

**STATE OF NORTH CAROLINA**

**BEFORE THE ASSISTANT SECRETARY  
OF REVENUE FOR ADMINISTRATIVE  
TAX HEARINGS**

**COUNTY OF WAKE**

**IN THE MATTER OF:**

The Proposed Assessment of Sales and Use )  
Tax for the period November 1, 2002 through )  
September 30, 2005, by the Secretary of )  
Revenue )  
 )  
vs. )  
 )  
Taxpayer )

**FINAL DECISION**  
Docket No. 2006-298

This matter was reviewed by the Assistant Secretary of Revenue, Eugene J. Cella, in the City of Raleigh, upon application for hearing by ("Taxpayer"). The Taxpayer waived her right to appear in person for the hearing, and the matter of the administrative tax hearing was handled by written communications between the Assistant Secretary and the Taxpayer.

Pursuant to G.S. 105-241.1, the Department mailed a Notice of Sales & Use Tax Assessment to the Taxpayer on February 28, 2006. The Taxpayer's representative objected to the assessment in a letter dated March 21, 2006 and timely requested a hearing.

**ISSUE**

The issue to be decided is as follows:

Are the fees charged by the Taxpayer for the design consultation, selection, and preparation considered part of the sales price of the tangible personal property the Taxpayer sold to the same customers and, therefore, subject to sales and use tax?

## EVIDENCE

The following items were introduced into evidence by the Department:

- (1) Memorandum dated May 16, 2001 from the Secretary of Revenue to the Assistant Secretary of Administrative Tax Hearings, designated as Exhibit E-1.
- (2) Copy of Auditor's Report Sales and Use Tax dated February 22, 2006, covering the period November 1, 2002 through September 30, 2005, designated as Exhibit E-2.
- (3) Copy of Auditor's Report Sales and Use Tax – Amendment dated August 23, 2006, covering the period November 1, 2002 through September 30, 2005, designated as Exhibit E-3.
- (4) Copy of Notice of Sales and Use Tax Assessment dated February 28, 2006, designated as Exhibit E-4.
- (5) Copy of Amended Notice of Sales and Use Tax Assessment dated August 29, 2006, designated as Exhibit E-5.
- (6) Copy of letter dated March 21, 2006, from the Taxpayer's Representative to the Department, along with a copy of Form Gen. 58, Power of Attorney and Declaration of Representative, signed and dated September 12, 2005, designated as Exhibit E-6.
- (7) Copy of letter dated May 24, 2006, from the Sales and Use Tax Division to the Taxpayer's Representative, designated as Exhibit E-7.
- (8) Copy of letter dated June 12, 2006, from the Taxpayer's Representative to the Sales and Use Tax Division, along with the following attachments:
  - (a) Taxpayer's invoice numbered 5030, dated June 7, 2004.
  - (b) Taxpayer's invoice numbered 5065, dated August 17, 2004.
  - (c) Taxpayer's voided sales order numbered 1002, dated June 14, 2004.

All of the above are designated Exhibit E-8.

- (9) Copy of letter dated July 17, 2006, from the Sales and Use Tax Division to the Taxpayer's Representative, designated Exhibit E-9.
- (10) Copy of letter dated August 3, 2006, from the Sales and Use Tax Division to the Taxpayer's Representative, designated Exhibit E-10.

