capital improvements as recalculated by the Division plus the sum of the basis, special assessment and property and school taxes during construction. The notice took into account a payment made on March 19, 1987 resulting in a balance of tax, penalty and interest due of $30,016.83.

In 1979, petitioner requested an appraisal of the undeveloped land in the office park. In September 1980 the appraisers submitted an appraisal report which stated that the value of a portion of the undeveloped land was $25,200.00 per acre.

GENERAL FACTS

Petitioner relied upon its attorney and did not intend to evade taxes. It was the opinion of petitioner's attorney that since the subdivision plans were filed in 1978, the parcels should not be aggregated. This opinion was confirmed by the attorneys for the purchaser and representatives of the title company.

CONCLUSIONS OF LAW

A. Section 1441 of the Tax Law, which became effective March 28, 1983, imposes a tax of 10 percent on the gains derived from the transfer of real property within New York State. The transfer is exempt from tax if the consideration is less than $1,000,000.00 (Tax Law § 1443[1]).

Subdivision 7 of section 1440 of the Tax Law defines the term "transfer of real property" as including "partial or successive transfers, unless the transferor or transferors furnish a sworn statement that such transfers are not pursuant to an agreement or plan to effectuate by partial or successive transfers a transfer which would otherwise be included in the coverage of this article...." This particular sentence is interpreted in the regulations at 20 NYCRR 590.43 (see, Matter of Thomas Iveli and Robert Sigmund, Tax Appeals Tribunal, February 23, 1988 affd 145 AD2d 691, lv denied 73 NY2d 708) which provides at paragraph (g) as follows:

> "(g) Question: Will the subdividing of real property be subject to aggregation pursuant to section 1440(7) of the Tax Law?
>
> Answer: Yes. Section 1440(7) of the Tax Law specifically provides that all subdividing of real property is subject to the aggregation rule, except in the case where the subdivided property is improved with residences and is used for residential purposes, other than those pursuant to cooperative or condominium plans. (See section 590.68 of this Part for information on payment of tax in aggregated transfer situations.)"[1]

In view of the express language of Tax Law § 1440(7) quoted above and the regulation promulgated pursuant thereto, it must be concluded that, on its face, the subdividing of commercial real property is subject to aggregation without the need to resort to any other analysis (see, Matter of Executive Land Corp. v. Chu, 150 AD2d 7; Matter of Cove Hollow Farm, Inc., 146 AD2d 49).

In its brief, petitioner appears to accept this analysis with respect to subdivision plans

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[1] This regulation adopts a position which has been followed by the Division since at least August 1983 (see, Publication 588 "Questions and Answers - Gains Tax on Real Property Transfers" [August 1983], Question 12; Publication 588 "Questions and Answers - Gains Tax on Real Property Transfers" [November 1984], Question 42[g]).

filed after the enactment of the Gains Tax Law. However, petitioner contends that the aggregating of parcels in subdivisions, solely because they are part of the same subdivision, should only take place when the subdivision plans were filed after the effective date of the Gains Tax Law. The arguments to support this premise proceed as follows: First, petitioner maintains that Tax Law § 1443(6) and Publication 588 "Question and Answers - Gains Tax on Real Property Transfers", Question 12, demonstrate a legislative intent and a regulatory interpretation to exempt transfers after the passage of the Real Property Transfer Gains Tax Law resulting from contracts entered into prior to the passage of the law. Petitioner submits that the same intent should be incorporated into Tax Law § 1440(7) and that the use of the term "subdividing" in Tax Law § 1440(7) further supports this construction. Petitioner also argues that since it did not know that gains tax would be imposed when the subdivision plans were filed, the notice aspects of due process of law have been violated. Petitioner maintains that its rights have been abridged because, at the time the subdivision plans were filed, it was not aware that its actions would create a taxable event. It is proposed that the remedy for each of its objections would be to consider only principles regarding the sequence of transfers and contiguity with respect to subdivisions filed before the passage of the Gains Tax Law.[2]

Each of the foregoing arguments will be addressed seriatim.