- (11) Copy of letter dated September 20, 2006, from the Taxpayer to the Sales and Use Tax Division, designated Exhibit E-11.
- (12) Copy of letter dated October 5, 2006, from the Sales and Use Tax Division to the Taxpayer, designated Exhibit E-12.
- (13) Copy of Application For Sales And Use Tax Registration And Annual Wholesale License for [Taxpayer as sole proprietor], now president of Taxpayer, signed on June 27, 1984, designated Exhibit E-13.
- (14) Copy of Taxpayer's Statements numbered 4906 and 4922, and Sales Order numbered 9984, all related to Taxpayer's transactions with one of its customers, designated Exhibit E-14.
- (15) Copy of Taxpayer's Invoice numbered 4911 and Sales Order Number 9986, all related to Taxpayer's transactions with one or its customers, designated Exhibit E-15.
- (16) Copy of Taxpayer's Statement numbered 4908, Invoices numbered 4978 and 5013, and Sales Orders numbered 9955 and 10010, all related to Taxpayer's transactions with one of its customers, designated Exhibit E-16.
- (17) Copy of Taxpayer's Invoices numbered 5005, 5019, 5054, 5071, 5082, 5135-a, 5138. 5138-a, and 5167, and Sales Orders numbered 10001, 10013, 10024, 10031, 10035, 10037, 10044, 10048, 10049, and 10051, all related to Taxpayer's transactions with one of its customers, designated Exhibit E-17.
- (18) Copy of Secretary's Final Decision Docket Number 95-49, designated Exhibit E-18.
- (19) Copy of letter dated November 1, 2006, from the Assistant Secretary of Revenue to the Taxpayer, designated Exhibit E-19.
- (20) Copy of letter dated January 2, 2007, from the Taxpayer to the Assistant Secretary of Revenue, designated Exhibit E-20.
- (21) Copy of letter dated January 8, 2007, from the Assistant Secretary of Revenue to the Taxpayer, designated Exhibit E-21.
- (22) Copy of letter dated February 5, 200[7], received February 5, 2007, from the Taxpayer's representative to the Assistant Secretary of Revenue, designated Exhibit E-22.
- (23) Copy of letter dated February 6, 2007, form the Assistant Secretary of Revenue to the Taxpayer's Representative, designated Exhibit E-23.

- (24) Copy of letter dated February 9, 2007, from the Taxpayer's Representative to the Assistant Secretary of Revenue, designated Exhibit E-24.
- (25) Copy of note dated May 7, 2007, received via facsimile, from the Taxpayer to the Assistant Secretary of Revenue, designated Exhibit E-25.
- (26) Copy of letter dated May 8, 2007, from the Assistant Secretary of Revenue to the Taxpayer, designated Exhibit E-26.

The following additional item was introduced into evidence by the Taxpayer:

- (27) Letter dated June 6, 2007, from the Taxpayer to the Assistant Secretary of Revenue, designated as Exhibit TP-1.

Evidence presented by the Sales and Use Tax Division in response to the Taxpayer's brief consisted of:

- (28) Memorandum from the Sales and Use Tax Division to the Assistant Secretary of Revenue dated June 7, 2007, designated Exhibit ST-1.

### **FINDINGS OF FACT**

Based on the foregoing evidence of record, the Assistant Secretary makes the following findings of fact:

- (1) In addition to providing interior design consultations, the Taxpayer sells tangible personal property such as mirrors, bookcases, rugs, lamps, artwork, wall coverings, and other furnishings to some customers.
- (2) The Taxpayer's president originally registered with the Department as a sole proprietorship for sales and use tax purposes on June 27, 1984.
- (3) The Taxpayer invoiced its customers for selection, preparation, and design consultation fees on one or more invoices, and separately invoiced the same customers for sales of tangible personal property such as mirrors, rugs, lamps, artwork, wall coverings, and other tangible personal property.

- (4) The Taxpayer's receipts from its operations as a retailer of home furnishings and other tangible personal property are substantial, with the retail sales being made almost exclusively to customers who also receive design and spacing consultation services from the Taxpayer.
- (5) "Selection" fees were charged when the Taxpayer's designer selected various options and data (such as color and styles) for a customer during a design consultation.
- (6) "Preparation" fees were invoiced when the designer researched and gathered data to be used during the design processes. The findings that resulted from the research were presented to a customer during a design consultation.
- (7) The Taxpayer collected sales tax on the total price listed on the invoices that included itemizations of tangible personal property sold but did not collect any sales tax on the related separately-invoiced selection, preparation, and other design consultation fees related to its sales of tangible personal property to its customers.
- (8) The Department assessed the Taxpayer for the State and county sales tax it failed to collect and remit to the Department on the selection, preparation, and other design consultation fees in connection with the sale of tangible personal property.
- (9) The Department did not assess tax on any transactions where a customer hired the Taxpayer solely for the purpose of providing design or spacing consultations and the Taxpayer sold no tangible personal property to that customer.
- (10) The Taxpayer provided documentation which indicated that one of the transactions upon which sales tax was assessed had been voided, and the assessment was amended to remove the liability assessed on that transaction.
- (11) The Taxpayer's basis of objection to the assessment is that its primary business is interior design development, including consultations related to space planning, and that it does not consider itself to be a retailer soliciting sales of tangible personal property from its customers. The Taxpayer further contends that the fees associated with its primary business are not subject to sales tax because no sales of tangible personal property occur at the exact time the Taxpayer provides a customer with selection, design development, or consultation services.
- (12) A Notice of Sales and Use Tax Assessment dated February 28, 2006 was mailed to the Taxpayer.
- (14) The Taxpayer's representative objected to the assessment and timely requested a hearing by letter dated March 21, 2006.