Tax Law § 1443(6) provides for an exemption from tax under the following circumstance:

> "Where a transfer of real property occurring after the effective date of this article is pursuant to a written contract entered into on or before the effective date of this article, provided that the date of execution of such contract is confirmed by independent evidence, such as recording of the contract, payment of a deposit or other facts and circumstances as determined by the tax commission."

The Commissioner's regulations explain that the legislative intent was to exempt contracts by which parties committed themselves to a transaction prior to the effective date of the Gains Tax Law (20 NYCRR 590.20).

Contrary to petitioner's argument, neither Tax Law § 1443(6) nor the pronouncements made by the Division pursuant thereto has any bearing on the issues presented herein. As noted earlier, the gains tax is imposed on the transfer of real property, and sections of law relied on by petitioner seek to exempt transfers pursuant to contracts executed prior to the enactment of the law. Here, only transfers occurring after the enactment of the gains tax are in issue and there is no evidence that any of the transfers were pursuant to contracts entered into prior to the effective date of the law. Thus, there is no "intent" in Tax Law § 1443(6) which should be imposed on Tax Law § 1440(7). Moreover, there is nothing in the language of Tax Law § 1440(7) from which one can infer that special rules apply to subdivision plans filed prior to the enactment of the statute. (See, Matter of Cove Hollow Farm, Inc., supra [where the court expressly sanctioned aggregating the parcels of a subdivision which had been filed prior to the enactment of the law].)

Petitioner's constitutional argument is clearly without merit. There is no constitutional right to the expectation that the law will never change (see, e.g., Gleason v. Gleason, 26 NY2d

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[2]Petitioner's proposed aggregation of properties for the Industrial Park, as clarified in its brief, is set forth as an appendix. Petitioner's brief acknowledges that under its analysis each of the properties in the Office Park should be aggregated.

28; Ten Ten Lincoln Place v. Consolidated Edison Co. of New York, 190 Misc 174, affd 273 App Div 903). Therefore, the fact that petitioner did not know that someday its filing of a subdivision plan would be a factor in its transfers of real estate being subject to tax does not violate due process. In sum, petitioner has not shown that any vested right has been abrogated by a change in the legal significance in the filing of a subdivision plan.

B. The Division rejected petitioner's attempt to include the fair market value of the roadbeds which were deeded to the City of Albany in its calculation of the original purchase price. Petitioner has objected to this adjustment and has also requested that the fair market value of the greenspace be included in the original purchase price on the basis of the following four-step analysis:

1. Original purchase price includes the consideration required to be paid by the transferor to acquire its interest in the property;

2. Transferor's interest includes the right to subdivide;

3. Therefore, original purchase price includes the consideration required to be paid by the transferor to acquire the right to subdivide;

4. Original purchase price includes the value of the property deeded to the City of Albany and the value of property devoted to green space, both of which were contractually required to acquire the right to subdivide the property.

The term "original purchase price" is defined by Tax Law § 1440(5)(a) as meaning "the consideration paid or required to be paid by the transferor; (i) to acquire the interest in real property, and (ii) for any capital improvements made or required to be made to such real property, including solely those costs which are customary, reasonable and necessary". The term "interest" is defined as including, but not limited to, "title in fee, a leasehold interest, a beneficial interest, an encumbrance, a transfer of development rights or any other interest with the right to use or occupancy of real property." (Tax Law § 1440[4]).

In this instance, no deeds have been offered into evidence which would show petitioner's interest in real estate either prior to or subsequent to its dealings with the City of Albany. Therefore, petitioner has not established that any transfers to the City of Albany were made in order to acquire an interest in property.

It is recognized that both parties acknowledged in their briefs that petitioner already had a fee title to the property which was the subject of the subdivisions prior to any transfers to the City of Albany. If this was the case then it cannot be said that its transfer of property to the City of Albany was "to acquire the interest in real property" (Tax Law § 1440[5][a][i]) since there evidently was no additional interest to acquire.

In view of the foregoing, the next question is whether the value of the roadbeds and greenspace should be included in the original purchase price as a capital improvements. However, extended consideration of this question with respect to the roadbeds is unnecessary because the Division acknowledged in its brief that the value of the roadbeds constituted a capital improvement to the remaining subdivided property and should be included in the original purchase price. The value of the land set aside as greenspace also constitutes a capital improvement to the remaining parcels of real estate since the designation of certain land as greenspace was a cost incurred as a prerequisite to the development of the remaining property.