## **CONCLUSIONS OF LAW**

Based on the foregoing findings of fact, the Assistant Secretary makes the following conclusions of law:

- (1) G.S. 105-164.3(35) provides that the term “retailer” includes every person engaged in the business of making sales of tangible personal property at retail, either within or without this State, or soliciting or taking orders for sales, whether for immediate or future delivery, for storage, use or consumption in this State.
- (2) The Taxpayer is a retailer of tangible personal property.
- (3) G.S. 105-164.3(37) provides that the term “sales price” means the total amount or consideration for which personal property or services are sold, leased, or rented. The term includes the retailer’s labor or service costs, any other expense of the retailer, and charges by the retailer for any services necessary to complete a sale.
- (4) G.S. 105-164.4(a)(1) provides that the sales tax applies to the sales price of each item of tangible personal property.
- (5) The design services for which the Taxpayer invoiced selection, preparation, and other design consultation fees constitute part of the sales price of the tangible personal property the Taxpayer sold to its customers and, therefore, are subject to sales and use tax.
- (6) G.S. 105-164.4 imposes the State sales tax at the applicable rate on a retailer’s net taxable sales of tangible personal property. G.S. 105-467, G.S. 105-483, G.S. 105-498, and G.S. 105-517 levy the applicable local sales tax on sales of tangible personal property subject to the general State rate of tax.
- (7) In the Secretary of Revenue’s Final Decision Docket Number 95-49, the Secretary ruled that the statutory definition of “sales price” clearly includes any charges involved in fabricating, manufacturing, or delivering tangible personal property.
- (8) The Taxpayer’s sales of tangible personal property are not occasional or isolated occurrences.
- (9) The Notice of Proposed Assessment for the period November 1, 2002 through September 30, 2005 was properly issued pursuant to G.S. 105-241.1.
- (10) The Taxpayer is liable for the applicable State and county additional tax assessed.

**DECISION**

Wherefore the assessment is sustained in its entirety and is declared to be final and immediately due and collectable with interest as allowed by law.

Made and entered this 28<sup>th</sup> day of August 2007.

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Eugene J. Cella  
Assistant Secretary of Administrative Tax Hearings

**NORTH CAROLINA DEPARTMENT OF REVENUE  
SALES AND USE TAX DIVISION**

**BRIEF FOR TAX HEARING**

**DOCKET NO.:** 2006-298

**DATE SCHEDULED:** May 8, 2007 **HOUR:** 10:00 a.m.

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**TAXPAYER**

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**ADDRESS**

**SCHEDULE:** Sales and Use Tax **DATE OF ASSESSMENT:** February 28, 2006

**PERIOD COVERED:** November 1, 2002 Through September 30, 2005

**FILE NO.:** \_\_\_\_\_

	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
<b>STATE:</b>	\$ 7,531.69	\$0.00	\$ 743.44	\$ 8,275.13
<b>COUNTY:</b>	<u>\$ 4,160.44</u>	<u>\$0.00</u>	<u>\$ 410.67</u>	<u>\$ 4,571.11</u>
<b>TOTAL</b>	<u>\$11,692.13</u>	<u>\$0.00</u>	<u>\$1,154.11</u>	<u>\$12,846.24</u>

**FACTS**

The Taxpayer is as an interior designer in [City], North Carolina. In addition to providing interior design consultations, the Taxpayer sells tangible personal property such as mirrors, bookcases, rugs, lamps, artwork, wall coverings, and other furnishings to some of those customers. On February 22, 2006, the Department's auditor completed an examination of the Taxpayer's records and proposed to assess additional tax and interest in the above amounts. The additional tax primarily resulted from sales

tax assessed on the selection, preparation, and other design consultation fees the Taxpayer invoiced its customers but upon which it did not collect any sales or use tax.

A Notice of Sales and Use Tax Assessment was mailed by the Department to the Taxpayer on February 28, 2006. By letter dated March 21, 2006, the Taxpayer's representative timely objected to the assessment and requested a hearing before the Secretary of Revenue.

### **ISSUE**

The issue to be decided in this matter is as follows:

Are the fees charged by the Taxpayer for design consultation, selection, and preparation considered part of the sales price of the tangible personal property the Taxpayer sold to the same customers and, therefore, subject to sales and use tax?

### **SUMMARY**

G.S. 105-164.3(35) provides, in part, that the term "Retailer. - Means and includes every person engaged in the business of making sales of tangible personal property at retail, either within or without this State, or peddling the same or soliciting or taking orders for sales, whether for immediate or future delivery, for storage, use or consumption in this State and every manufacturer, producer or contractor engaged in business in this State and selling, delivering, erecting, installing or applying tangible

personal property for use in this State notwithstanding that said property may be permanently affixed to a building or realty or other tangible personal property. . . .”

G.S. 105-164.3(37) provides that the term “sales price” means “The total amount or consideration for which personal property or services are sold, leased, or rented. The consideration may be in the form of cash, credit, property, or services. The sales price must be valued in money regardless of whether it is received in money.” The term includes the retailer’s cost of the property sold, the cost of materials used, labor or service costs, interest, losses, all costs of transportation to the retailer, all taxes imposed on the retailer, any other expense of the retailer, charges by the retailer for any services necessary to complete the sale, delivery charges, installation charges, the value of exempt personal property given to the consumer when taxable and exempt personal property are bundled together and sold by the retailer as a single product or piece of merchandise, and credit for a trade-in.

G.S. 105-164.4 imposes the State sales tax at the applicable rate on a retailer’s net taxable sales of tangible personal property. G.S. 105-467, G.S. 105-483, G.S. 105-498, and G.S. 105-517 levy the applicable local sales tax on sales of tangible personal property subject to the general State rate of tax.

The Taxpayer’s president, [Taxpayer], originally registered with the Department as a sole proprietorship for sales and use tax purposes on June 27, 1984. On her Application For Sales And Use Tax Registration And Wholesale License, she indicated that she would be making retail sales. During the audit period, the Taxpayer invoiced its

customers for selection, preparation, and design consultation fees on one or more invoices, and would separately invoice the same customers for the sale of tangible personal property such as mirrors, rugs, lamps, artwork, wall coverings, and etc. The Taxpayer collected sales tax on the total price listed on the invoices that included itemizations of the tangible personal property sold but did not collect any sales tax on the related, but separately-invoiced, selection, preparation, and other design consultation fees related to its sales of tangible personal property to its customers. “Selection” fees were charged when the Taxpayer’s designer selected various options and data (such as colors and styles) for a customer to review during a design consultation. “Preparation” fees were invoiced when the designer researched and gathered data to be used during the design processes. The findings that resulted from the research were presented to a customer during a design consultation.

The Taxpayer contends that its primary business is interior design development, including consultations related to space planning, and that it does not consider itself a retailer soliciting sales of tangible personal property from its customers. The Taxpayer has no reasonable expectation that any of its customers will request that they purchase tangible personal property on their behalf. It is the Taxpayer’s position that the fees associated with the primary business of interior design development and space planning consultation are not subject to sales tax because no sales of tangible personal property occur at the exact time the Taxpayer provides a customer with selection, design development, or consultation services. The Taxpayer also objects to the fact that the examining auditor could not provide documentation explaining at what point the design fee or consultation fee becomes subject to sales and use tax. The Taxpayer has

reviewed the Secretary of Revenue's Final Decision Docket Number 95-49, and it argues that the tax issues addressed in that Final Decision do not pertain to it because the taxpayer referred to in the Final Decision is a retailer that also provides design consultations which are directly related to sales of personal property. The Taxpayer contends that it is not a retailer; therefore, nothing in the Final Decision applies to it.

The Department disagrees with the Taxpayer's position. The Taxpayer's primary business may be interior design development and space planning consulting. However, it appears that its receipts from its operations as a retailer of home furnishings and other tangible personal property are substantial, with the retail sales being made almost exclusively to customers who also receive design and spacing consultation services from the Taxpayer. We do not find the Taxpayer's sales of tangible personal property to be occasional or isolated occurrences.