Thus, the question remaining is whether the roadbeds and greenspace should be valued at cost or at fair market value.

Petitioner's argument that the fair market value of the land deeded to the City of Albany should be included in the original purchase price is premised upon question 15 of revised Publication 588 which states, in part, that the price paid to acquire an interest in property includes the amount of property given up. It is concluded that this argument is without merit since, as noted, petitioner did not deed property to the City of Albany in order to acquire an interest in property.

As the Division has noted in its brief, it is often necessary or desirable to donate land contained in a subdivision for a public use. The question then arises for income tax purposes what import the donated land has on the value of the remaining properties. In this situation it has been repeatedly held that the donated land constitutes a capital improvement to the remaining property and the cost or basis of the donated land is allocated to the land remaining in the subdivision (see, Sevier Terrace Realty Co. v. Commr., 21 TCM 1289, 1299, affd 327 F2d 999; Woodside Mills v. United States, 260 F2d 935 [approving Rev Rul 57-488, 1957-2 C.B. 157]). The rationale for this position lies with the observation that the transfer of the property is a prerequisite to the sales of the remaining parcels of real estate. Consequently, the cost of the donated property, rather than the fair market value, is a part of the total cost basis of the remaining property for purposes of determining gain or loss on the sale thereof (see, Rev Rul 57-488, 1957-2 C.B. 157). Similar reasoning should prevail here. Therefore, the Division is directed to recalculate the cost of capital improvements by including in the numerator of its calculation of the cost per acre of capital improvements an amount for the cost basis of the roadways transferred to the City of Albany and an amount for the cost basis of the land designated as greenspace.

C. Petitioner has requested that the attorney's fees incurred in this matter be included in the calculation of the original purchase price of the parcels of real estate. Initially, it is noted that petitioner has not presented any evidence of the amount of these fees. Nevertheless, assuming arguendo that such evidence was presented, there is no legal basis for including legal fees for representing petitioner in this matter as part of the original purchase price.

Petitioner has correctly noted that the term "original purchase price" includes amounts paid by the transferor for any customary, reasonable and necessary legal fees incurred to sell the property (Tax Law § 1440[5][a]).[3] These provisions do not transform the costs incurred to defend, at some later point in time, the accuracy of the legal advice regarding the taxability of the sale into legal fees incurred to sell the property. The validity of this conclusion is evident from the fact that the transfers of real estate which are in issue occurred well before the commencement of the administrative review process. Therefore, they could not have been expenses incurred to sell the property.

D. Petitioner has requested that penalties and additional interest arising as a result of the penalties be abated. In support of this request, petitioner has called attention to the fact that it filed the required affidavits with the County Clerk. It is alleged that the filings negate any finding of an attempt to evade tax. Furthermore, petitioner maintains that its decision was made

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[3]Originally, the definition of original purchase price pertained to the consideration paid by the transferor to acquire the interest in real property and the consideration paid by the transferor for capital improvements made to real property (Tax Law former § 1440.5). This section was repealed by Laws of 1984 (ch 900, § 3, eff September 4, 1984). The current definition of purchase price provides for the allowance of specific "costs", professional "fees" and "expenses" (see, Matter of 415 C.P.W. Co., Tax Appeals Tribunal, March 2, 1989).

after a careful consideration of the statutory requirements. Petitioner also points to the fact that it has been cooperative and that when it became aware of the Division's position, it paid the tax due.

Tax Law § 1446.2(a) provides, in part, as follows:

> "Any transferor failing to file a return or to pay any tax within the time required by this article shall be subject to a penalty.... If the tax commission determines that such failure or delay was due to reasonable cause and not due to willful neglect, it shall remit, abate or waive all of such penalty and such interest penalty."