G.S. 105-164.4 provides that the sales tax is imposed on the sales price of each item or article of tangible personal property sold at retail. G.S. 105-164.3(37) defines the term "sales price" to include labor or service costs, charges by the retailer for any services necessary to complete the sale, and any other expense of the retailer. In Final Decision Docket Number 95-49, the Secretary ruled that the statutory definition of "sales price" clearly includes any charges involved in fabricating, manufacturing, or delivering tangible personal property. The design charges at issue in that taxpayer's case directly resulted in the selling and delivering of items to that taxpayer's customers; therefore, they constituted a part of the sale price of those items and were subject to sales and use tax.

Some of the Taxpayer's customers may hire it solely for the purpose of providing design or spacing consultations, and we agree that when the Taxpayer provides only those services to one of its customers, the charges for those services are not associated with a sale of tangible personal property and are exempt from sales and use tax. However, when the Taxpayer provides design or spacing consultation services and, concurrent or subsequent to providing those services, it sells the same customer tangible personal property, it is our position that the design or spacing consultation is one of its labor or service costs directly associated with its retail sale of tangible personal property to that customer. The Taxpayer's design, selection, preparation, and other consultation fees directly result in its sales of tangible personal property to many of its customers. Therefore, all of the fees it charges to customers to which it sells tangible personal property are subject to the sales or use tax, under the provisions of G.S. 105-164.3(37).

As a retailer, the Taxpayer did collect some sales tax on its retail sales of tangible personal property during the audit period; however, it did not collect sales tax on the selection, preparation, and other design consultation fees it charged to customers to which it sold tangible personal property. It is our position that the Taxpayer's design and other consultation services directly result in its sales of tangible personal property; therefore, when the Taxpayer sells a customer tangible personal property, all of its fees to that customer are associated with the sales of tangible personal property, are part of the sales price of that property, and are subject to sales or use tax.

The Taxpayer has requested that the Department provide guidance as to how it should report sales and use tax on design consultation, selection, and preparation fees that are invoiced to a customer prior to the sale of tangible personal property. The Taxpayer has argued that the examining auditor advised it that the only design fees that would be subject to sales or use tax would be fees occurring within three months of the sale of tangible personal property. The auditor has advised the Sales and Use Tax Division that she used the three months guideline for the purposes of her audit examination only and did not assess any sales or use tax when more than three months separated the last design consultation the Taxpayer had with a particular customer and the first invoice for a sale of tangible personal property to that same customer.

Under the provisions of G.S. 105-164.3(37) and G.S. 105-164.4, there is no time limit specified regarding when service, labor, or materials costs are incurred by a retailer and the actual sale of tangible personal property by the retailer is consummated. Therefore, any selection, preparation, design consultation and related services the Taxpayer provides to a customer to whom it also sells tangible personal property would be considered labor or service costs associated with that sale of tangible personal property and would be subject to sales and use tax.

The Sales and Use Tax Division suggests that when the Taxpayer provides selection, preparation, and/or design consultation and related services to a customer but does not know whether or not the customer will ultimately purchase tangible personal property from it, then its receipts for those services would not initially appear

on the Taxpayer's sales and use tax reports. If the customer later purchases tangible personal property from the Taxpayer, then, under the provisions of G.S. 105-164.3(37), all of the design consultation, selection, preparation, and related fees charged to that customer would be considered to be part of the sales price of that property. Therefore, all of the receipts associated with the sale of tangible personal property would be included on the Taxpayer's sales tax report for the period during which the Taxpayer receives cash or other payment for the tangible personal property sold.

The Taxpayer provided documentation which indicated that one of the transactions upon which sales tax was assessed was voided and that the customer in question purchased no tangible personal property from the Taxpayer. The examining auditor has amended the assessment to remove the liability assessed on that transaction.

Therefore, it is the Sales and Use Tax Division's position that the tax and interest assessed in the amended assessment is correct and should be sustained in its entirety.

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DIVISION DIRECTOR

## EXHIBITS

- E-1 Memorandum dated May 16, 2001, from the Secretary of Revenue to the Assistant Secretary of Administrative Hearings.
- E-2 Copy of Auditor's Report Sales and Use Tax dated February 22, 2006, covering the period November 1, 2002 through September 30, 2005.
- E-3 Copy of Auditor's Report Sales and Use Tax – Amendment dated August 23, 2006, covering the period November 1, 2002 through September 30, 2005.
- E-4 Copy of Notice of Sales and Use Tax Assessment dated February 28, 2006.
- E-5 Copy of Amended Notice of Sales and Use Tax Assessment dated August 29, 2006.
- E-6 Copy of letter dated March 21, 2006, from the Taxpayer's Representative to the Department, along with a copy of Form Gen. 58, Power or Attorney and Declaration of Representative, signed and dated September 12, 2005.
- E-7 Copy of letter dated May 24, 2006, from the Sales and Use Tax Division to the Taxpayer's Representative.
- E-8 Copy of letter dated June 12, 2006, from the Taxpayer's Representative to the Sales and Use Tax Division, along with the following attachments:
  - (a) Taxpayer's invoice numbered 5030, dated June 7, 2004.
  - (b) Taxpayer's invoice numbered 5065, dated August 17, 2004.
  - (c) Taxpayer's voided sales order numbered 10002, dated June 16, 2004.
- E-9 Copy of letter dated July 17, 2006, from the Sales and Use Tax Division to the Taxpayer's Representative.
- E-10 Copy of letter dated August 3, 2006, from the Sales and Use Tax Division to the Taxpayer's Representative.
- E-11 Copy of letter dated September 20, 2006, from the Taxpayer to the Sales and Use Tax Division.
- E-12 Copy of letter dated October 5, 2006, from the Sales and Use Tax Division to the Taxpayer.
- E-13 Copy of Application For Sales And Use Tax Registration And Annual Wholesale License for [Taxpayer as sole proprietor], now president of Taxpayer, signed on June 27, 1984.

- E-14 Copy of Taxpayer's Statements numbered 4906 and 4922, and Sales Order numbered 9984, all related to Taxpayer's transactions with one of its customers.
- E-15 Copy of Taxpayer's Invoice numbered 4911 and Sales Order Number 9986, all related to Taxpayer's transactions with one of its customers.
- E-16 Copy of Taxpayer's Statement numbered 4908, Invoices numbered 4978 and 5013, and Sales Orders numbered 9955 and 10010, all related to Taxpayer's transactions with one of its customers.
- E-17 Copy of Taxpayer's Invoices numbered 5005, 5019, 5054, 5071, 5082, 5135-a, 5138, 5138-a, and 5167, and Sales Orders numbered 10001, 10013, 10024, 10031, 10035, 10037, 10044, 10048, 10049, and 10051, all related to Taxpayer's transactions with one of its customers.
- E-18 Copy of Secretary's Final Decision Docket Number 95-49.
- E-19 Copy of letter dated November 1, 2006 from the Assistant Secretary of Revenue to the Taxpayer.
- E-20 Copy of letter dated January 2, 2007 from the Taxpayer to the Assistant Secretary of Revenue.
- E-21 Copy of letter dated January 8, 2007 from the Assistant Secretary of Revenue to the Taxpayer.
- E-22 Copy of letter dated February 5, 200[6], received February 5, 2007, from the Taxpayer's representative to the Assistant Secretary of Revenue.
- E-23 Copy of letter dated February 6, 2007 from the Assistant Secretary of Revenue to the Taxpayer's Representative.
- E-24 Copy of letter dated February 9, 2007 from the Taxpayer's Representative to the Assistant Secretary of Revenue.

Account ID:  
FID:  
Docket No.: 2006-298

[Taxpayer]

**SCHEDULE OF ADDITIONAL SALES AND USE TAX LIABILITIES**

	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
<b>STATE:</b>	\$ 7,005.58	\$0.00	\$ 882.68*	\$ 7,888.26
<b>COUNTY:</b>	<u>\$ 3,869.83</u>	<u>\$0.00</u>	<u>\$ 487.59</u>	<u>\$ 4,357.42</u>
<b>TOTAL</b>	\$10,875.41	\$0.00	\$1,370.27	\$12,245.68
<b>Less Payment:</b>				\$ 426.18
<b>Interest to May 8, 2007</b>				<u>\$ 551.29</u>
<b>Total Tax, Penalty and Interest to May 8, 2007</b>				<u>\$12,370.79</u>

\*Interest Through August 29, 2006