Initially, it is noted that reliance on the advice of counsel does not, of itself, establish reasonable cause (Matter of LT & B Realty v. State Tax Commn., 141 AD2d 185). Rather, it has been consistently held that the reasonableness of a taxpayer's position must be evaluated by a comparison to the Division's articulated policy (see, e.g., Matter of Birchwood Associates, Tax Appeals Tribunal, July 27, 1989; Matter of Copley Plaza Company, Tax Appeals Tribunal, June 8, 1989; Matter of Normandy Associates, Tax Appeals Tribunal, March 23, 1989).

In August 1983 the Division issued Publication 588 "Questions and Answers - Gains Tax on Real Property Transfers". Question and Answer number 21(G) of this publication specifically address aggregation in the context of the subdividing of real property and states as follows:

> "Section 1440.7 specifically provides that all subdividing of real property is subject to the aggregation rule, except in the case where the subdivided property is improved with residences and is used for residential purposes, other than those pursuant to cooperative or condominium plans." (Emphasis added.)

This position was repeated in November 1984 when the Division issued a revised Publication 588. As noted earlier, this position was also followed when the regulations were promulgated (see, 20 NYCRR 590.43[g]). In none of these policy pronouncements is there any distinction drawn between subdivision plans filed prior to the enactment of the law and those filed after. When viewed in this context, the controlling precedent requires the conclusion that petitioner has not established that it acted with reasonable cause. It is noted that petitioner's willingness to pay the tax when alerted by the Division, does not establish reasonable cause for failure to pay the tax when due (see, Matter of Copley Plaza Company, supra).

E. The petitions of Benacquista, Polsinelli & Serafini Management Corp. are granted only to the extent of Conclusion of Law "B"; the Notices of Tax Due Under Real Property Gains Tax Law and the Claims for Refund are to be modified accordingly; the Notices of Tax Due Under Real Property Gains Tax Law and the Claims for Refund are, in all other respects, denied.

DATED: Troy, New York
January 4, 1990

/s/ Arthur S. Bray
ADMINISTRATIVE LAW JUDGE

APPENDIX

Petitioner's Proposed Method of Aggregating the Parcels of the Karner Road Industrial Park

Date	Transferee	Gross Sales Price	Real Estate Commission	Net Sales Price	Acres	Net Sales Aggregate	Group	Aggregate Net Sales By Group
8-31-84	Hoffman Enterprises	$ 44,370	$ 2,219	$ 42,151	.986	$ 42,151	I	$ 42,151
12-18-84	B. Robert Joel	135,000	6,750	128,250	3.2	170,401	I	170,401
3-15-85	Robert J. Higgins	282,964	14,148	268,816	6.431	439,217	I	439,217
7-11-85	Broslu Realty	271,968	13,598	258,370	5.66	697,587	I	697,587
2-25-86	Robert J. Higgins	87,532	4,377	83,155	1.0	780,742	I	780,742
2-26-86	Robert J. Higgins	291,600	14,580	277,020	5.832	1,057,662	IV	277,020
3-27-86	Hoffman Enterprises	154,080	7,704	146,376	3.213	1,204,138	I	927,118
7-1-86	Scrafford Enterprises	97,500	4,875	92,625	1.95	1,296,763	I	1,019,743
8-22-86	Robert J. Higgins	100,000	5,000	95,000	2.0	1,391,763	I	1,114,743
10-3-86	Washington Avenue Ventures	363,550	18,178	345,372	4.270	1,737,135	II	345,372
10-3-86	Washington Avenue Ventures	132,020	6,601	125,419	1.407	1,862,554	II	470,791
12-19-86	H. B. Oren, Jr.	137,000	6,850	130,150	2.740	1,992,704	IV	407,170
12-29-86	P.B.S., A General Partners	375,000	18,750	356,250	7.5	2,348,954	III	356,250
6-18-87	Philomena Valentine	103,560	-0-	103,560	2.58	2,452,514	III	459,810
7-2-87	Sotile Builders	120,000	-0-	120,000	3.0	2,572,514	III	579,810
11-2-87	Windsor Karner Props.	200,000	20,000	180,000	2.5	2,752,514	IV	587,170
11-2-87	Scrafford Enterprises	190,000	9,500	180,500	3.377	2,933,014	I	1,295,243